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ALLTEL Statement No. 2R

2/10/04 Hlg JK

Before the  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

DOCKETED

FEB 23 2004

In the matter of: )  
)  
Petition of Cellco Partnership d/b/a Verizon )  
Wireless For Arbitration Pursuant to Section )  
252 of the Telecommunications Act of 1996 )

Docket No. A-310489F7004

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REBUTTAL TESTIMONY OF CESAR CABALLERO

- 1 Q. Please state your name and business address.
- 2 A. My name is Cesar Caballero. I am the Director of Access and Costing for
- 3 ALLTEL Communications. My business address is One Allied Drive, Little
- 4 Rock, Arkansas 72202.
- 5 Q. Are you the same Cesar Caballero that submitted direct testimony in this
- 6 case on behalf of ALLTEL Pennsylvania, Inc. ("ALLTEL")?
- 7 A. Yes.
- 8 Q. What is the purpose of your rebuttal testimony?
- 9 A. The purpose of this testimony is to rebut certain aspects of the direct testimony
- 10 proffered by Don J. Wood on behalf of Verizon Wireless in Verizon Wireless
- 11 Statement No. 2 and to a limited extent certain of the testimony of Marc Sterling.
- 12

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## DOCUMENTATION

1

2 **Q. Do you agree with Mr. Wood's assertion that ALLTEL has not provided any**  
3 **documentation of the models operation?**

4 A. No, ALLTEL provided significant documentation. However, the model by design  
5 is transparent and easy to understand. Each line in the element cost calculations  
6 contains a source reference explaining the calculation formula or cost information  
7 source. The model normally has been able to be clearly followed by anyone with  
8 a basic knowledge of Excel spreadsheets. Consistent with our established practice  
9 with other carriers, we did not provide detailed written documentation because the  
10 model's structure is so open. All cost variables and investment data flow from the  
11 Input page. Backup for numbers on the Input page was all contained in the  
12 Support Documentation file provided by ALLTEL.

13

## EMBEDDED COSTS

14 **Q. Do you agree with Mr. Wood's assertion on page 10, that the model**  
15 **developed by ALLTEL converts embedded investment to forward looking**  
16 **investment through the application of factors?**

17 A. Yes. However, the factors used were based on forward looking investment  
18 information from previously completed TELRIC studies in other jurisdictions.  
19 This was done because ALLTEL had not completed its development of forward  
20 looking investment for its Pennsylvania study area. Regardless, ALLTEL did not,  
21 as Mr. Wood claims, present an embedded study nor did it use embedded

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1 investment in its initial TELRIC analysis. For example as can be seen in the  
2 “Switch FL Book” tab of the Excel support spreadsheet provided earlier by  
3 ALLTEL, forward looking switch investment has been determined to be 37.37%  
4 less than the embedded level for 843 switching centers. This percentage is then  
5 applied by the model to the embedded switching of \$110 million in Pennsylvania  
6 to estimate the forward looking end office investment of \$69 million. Mr.  
7 Wood’s assertions aside, neither the Act nor the FCC rules prohibit the use of  
8 embedded investment as one factor in the estimation of forward looking  
9 investment. As Mr. Wood should know, the use of embedded values as a starting  
10 point in the estimation of forward looking expense is very common and  
11 considered appropriate in TELRIC analysis. The same procedure used to estimate  
12 forward looking investment is equally appropriate as an indirect approach if a  
13 TELRIC study for a specific study area is not available.

14 **Q. Does the model structure presented by ALLTEL reflect a traditional**  
15 **TELRIC framework?**

16 **A.** Yes. TELRIC models are a relatively recent variation of standard long run  
17 incremental cost (LRIC) analysis. The general format is to estimate forward-  
18 looking investment and estimate forward-looking expense associated with that  
19 investment. Forward looking expenses are generally derived by applying forward-  
20 looking expense factors that are developed in part from embedded expense data.  
21 These expense factors are designed to account for maintenance expense, network

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1 operations expense, wholesale billing expense, taxes and depreciation. TELRIC  
2 models define the increment as total demand and are designed to also recover a  
3 reasonable share of overheads/common costs and allow for a reasonable profit.  
4 For each interconnection element the ALLTEL model follows these steps. For  
5 example, the tab labeled "EO Switching" starts first by estimating the appropriate  
6 forward-looking investment (lines 1 – 21) and then develops forward-looking  
7 expense by applying forward-looking expense, tax, depreciation, common cost  
8 and return factors to the estimated forward-looking investment (lines 22-37).  
9 Total expense is then reduced to a per unit rate by dividing by total demand in  
10 minutes (lines 38 -40). This procedure is followed for each element.

11 **Q. Since ALLTEL provided the model reviewed by Mr. Wood has a**  
12 **Pennsylvania-specific TELRIC model been completed?**

13 A. Yes. As Verizon Wireless was aware, ALLTEL was in the process of developing  
14 a Pennsylvania-specific model. The model is the same as provided earlier except  
15 it includes forward looking investment values developed specifically for the  
16 Pennsylvania study area. In addition ALLTEL has reflected Pennsylvania other  
17 specific inputs. ALLTEL's model provides transport and termination rates, based  
18 on forward looking investment data specific to Pennsylvania. This study meets  
19 the FCC requirements for development of forward-looking costs. A proprietary  
20 copy of the model is attached to my rebuttal testimony as Exhibit CC-2.

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1 **Q. What rates do you propose in Exhibit CC-2 for transport and termination**  
2 **for ALLTEL?**

3 **A. ALLTEL is proposing the following reciprocal compensation rates for transport**  
4 **and termination of traffic with Verizon Wireless:**

5

6 [BEGIN PROPRIETARY]  
7 Type 2A Direct Connection:  
8 Type 2B Direct Connection:  
9 Type 1 Direct Connection:  
10 Indirect Connection:  
11 [END PROPRIETARY]  
12

13 **Q. Do you have a response to Mr. Wood's assertion on page 11 that the**  
14 **ALLTEL model (CC Exhibit 1) does not attempt to develop a "lowest-cost**  
15 **network configuration", is based on embedded costs and does not comply**  
16 **with the requirements set forth in Section 51.505 of the FCC rules?**

17 **A. Yes. ALLTEL's model optimizes the network using existing wire center**  
18 **locations as required by the FCC rules<sup>1</sup>. The model uses ALLTEL's existing**  
19 **engineering practices to re-engineer the network and provide the most efficient**  
20 **means to provide service to our customers. Existing cable routes are used but**  
21 **modified to provide the most efficient size and gauge of cable. All feeder cable**  
22 **routes and interexchange facilities utilize fiber cable. All distribution cable routes**

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<sup>1</sup> See 47 C.F.R. §51.505(b)(1)

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1 utilize copper cable. All switching facilities utilize digital technology. To  
2 determine the switch size is determined by forecasting lines and trunks for over  
3 the next five years. Switching costs are determined by using current vendor  
4 prices, including all applicable discounts. Investment costs for engineered,  
5 furnished and installed (EF&I) materials are based on the quantity of materials  
6 required to provide service to future customers times current vendor prices. This  
7 is consistent with TELRIC models used in the industry and approved by state  
8 commissions.

9 **Q. Mr. Wood is critical on page 9 that the ALLTEL model was not detailed**  
10 **from the standpoint of operation or the inputs and assumptions used. Would**  
11 **you comment?**

12 A. Yes. The model presented was clearly of sufficient detail to be understood by a  
13 party with Verizon Wireless purported expertise. Notwithstanding and to be  
14 certain that there is no misunderstanding of the model, I will explain its  
15 development in greater detail in response to Mr. Wood's concerns. Although we  
16 believe it is self evident from the model, I will attempt to detail in narrative  
17 fashion how the model works. There are separate modules to develop forward-  
18 looking costs for loops, switching and interoffice transmission. I will explain how  
19 each of these modules optimizes and re-prices the network and how they are used  
20 to provide the transport and termination rates listed in Page 5 of my rebuttal  
21 testimony. It is important to note that the systems discussed below in which the

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1 ALLTEL model relies on for the estimation of forward looking investment were  
2 not developed for the purpose of estimating TELRIC costs. In this sense the  
3 ALLTEL model is free of much of the bias inherent in models designed expressly  
4 for TELRIC proceedings. They are instead the systems used by ALLTEL to design  
5 and cost out its actual network expansion and replacement projects. Given the  
6 realities of corporate capital budgeting, these systems are designed to develop  
7 least cost alternatives. In the non-hypothetical world, if the project is not designed  
8 in the least cost most, efficient manner it runs the risk of not be accepted.

## 9 Loop Costs

- 10 1. Existing loop facilities are downloaded from the ALLTEL  
11 engineering records (CAD/E system) and imported into an access  
12 database. Access line and circuit electronics information is also  
13 downloaded into this database.
- 14 2. Cable and Wire data is sorted and grouped in order to combine  
15 multiple cables in the same route into a single larger cable. The  
16 resulting cables are then converted to standard cable sizes.
- 17 3. The results in Step 2 are then processed through a program that  
18 identifies feeder routes and selects copper cable exceeding 100 or  
19 200 pairs in size for conversion to fiber feeder cable. A portion of  
20 the copper is retained for future distribution cable. Fiber size is set  
21 at 48 fibers in small exchanges (under 5,000 access lines) and 72

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- 1 for larger exchanges. These results are saved in a summary file for  
2 input to the pricing program (Step 5 below).
- 3 4. The summary file in Step 3 is also used to determine the number of  
4 Digital Line Concentrators (DLC) to be used in the re-built  
5 network. Fiber feeder cables are grouped together by major lead  
6 and then totaled. Totals by lead are divided by 18,000 feet and the  
7 rounded result determines the number of DLCs for that lead. DLC  
8 totals are summarized in a report and priced out in the switching  
9 model.
- 10 5. The Outside Plant Engineering group provides the Work Order  
11 Management System (WOMS) for use in developing TELRIC  
12 costs. The WOMS model contains a price book that lists the  
13 components and current prices for each segment of outside plant.  
14 The prices listed in the WOMS system are multiplied by the re-  
15 built network quantities to arrive at the forward-looking material  
16 cost. Access line data is used to calculate the number of drop wires  
17 to be included in the cost calculations.
- 18 6. A summary report is generated for entry into the TELRIC input  
19 database.
- 20 *Switching*



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- 1           1.     Access lines, circuit and trunking information is obtained from the  
2                     ALLTEL engineering databases. This information is used to  
3                     determine line card quantities.
- 4           2.     Five-year line and trunk forecast information is obtained from  
5                     network engineering. This file included switch wire lines,  
6                     equipped lines, peripherals, standard and special features required  
7                     to price the new switch.
- 8           3.     The switching model develops switch equipment costs based on  
9                     Northern Telecom (Nortel) most current digital switch price list per  
10                    the input filed developed in the previous steps. Prices for  
11                    switching equipment not provided by Nortel is obtained from  
12                    current price lists provided by ALLTEL Supply. All applicable  
13                    vendor discounts are applied in this step.
- 14          4.     DLCs costs are calculated using a model provided by CALIX.  
15                    This model uses the latest available digital technology and size  
16                    requirements. The number of DLCs was calculated in Step 4 of the  
17                    Loop costs.
- 18          5.     A summary of these costs is produced for input into the TELRIC  
19                    input database.

### 20           Interoffice Transmission Facilities

- 21           1.     Existing interexchange facilities are summarized.

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- 1                   2.     The volume of trunking and levels of optic service being provided  
2                             are obtained from the Access Services and Provisioning System  
3                             (ASAP).
- 4                   3.     Routes containing copper facilities are re-built and replaced with  
5                             fiber.
- 6                   4.     The summarized information is entered into a database to develop  
7                             costs.
- 8                   5.     The WOMS system is used to calculate the costs of interexchange  
9                             facilities and termination equipment.
- 10                  6.     A summary report is generated for entry into the TELRIC input  
11                             database.

## *Forward Looking Demand*

- 13                  1.     Minute of use information is downloaded from the Carrier Access  
14                             Billing Records (CABS), annualized and entered into the TELRIC  
15                             input database.
- 16                  2.     Loop information is summarized in the Loop module described  
17                             above. This summary included loop counts and cable distances for  
18                             the forward looking network.
- 19                  3.     Growth rates are developed from line and trunk forecasts  
20                             developed in the switching process. These growth rates are applied

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1 to loops and minutes to determine forward looking demand  
2 amounts.

## 3 TELRIC Model Processing

- 4 1. Investment material costs, facilities information and demand  
5 information calculated in the loop, switching, interexchange  
6 facilities modules are imported into the TELRIC input database.
- 7 2. Investment for each element is calculated by applying sales tax, fill  
8 factor (capacity adjustment), Engineered Freight and Installation  
9 costs (EF&I) and power and common costs, and other minor  
10 materials to material costs imported in Step 1.
- 11 3. Sales tax is obtained from the "Factors Worksheet" which contains  
12 applicable sales tax rates for each state.
- 13 4. The fill rate is provided by the engineering group. This fill rate is  
14 used to provide additional capacity for growth or spares.
- 15 5. EF&I ratios are developed through analysis of historical  
16 *installation costs or from standard construction hours provided by*  
17 *the WOMS system.*
- 18 6. Power & Common ratios are contained on the "Factors  
19 Worksheet". These factors are the same factors used in embedded  
20 COE investment cost studies.
- 21 7. Other minor materials are those expended during construction.

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- 1           8.     Annual costs are calculated based on forward-looking investment.  
2                     Annual carrying charges include depreciation expense, return on  
3                     net investment, income taxes, direct expenses and common costs. I  
4                     provide additional detail relative to these costs in the next section.
- 5           9.     Annual costs are divided by twelve to obtain monthly costs.  
6                     Monthly costs are divided by the number of loops, ports, minutes  
7                     of use, or facilities as appropriate to arrive at the monthly network  
8                     element rate.

## *Annual Carrying Charges*

- 10           1.     Recorded regulated account information is imported into the  
11                     TELRIC model. This information is used to develop annual  
12                     carrying charges for direct expenses.
- 13           2.     Maintenance, network administration, testing, access costs and  
14                     property tax ratios are developed as a percentage of investment. A  
15                     forward-looking factor is applied to reflect anticipated operating  
16                     efficiencies of deploying a new lower cost network.
- 17           3.     Depreciation expense is calculated using the straight-line  
18                     depreciation method, estimated salvage and economic lives.  
19                     Economic lives are developed based on those used by ALLTEL's  
20                     deregulated operations.

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- 1           4.     Net investment is calculated by assuming a 50% average over the  
2                     useful life. An allowable return on investment is calculated by the  
3                     rate-of-return (11.25%) against net investment.
- 4           5.     Income taxes are calculated by applying an effective tax rate based  
5                     on state and federal tax rates. This calculation is shown on the  
6                     Input Description worksheet.
- 7           6.     Common costs include customer service, sales and marketing,  
8                     corporate and administrative, and general support facilities  
9                     expense. The retail portion of such expenses is removed.  
10                    Common costs are divided by the adjusted revenue requirement to  
11                    determine a percentage of expenses plus return and taxes. This  
12                    ratio is then applied against total return on investment, taxes,  
13                    depreciation and direct expenses.
- 14   **Q.     Do you agree with Mr. Wood's assertion, pages 10-11, that ALLTEL's study**  
15           **does not re-configure the ALLTEL network using the latest technology**  
16           **available?**
- 17   A.     No. As already discussed, ALLTEL's model uses underlying models that re-build  
18            the network using existing wire centers and the latest switching technology. We  
19            use current material prices and size the switches to handle current and forecasted  
20            demand. All inter-exchange transport facilities are converted to fiber, using  
21            existing routes, which are engineered to be most efficient. Transport termination

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1 equipment requirements are developed based on forecasted demand and priced out  
2 using an engineering model. This model is similar to what would be used for any  
3 network addition.

4 **Q. Do you agree with Mr. Wood's conclusion, page 11, that switching and**  
5 **transport costs do not vary in relation to the geographic area served?**

6 A. No. It is important to note that Mr. Wood offers no evidence to support his  
7 claims. ALLTEL uses one standard price book, so our purchase costs do not vary  
8 from region to region. However, he fails to account for the fact that total element  
9 switching and transport costs will vary considerably due to geographical terrain  
10 differences, population density, local calling patterns, distances between  
11 exchanges or to connecting POP, and economies of scale. As will be explained  
12 in more detail below, these types of differences make it inappropriate to use  
13 benchmarks as the determining factor in setting rates for the ALLTEL study areas.  
14 Just as you would not expect embedded switching and transport costs to track  
15 across regions for the reasons cited above, nor should you expect forward-looking  
16 costs to track across disparate regions.

17 **Q. Do you agree with Mr. Wood, pages 13-14, that the costs and rates for**  
18 **Verizon Pennsylvania, Sprint or Frontier are representative of the costs and**  
19 **rates ALLTEL should charge?**

20 A. No. Certainly, Verizon Pennsylvania is not a rural carrier and its service  
21 territories are significantly different from ALLTEL's rural service territories in

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1 Pennsylvania. Mr. Wood has not explained how the Verizon PA, Sprint and  
2 Frontier cost characteristics are similar to ALLTEL's rural properties in  
3 Pennsylvania. Different companies have different embedded costs of operation  
4 and one would expect different forward looking costs as well. In addition,  
5 ALLTEL serves a much different and more rural, less dense geographic area. Mr.  
6 Sterling also proposes use of rates for some of these carriers as proxies which is  
7 unreasonable. If a proxy had to be used, a more reasonable proxy would be the  
8 rate Verizon Wireless agreed to with other rural ILECs such as Commonwealth at  
9 2¢ or NPTC at 1.9¢.

10 **Q. Are you familiar with Exhibit DJW-4?**

11 A. Yes. In that exhibit Mr. Wood lists a number of limitations he contends he  
12 encountered with the cost model once he had access to the passwords and the  
13 spreadsheets were not protected.

14 **Q. Do you agree the model contains limitations as described by Mr. Wood?**

15 A. Most of the limitations can be easily addressed. Many of the formulas are table  
16 driven, making it very easy to go to the source document by clicking on the drop  
17 down Name Range box on the formula bar. Most other formulas are explained in  
18 the source column. I will address each of the limitations Mr. Wood encountered  
19 once he had full access to the model.

20 1. *Options settings have to be manually changed in order to see basic Excel*  
21 *functionality, such as the formula bar.* The reason to hide the formula bar is

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1 to expand the view of the spreadsheet rather than hinder Mr. Wood's ability  
2 to analyze the formulas. To display the formula bar, all Mr. Wood had to do  
3 was to click the "Formula Bar" under the "View" dropdown box. Doing this  
4 would have displayed the formula bar for the entire model.

5 2. *Excel crashes if an attempt is made to copy and paste the spreadsheets into*  
6 *another workbook. Such process would allow more in-depth analysis*  
7 *without any possibility of corrupting the model code.* This is a limitation in  
8 Excel not an attempt by ALLTEL to prevent Mr. Wood from performing an  
9 in-depth analysis. Because all the sheets in the workbook are interconnected,  
10 when Mr. Wood attempts to copy and paste individual sheets Excel will not  
11 recognize the links to other sheets and crashes. However, with access to the  
12 passwords as given to Verizon Wireless, all he had to do to perform an in-  
13 depth analysis was to save the entire model with a different name. Mr. Wood  
14 could have then made changes he deemed necessary without corrupting any  
15 of the original model codes.

16 3. *Only a limited number of inputs can be changed. The subset of inputs that*  
17 *can be changed does not include the inputs most likely to impact results.* All  
18 inputs can be changed, since everything flows from the Input page.  
19 Furthermore, this page was not protected when the model was sent. While  
20 the inputs sheet has a message labeled "ONLY CHANGE AMOUNTS IN  
21 CELLS WITH RED FONT" and a limited number of cells are in red, this is



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1           for our own purpose rather than limiting Mr. Wood's ability to change the  
2           inputs. The entire input sheet was provided without any password protection  
3           and Mr. Wood could have changed any and all inputs in the inputs sheet.

4           4. *The model has been produced as separate spreadsheets whose links have been*  
5           *severed. Changes to the spreadsheet containing most of the primary inputs do not*  
6           *flow through to the results.* This statement is not accurate. Only links from  
7           source documents to the input page have been eliminated. This however should  
8           not impact the analysis because as mentioned in 3 above, Mr. Wood had the  
9           ability to change all inputs on the inputs page. Once changes to the inputs page  
10          are made, the model performs all the calculations and Mr. Wood could have seen  
11          the new results immediately.

12          **Q. Does this conclude your rebuttal testimony?**

13          **A.** Yes. However, as of the date this rebuttal testimony was due, ALLTEL was still  
14          awaiting a significant amount of discovery responses from Verizon Wireless. Therefore,  
15          I reserve the right to supplement this testimony to reflect Verizon Wireless's answers to  
16          ALLTEL's interrogatories as soon as practical after I have received and had a chance to  
17          review such answers

18

# DOCUMENT

ALLTEL Statement No. 3R  
Docket No. A-310489F7004

*2/10/04 Hbg-JX*

## PENNSYLVANIA PUBLIC UTILITY COMMISSION

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)  
Petition of Cellco Partnership d/b/a Verizon )  
Wireless For Arbitration Pursuant to Section )  
252 of the Telecommunications Act of 1996 )

Docket No. A-310489F7004

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### REBUTTAL TESTIMONY OF STEVEN E. WATKINS

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**Q: Please state your name, business address and telephone number.**  
**A:** My name is Steven E. Watkins. My business address is 2120 L Street N.W., Suite 520, Washington, D.C., 20037. My business phone number is (202) 296-8890.  
**Q: What is your current position?**  
**A:** I am the Telecommunications Management Consultant in the firm of Kraskin, Lesse & Cosson, LLC, which provides legal and consulting services to telecommunications companies.  
**Q: What are your duties and responsibilities at Kraskin, Lesse & Cosson, LLC?**  
**A:** I provide telecommunications management consulting services and regulatory assistance to smaller local exchange carriers ("LECs") and other smaller firms providing telecommunications and related services in more rural areas. My work involves assisting client LECs and related entities in their analysis of regulatory requirements and industry matters requiring specialty expertise; negotiating, arranging and administering connecting carrier arrangements; and more recently assisting clients in complying with the rules and regulations arising from the passage of the Telecommunications Act of 1996 (the "Act"). On behalf of many smaller independent local exchange carriers, I am involved in regulatory proceedings in

1 several other states examining a large number of issues with respect to the manner  
2 in which the Act should be implemented in those states. Prior to joining Kraskin,  
3 Lesse & Cosson, I was the senior policy analyst for the National Telephone  
4 Cooperative Association ("NTCA"), a trade association whose membership consists  
5 of approximately 500 small and rural telephone companies. While with NTCA, I  
6 was responsible for evaluating the then proposed Telecommunications Act, the  
7 implementation of the Act by the Federal Communications Commission ("FCC")  
8 and was largely involved in the association's efforts with respect to the advocacy of  
9 provisions addressing the issues specifically related to rural companies and their  
10 customers. I have been directly involved in the negotiation of interconnection  
11 agreements between LECs and Commercial Mobile Radio Service ("CMRS")  
12 providers since 1997.

13 **Q: Have you prepared and attached further information regarding your**  
14 **background and experience?**

15 **A:** Yes, this information is included in Exhibit A following my testimony.

16 **Q: On whose behalf are you testifying?**

17 **A:** I am testifying specifically on behalf of ALLTEL Pennsylvania, Inc. ("ALLTEL")  
18 in the proceeding captioned above.

19 **Q: What is the purpose of this Rebuttal Testimony?**

20 **A:** The purpose of this Rebuttal Testimony is to respond specifically to certain issues  
21 addressed by Verizon Wireless witness Sterling in his direct testimony at pages 4-14  
22 of his Verizon Wireless St. No. 1. My Rebuttal Testimony responds specifically to  
23 Mr. Sterling's discussion of, and incorrect conclusions about, the application of the

1 FCC's rules on what Mr. Sterling has called indirect traffic. Mr. Sterling's testimony  
2 blithely references sections of the Act and FCC Rules and then leaps to conclusions  
3 that are in fact inconsistent with the Act, the FCC Rules and related decisions.

4 **Q: Do you have any initial reaction to the direct testimony of Mr. Sterling?**

5 **A:** Yes. With respect to indirect interconnection, Mr. Sterling draws several  
6 significantly erroneous and misleading conclusions regarding the requirements of the  
7 1996 Act and the rules adopted by the FCC. Mr. Sterling fails to acknowledge or  
8 address explicit regulatory provisions that are directly in conflict with his stated  
9 positions. If one were to accept Mr. Sterling's incorrect assertions and conclusions  
10 without critical review, it would provide Verizon-Pennsylvania (the incumbent LEC,  
11 to be referred to as "Verizon ILEC") and its majority owned affiliate Verizon  
12 Wireless with unwarranted opportunities to impose anti-competitive conditions on  
13 ALLTEL and other similarly situated smaller LECs.

14 More specifically, my rebuttal testimony addresses Mr. Sterling's incorrect  
15 conclusions that, under the FCC's rules and the 1996 Act, incumbent LECs somehow  
16 have interconnection obligations that go beyond their existing local exchange carrier  
17 networks and local exchange carrier services; *i.e.*, that Verizon Wireless somehow  
18 has the right either to force ALLTEL (a) to build new facilities to meet Verizon  
19 Wireless at a distant point of interconnection beyond the network of ALLTEL and  
20 beyond ALLTEL's incumbent LEC service area, or (b) to buy a transport service  
21 from Verizon ILEC for transport of local exchange traffic to a distant interconnection  
22 point that Verizon Wireless has established with Verizon Wireline beyond the  
23 existing network of ALLTEL (*e.g.*, *see* Sterling at pp.11-12). Neither result is

1 required of ALLTEL by interconnection rules, and if ALLTEL were forced to  
2 comply with Verizon Wireless's unwarranted demands, ALLTEL would be  
3 subjected to more onerous interconnection conditions than apply to a Regional Bell  
4 company, including Verizon ILEC.

5 As demonstrated in this rebuttal testimony, contrary to the bold conclusions set forth  
6 repeatedly without support by Mr. Sterling in his direct testimony, the FCC and the  
7 courts have concluded that a LEC's interconnection obligations are solely with  
8 respect to, and limited to, its existing LEC network, not one to be built beyond its  
9 own existing network. Moreover, a LEC's interconnection obligations do not extend  
10 to another carrier's network beyond the LEC's incumbent service area. For these  
11 reasons alone, the Verizon Wireless proposals for ALLTEL to be responsible for the  
12 transport of its traffic to a distant location beyond ALLTEL's network must be  
13 rejected.

14 As I will explain below, Mr. Sterling improperly, in several instances, attempts to  
15 confuse the statutory and regulatory interconnection requirements, stretches them  
16 beyond their context, or simply omits relevant and contrary statements by the FCC  
17 and the courts. Mr Sterling's positions, if adopted, would allow Verizon Wireless  
18 and its affiliate Verizon ILEC to enjoy unwarranted competitive benefits by  
19 imposing disadvantageous obligations on ALLTEL.

1       **Q:    On pages 9-10 of his direct testimony, Mr. Sterling cites Section 251(a)(1) of the**  
2       **Act and FCC Rule 20.11 as relevant to the establishment of obligations with**  
3       **respect to indirect traffic. What relevance do these provisions of the Act and**  
4       **the FCC’s rules have with respect to indirect transit traffic?**

5       **A:    Mr. Sterling states his “legal” conclusion that ALLTEL and Verizon Wireless are**  
6       **required pursuant to Section 251(a)(1) of the Act and the FCC’s Rule 20.11 to**  
7       **interconnect their networks indirectly. My response to this statement is simply that**  
8       **ALLTEL and Verizon Wireless are already indirectly interconnected.**

9       ALLTEL is already indirectly interconnected by virtue of its ITORP interconnection  
10      with Verizon ILEC. Thus, ALLTEL is already in full compliance with the  
11      requirements of Section 251(a) of the Act establishing the duty to interconnect  
12      directly or indirectly with the facilities and equipment of other telecommunications  
13      providers. ALLTEL, with respect to indirect traffic, is already connected with  
14      Verizon ILEC and is most certainly willing to interconnect with any other carrier that  
15      may request interconnection.

16      Mr. Sterling, without any explicit conclusion, appears to attach some greater  
17      meaning and duties to the requirements of Section 251(a) of the Act than exist. The  
18      obligations established by Section 251(a) are general in nature. Section 251(a)  
19      simply identifies the general duty of carriers to interconnect directly and indirectly  
20      with other carriers via the public switched network and to use standard equipment  
21      and technical approaches that are compatible with other network participants. *See*  
22      47 U.S.C. § 251(a) and 47 C.F.R. § 51.100. This subsection of the Act and the  
23      FCC’s associated implementation rules (which essentially only repeat the words

1 contained in the Act) do not impose or even suggest any specific standards of  
2 interconnection, required hierarchical network arrangements (e.g., there is no  
3 requirement for a carrier to subtend a Bell company tandem and receive traffic  
4 commingled with interexchange carrier traffic), compensation arrangements,  
5 business relationships between and among the three parties involved in a transit  
6 service arrangement, or service obligations. The FCC has determined that  
7 interconnection, whether directly or indirectly, is separate and apart from any traffic  
8 exchange. See, e.g., 47 C.F.R. § 51.5 definition of “Interconnection” which states  
9 “[t]his term does not include the transport and termination of traffic.” Section 251(a)  
10 is a general statement separate and apart from the specific interconnection  
11 obligations and standards that are the subject of Sections 251(b) and (c).

12 ALLTEL is interconnected with Verizon ILEC for both direct and indirect purposes.  
13 However, this interconnection does not require the specific network and business  
14 arrangements, or the imposition of compensation responsibilities on ALLTEL to  
15 transport traffic to distant points of interconnection beyond the network of ALLTEL.  
16 Regarding Mr. Sterling’s reference to the FCC’s rule 20.11, Mr Sterling fails to note  
17 that the statutory basis and authority for this rule is with respect to physical  
18 interconnection between a wireless carrier and LEC. For the indirect transit traffic,  
19 Verizon Wireless has not requested a section 20.11 physical interconnection with  
20 ALLTEL. The FCC’s section 20 rules regarding interconnection are derived from  
21 the FCC’s implementation of Section 332 of the Act. See, e.g., *Second Report and*  
22 *Order, In the Matter of Implementation of Sections 3(n) and 332 of the*  
23 *Communications Act, Regulatory Treatment of Mobile Services, GN Docket No. 93-*

1 252. 9 FCC Rcd 1411 (1994). The FCC states, in adopting the section 20 rules on  
2 interconnection, that the Act requires the FCC “to respond to the request of any  
3 person providing commercial mobile radio service, and if the request is reasonable,  
4 the [FCC] shall order a common carrier to establish physical connections with such  
5 service pursuant to the provisions of Section 201 of the Communications Act. *Id.*  
6 at 1493 (para. 220), underlining added. *See also* 47 U.S.C. § 332(c)(1)(B) which  
7 provides the FCC with the authority to adopt these rules. The common carrier with  
8 which Verizon Wireless has established physical connections for purposes of indirect  
9 transit service traffic is Verizon ILEC, not ALLTEL. For the indirect traffic,  
10 Verizon Wireless has not requested any physical connection with the ALLTEL  
11 network.

12 Accordingly, neither Section 251(a) or 332(c)(1)(B) of the Act create requirements  
13 which would allow Verizon Wireless to demand that ALLTEL be responsible for  
14 the transport of traffic to distant locations to points of interconnection beyond the  
15 network of ALLTEL or to require interconnection arrangements proposed by  
16 Verizon Wireless not otherwise required under the actual and separate  
17 interconnection requirements.

18 **Q: Before you address further Mr. Sterling’s testimony regarding indirect**  
19 **interconnection, would you define what you mean by an indirect traffic**  
20 **arrangement in the context of the issues to be arbitrated in this proceeding?**

21 A. An indirect interconnection arrangement involves traffic that is consistent with the  
22 following conditions:



1 With respect to Verizon Wireless originated traffic, (1) Verizon Wireless has  
2 established physical, facilities interconnection and an interconnection agreement  
3 with Verizon ILEC; (2) Verizon ILEC receives traffic from Verizon Wireless over  
4 specific, dedicated interconnection facilities established between Verizon ILEC and  
5 Verizon Wireless; (3) Verizon ILEC switches Verizon Wireless's traffic through  
6 Verizon ILEC's tandem switch and combines the traffic with intraLATA,  
7 interexchange service, access traffic; and (4) Verizon ILEC delivers the relevant  
8 traffic to the end offices of ALLTEL over the same trunking facilities that Verizon  
9 ILEC uses for IntraLATA Toll Originating Responsibility Plan ("ITORP") traffic.

10 With respect to ALLTEL originated local exchange carrier service traffic destined  
11 to Verizon Wireless mobile users, (1) Verizon ILEC has established physical,  
12 facilities interconnection with ALLTEL under ITORP; (2) Verizon ILEC receives  
13 traffic from ALLTEL over the ITORP facilities; (3) Verizon ILEC switches this  
14 traffic through its tandem switch and combines the traffic with other interconnection  
15 traffic that Verizon ILEC delivers to Verizon Wireless; and (4) Verizon ILEC  
16 delivers the traffic to Verizon Wireless over the dedicated, physical interconnection  
17 trunks that Verizon ILEC has with Verizon Wireless.

18 For this so-called indirect traffic, Verizon Wireless has physical interconnection with  
19 Verizon ILEC and an interconnection point between its network and that of Verizon  
20 ILEC pursuant to a bilateral agreement between Verizon Wireless and Verizon  
21 ILEC. Also, Verizon ILEC has physical interconnection with ALLTEL and an  
22 interconnection point between its network and the network of ALLTEL pursuant to  
23 a long-standing relationship established under ITORP. For this indirect traffic,

1 ALLTEL has no facilities interconnection point between its network and the network  
2 of Verizon Wireless. This indirect traffic arrangement is separate and distinct from  
3 those instances of interconnection where Verizon Wireless has a physical connection  
4 with the network of ALLTEL. My rebuttal testimony discusses issues related  
5 exclusively to the indirect traffic arrangements and the obligations Mr. Sterling  
6 contends ALLTEL is under with respect to that traffic.

7 **Q: Do some carriers refer to this arrangement as “transit traffic”?**

8 **A:** Yes, some carriers describe the intermediary function performed by Verizon ILEC  
9 in the examples above as a “transit” service. For example, Mr. Sterling refers to this  
10 as “transiting service” on p. 11 of his direct testimony.

11 **Q: Does Mr. Sterling discuss compensation requirements with respect to**  
12 **interconnection between carriers?**

13 **A:** Yes. Mr. Sterling, *e.g.* on p. 6, refers to Section 251(b)(5) of the  
14 Telecommunications Act of 1996 and the FCC’s Section 51.701 rules regarding  
15 “reciprocal compensation” and uses them as the basis for his position on indirect  
16 traffic and transit cost responsibility.

17 **Q: What interconnection requirements and rules apply under Section 251(b)(5)?**

18 **A:** Section 251(b)(5) of the Telecommunications Act of 1996 sets forth the requirements  
19 for Reciprocal Compensation for transport and termination of telecommunications.  
20 The FCC’s Part 51 Subpart H rules specifically set forth the definitions, conditions,  
21 and scope of certain traffic that is subject to the application of the reciprocal  
22 compensation framework under the Act. *See* 47 C.F.R. § 51.221 (“The rules  
23 governing reciprocal compensation are set forth in subpart H of this part.”). For ease

1 of reference, I have attached a copy of the Subpart H rules as Exhibit B to this  
2 testimony.<sup>1</sup> While Mr. Sterling cites these requirements and rules, he draws  
3 conclusions from them that are either inconsistent with the rules themselves or are  
4 wholly unsupported by the rules he cites.

5 **Q: Do the FCC's Subpart H rules address transit traffic arrangements?**

6 **A:** No. The FCC's Subpart H rules regarding the transport and termination of traffic do  
7 not address, do not apply to, and cannot be applied logically to three party transit  
8 traffic arrangements. First, the Subpart H rules are confined to a situation where a  
9 *technically feasible interconnection point is established between two carriers, not*  
10 *two interconnection points among three different carriers.* Second, the FCC has  
11 explicitly acknowledged that its rules do not address "transit traffic" arrangements.  
12 Third, as discussed below, the FCC and the courts have concluded that the  
13 interconnection requirements that apply to incumbent LECs relate solely to  
14 obligations regarding their existing network and service area. These obligations do  
15 not apply to the network of another carrier in a different service area.

16 **Q: In what ways are the FCC's Subpart H rules inapplicable to a three-party**  
17 **transit traffic arrangement and thus do not impose the transit costs on**  
18 **ALLTEL?**

19 **A:** The Subpart H rules are confined to arrangements where an interconnection point is  
20 established between two carriers. Mr. Sterling admits this much at pp. 18-19 of his  
21 direct testimony when he states that the reciprocal compensation requirement

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<sup>1</sup>Some of the rules that appear in this exhibit, although none at issue here, are no longer valid as they have been vacated by the 8<sup>th</sup> Circuit Court of Appeals because of the FCC's lack of authority to adopt arbitrary default pricing.

1 imposed by the Act and implemented by the FCC's Subpart H rules "set up a system  
2 for two parties to establish arrangements and bill each other for traffic . . . ."  
3 (Underlining added.) Illogically, Mr. Sterling also suggests with no rational  
4 explanation that this two party system somehow means a transit arrangement that  
5 involves three or more parties.

6 Section 51.701 of the FCC's Subpart H rules sets forth the definitions, conditions,  
7 and scope of traffic which form the basis for the reciprocal compensation framework.  
8 By the explicit terms, the Subpart H Rules apply to a framework where an actual  
9 physical interconnection point is established between the networks of two carriers  
10 that are the parties to the compensation arrangement. These rules apply only after  
11 a request for such interconnection point and only after the interconnection point is  
12 established. The FCC's discussion in the adoption of these rules describes this  
13 Subpart H framework:

14 . . . [R]eciprocal compensation for transport and termination of calls in  
15 intended for a situation in which two carriers collaborate to complete a local  
16 call.

17  
18 . . . We define "transport" for purposes of Section 251(b)(5), as the  
19 transmission of terminating traffic that is subject to section 251(b)(5) from  
20 the interconnection point between the two carriers to the terminating carrier's  
21 end office switch that directly serves the called party . . . .

22  
23 In the Matter of Implementation of the Local Competition Provisions in the  
24 Telecommunications Act of 1996, *First Report and Order*, 11 FCC Rcd. 15499 (to  
25 be referred to as "*First Report and Order*") at paras. 1034 and 1039, underlining  
26 added.

27 I acknowledge the right of a CMRS provider to request interconnection pursuant to  
28 terms of Sections 251 and 252 and to establish the interconnection point on the

1 network of the rural LEC for these purposes. A CMRS provider may utilize its own  
2 facilities to establish an interconnection point pursuant to these rules or,  
3 alternatively, the CMRS provider may utilize another carrier's facilities (*e.g.*,  
4 Verizon ILEC) to establish an interconnection point for the purposes of transmitting  
5 traffic to and from the rural LEC's (ALLTEL's) network. The potential use of  
6 another carrier's facility to establish an interconnection point with a terminating  
7 carrier is, however, factually distinct from an arrangement whereby Verizon ILEC's  
8 intrastate interexchange service access arrangement is used to terminate traffic to  
9 ALLTEL under which the CMRS provider's traffic is commingled with other traffic  
10 and there is no distinct interconnection point between the LEC (*i.e.* ALLTEL) and  
11 the CMRS provider (*i.e.*, Verizon Wireless). There is no physical interconnection  
12 established that distinguishes the CMRS traffic from the Verizon ILEC ITORP  
13 access traffic carried over the common trunk group.

14 It is my understanding that ALLTEL has agreed to enter into an arrangement with  
15 Verizon Wireless under which a three-party transit traffic arrangement may be  
16 utilized. However, proper terms and conditions must be established that address all  
17 of the issues of such a three-party arrangement in a fair and reasonable manner.

18 **Q: If the definitions under the Subpart H rules are based on an interconnection**  
19 **point between the two carriers, at what point would ALLTEL be required to**  
20 **establish such an interconnection point with Verizon Wireless?**

21 **A:** ALLTEL is only required to establish an interconnection point with another carrier  
22 within ALLTEL's incumbent LEC service territory and at a technically feasible point  
23 on ALLTEL's existing incumbent LEC network.

1 The FCC's rules regarding "Interconnection" state that "[a]n incumbent LEC shall  
2 provide . . . interconnection with the incumbent LEC's network: (1) . . . ; (2) at any  
3 technically feasible point within the incumbent LEC's network . . . ." 47 C.F.R. §  
4 51.305, *underlining added*. The Act requirement to establish interconnection points  
5 with other carriers pertains to the LEC's actual network as confirmed by these FCC  
6 rules; a LEC has no requirement to establish a point of interconnection with another  
7 carrier at a point beyond its incumbent LEC network or at a point on some other  
8 carrier's network.

9 As discussed further herein, no LEC is responsible for interconnection or network  
10 arrangements outside of its own incumbent LEC service area network. An  
11 incumbent LEC's interconnection obligations only arise with respect to the  
12 geographic area within which it operates as an incumbent LEC and with respect to  
13 its incumbent network and facilities. *See* 47 U.S.C. § 251(h)(1)(A)-(B) ("For  
14 purposes of this section, the term 'incumbent local exchange carrier' means, with  
15 respect to an area, the local exchange carrier that---on the date of enactment . . .  
16 provided telephone exchange service in such area . . .") (Underlining added.).

17 To the extent that the Act requires a LEC to provide interconnection with its  
18 network, that interconnection arises solely with respect to the LEC's existing  
19 network when the request is made. The Eight Circuit Court of Appeals addressed  
20 the equal quality principles in the Act and decided that an incumbent LEC does not  
21 have the obligation to provide interconnection to other carriers at a level greater than  
22 the LEC enjoys or provides for itself and that there is no requirement to provide  
23 superior interconnection arrangements to a requesting LEC ( ". . . does not mandate

1 that incumbent LECs cater to every desire of every requesting carrier. . . .) *See Iowa*  
2 *Utils. Bd. v. FCC*, 120 F.3d 753 (8th Cir. 1997). This aspect of the *Iowa Utils. Bd.*  
3 decision was not modified by the Supreme Court in *Verizon v. FCC*, 122 S. Ct. 1753  
4 (U.S. 2002). The limitation on the incumbent LEC’s interconnection obligations to  
5 its existing network is now a well settled issue. An incumbent LEC does not have  
6 to provide interconnection arrangements that are superior to those that it has  
7 available to itself.

8 I would also note that the actual words in the Act state that interconnection with the  
9 incumbent LEC’s network is “at any technically feasible point within the carrier’s  
10 network.” 47 USC § 251(c)(2)(B). The courts have required the removal from the  
11 FCC’s original Section 51.305 rules of the provisions that would have required an  
12 incumbent LEC to provide superior forms of interconnection to a requesting carrier.

13 I also note that the FCC’s own rules only require “interconnection with the  
14 incumbent LEC’s network . . . (2) at any technically feasible point within the  
15 incumbent LEC’s network. . . .” 47 C.F.R. § 51.305(a)(2). Subsequent to the 8th  
16 Circuit and Supreme Court decisions, the Ninth Circuit Court of Appeals, in the  
17 context of reviewing issues related to CMRS interconnection, also confirmed that  
18 interconnection obligations are established with respect to the LEC’s existing  
19 network: “Sections 251 and 252 of the Act require ILECs to allow CMRS providers  
20 to interconnect with their existing networks in return for fair compensation.” *See*  
21 *U.S. West v. Wash. Utils. & Transp. Comm.*, 255 F.3d 990 (9th Cir. 2001).

22 No LEC, including regional Bell companies, has interconnection obligations in  
23 geographic areas in which the LEC has no facilities or is not even a LEC. The

1 incumbent LEC provides no interconnection or interconnection services to itself in  
2 areas where it is not a LEC, and therefore has no obligation to cater to the desires of  
3 requesting LECs to somehow provision such superior arrangements beyond points  
4 that would be within the LEC's network. ALLTEL has no obligation to provision  
5 services or interconnection facilities to accommodate Verizon Wireless's desires that  
6 ALLTEL exchange traffic at a point that is not within the incumbent LEC network  
7 of ALLTEL.

8 **Q: Do the interconnection rules or FCC decisions on interconnection standards and**  
9 **requirements address transit traffic arrangements?**

10 **A:** No. "Transit" arrangements are not part of the interconnection requirements or rules.  
11 In over 700 pages of the FCC's original *First Report and Order* and the FCC's  
12 implementing interconnection rules, neither the concepts of "transit service," "transit  
13 traffic," nor the word "transit" ever appears.

14 As further evidence, in an FCC arbitration of interconnection agreements between  
15 Verizon ILEC (in its capacity as an incumbent LEC in Virginia) and three CLECs,  
16 the FCC confirmed the fact that its rules and standards do not address transit traffic  
17 arrangements. The FCC concluded that it "had not had occasion to determine  
18 whether incumbent LECs have a duty to provide transit service under the [Section  
19 251(e)(2)] provision of the statute, nor do we find clear Commission precedent or  
20 rules declaring such a duty." See *Memorandum Opinion and Order*, CC Docket Nos.  
21 00-218, 00-249, and 00-251 released July 17, 2002 at para. 117. Accordingly, the  
22 transit service arrangement involving Verizon ILEC, Verizon Wireless, and  
23 ALLTEL is a voluntarily arrangement outside the scope of the interconnection rules,



1 obligations, and standards. Verizon Wireless's majority owner affiliate Verizon  
2 ILEC has also recognized and agreed with these FCC conclusions. *See, e.g.*, Verizon  
3 ILEC Ex Parte presentation filed with the FCC on September 4, 2003 in CC Docket  
4 No. 01-92, second attachment regarding Unified Intercarrier Compensation, at pp.  
5 3-4, specifically noting the FCC's Virginia arbitration decision and stating "FCC has  
6 repeatedly found that ILECs are not required to provide transit service."

7 The fact that no standards exist or are imposed with respect to indirect transit traffic  
8 does not mean that the parties may not negotiate a new arrangement under Section  
9 252(a) that would also establish compensation arrangements between them. Any  
10 such new three-party arrangement, however, involving Verizon ILEC, ALLTEL (or  
11 any other LEC), and Verizon Wireless (or any other CMRS provider) would require  
12 the establishment of agreements setting forth the proper terms and conditions  
13 between and among the affected parties.

14 **Q: Even if Verizon ILEC were required to offer and provide a transit service for**  
15 **a requesting carrier, is ALLTEL forced to accept such an arrangement with**  
16 **Verizon ILEC?**

17 **A:** No. To the extent that Verizon ILEC is required to offer or voluntarily offers a  
18 transit service to CMRS providers, Verizon ILEC has no unilateral right to impose  
19 terms and conditions of such voluntary arrangements on a smaller rural LEC. While  
20 ALLTEL may have the duty to terminate traffic from Verizon ILEC that Verizon  
21 Wireless sends through Verizon ILEC's network, ALLTEL has no involuntary  
22 obligation to terminate the traffic in accordance with terms and conditions dictated  
23 by Verizon ILEC or any other party. Notably, the only typical three-party

1 arrangement recognized by the FCC involves an interexchange carrier as the  
2 intermediary, and the arrangement is subject to the framework of access with the  
3 intermediary interexchange carrier. *See First Report and Order* at para. 1034. The  
4 existing ITORP process in Pennsylvania is based upon the framework of access and  
5 Verizon Wireless and ALLTEL are bound by the agreements they executed under  
6 ITORP unless and until changed by agreement between and among the parties.

7 I want to underscore the fact that there is no interconnection obligation or  
8 requirement that end offices of any LEC must subtend a tandem office of Verizon  
9 ILEC in a manner under which Verizon ILEC transits third party traffic on a tandem  
10 switched basis with other carriers' traffic (*i.e.*, commingled with other types of  
11 traffic).

12 **Q: What do you mean when you say that a smaller LEC's end office subtends a**  
13 **tandem office of a larger LEC?**

14 **A:** In simple terms, there is a hierarchy among switches. Tandem switches are at a  
15 higher level than end office switches. Tandem switches serve larger geographic  
16 areas and switch traffic to and from other tandem switches and to and from lower  
17 level switches; *i.e.* end office switches. End office switches generally switch traffic  
18 to specific end users within a confined exchange area or exchange areas. In the call  
19 routing process, carriers most often first direct their traffic to a tandem switch where  
20 this traffic is then switched to an end office switch for completion to an end user.  
21 Each end office switch is exclusively connected to a specific tandem switch for such  
22 routing purposes. This condition is often described as a subtending status; *i.e.*, the  
23 specific end office subtends the tandem. A subtending end office receives traffic

1 from a tandem that comes from multiple sources. As such, these different kinds of  
2 traffic are sent in tandem; *i.e.*, commingled over the same subtending trunk group.

3 **Q: Are other LECs required to subtend a Verizon ILEC tandem for other carrier's**  
4 **traffic?**

5 **A:** No. In a competitive world, no carrier can be forced to accept involuntarily a  
6 subtending, subordinate network position that would require it to be dependent on  
7 its competitor. When an end office of one LEC subtends a tandem office of another  
8 LEC, the subtending LEC is disadvantaged in that it cannot directly identify,  
9 measure, or switch, on a real time basis, the traffic of individual originating carriers  
10 (including distinguishing the tandem provider's traffic from individual third-party  
11 traffic) that the tandem provider combines on a single trunk group under the typical  
12 transit traffic arrangement.

13 No law or regulation requires a carrier like ALLTEL or other similarly situated LECs  
14 to subtend a Verizon ILEC tandem. There will be a chilling effect on competition  
15 if Verizon ILEC were allowed either unilaterally, with its affiliate, or with any other  
16 CMRS carrier, to force another LEC into a network and business arrangement under  
17 which Verizon ILEC establishes itself always at the center, between and among all  
18 other carriers, as the tandem switch and transport provider. From a policy  
19 perspective, if such opportunity existed for Verizon ILEC, it would provide Verizon  
20 ILEC and its affiliate Verizon Wireless with unwarranted and an anti-competitive  
21 advantage over other carriers. That is exactly why such opportunity does not exist.

1       **Q: Does Verizon ILEC have any authority or right to offer transit service**  
2       **arrangements to other carriers which necessarily involve Verizon ILEC's**  
3       **interconnection with ALLTEL?**

4       **A:** No. Absent some form of explicit grant of agency to Verizon ILEC by another LEC  
5       such as ALLTEL, Verizon ILEC has no fundamental right or authority to make  
6       representations to, to negotiate with, or to establish terms and conditions with third  
7       party carriers such as Verizon Wireless. Bilateral agreements between Verizon ILEC  
8       and some other carrier cannot bind non-party carriers such as ALLTEL. The only  
9       current authority under which Verizon ILEC can offer its transit services and deliver  
10      such traffic to ALLTEL is under the terms of ITORP whereby ALLTEL has agreed  
11      with Verizon ILEC to accept this traffic according to specific terms and conditions.

12      **Q: Are transit service arrangements necessarily voluntary?**

13      **A:** Yes. As explained above, for Verizon ILEC to be in a position to offer a transit  
14      service that would involve ALLTEL, there must be an agreement between ALLTEL  
15      and Verizon ILEC under which ALLTEL has agreed to participate in such an  
16      arrangement. In any event, there is no requirement that an ALLTEL end office  
17      subtend a Verizon ILEC tandem for such purposes, and the subtending LEC must  
18      agree to this subordinate relationship. Therefore, except perhaps under the terms of  
19      ITORP, any decision for ALLTEL or any other LEC to subtend a Verizon ILEC  
20      tandem is necessarily voluntary and subject to change.

1       **Q: For indirect transit service traffic, Mr Sterling at pp. 11-12 of his direct**  
2       **testimony claims that Section 51.703(b) of the FCC’s rules requires that**  
3       **ALLTEL should pay the transiting service carrier, in this case Verizon ILEC,**  
4       **for traffic that is originated by ALLTEL. Does that section of the FCC’s rules**  
5       **require this result?**

6       A: Absolutely not. A simple reading of the specific rule demonstrates that Mr.  
7       Sterling’s conclusion cannot be logically drawn. Section 51.703(b) simply states that  
8       in a two party arrangement, the LEC that originates traffic cannot assess charges on  
9       any other telecommunications carrier for such traffic (“A LEC may not assess  
10      charges on any other telecommunications carrier for telecommunications traffic that  
11      originates on the LEC’s network.” 47 C.F.R. § 51.703(b).) Mr. Sterling would have  
12      us read something entirely different into the rule. Mr. Sterling is wrong with two  
13      incorrect conclusions about this rule: (1) that this rule somehow requires that the  
14      originating carrier must be responsible for the payment of compensation to a 3<sup>rd</sup> party  
15      transit service provider chosen by the terminating carrier for the transit service  
16      provided for its originating traffic (Sterling Direct at p. 11); and (2) that the rule  
17      prohibits the 3<sup>rd</sup> party transit service provider from assessing the terminating carrier  
18      that elected to use the 3<sup>rd</sup> party transit provider as an indirect point of interconnection  
19      (in this case, Verizon Wireless is the terminating carrier) for the transit service  
20      provided by Verizon ILEC to transport ALLTEL originating traffic to a point of  
21      connection beyond ALLTEL’s network and certificated service territory to a point  
22      that Verizon Wireless has established with Verizon ILEC.

1           These two conclusions are wrong for several reasons. First, as I have explained  
2           above, the FCC's subpart H rules do not address transit service arrangements, and  
3           *therefore, Section 51.703(b) cannot address a transit service arrangement and is*  
4           completely irrelevant to three-party transit service arrangements. Second, again as  
5           I have demonstrated above, the FCC has stated explicitly that it has established no  
6           standards to address transit service. Accordingly, Mr Sterling's conclusion that  
7           Section 51.703(b) establishes the standards for the compensation arrangements  
8           between and among the three parties in a indirect transit traffic arrangement is  
9           impossible given the FCC's own conclusions and statements. Third, even if the rule  
10          *did apply to three-party transit arrangements, the specific words of the rule do not*  
11          address or even mention what the intermediary carrier can charge any other carrier  
12          for the intermediary's transit service; the rule simply addresses what the originating  
13          carrier may not charge. Fourth, the clear meaning of the cited rule neither  
14          establishes any authority for an intermediary to assess charges on any other carrier  
15          nor prohibits the intermediary from assessing charges on any other carrier. The rule  
16          does not address either authority or prohibition. Fifth, the existing ITORP agreement  
17          between Verizon ILEC and ALLTEL does not authorize Verizon ILEC to impose a  
18          charge on ALLTEL for the traffic originated by ALLTEL and delivered over ITORP  
19          for completion to mobile wireless users. In summary, the rule cited is without any  
20          relevance to the incorrect conclusion that Mr. Sterling would like to make.

1           **Q:    What is ALLTEL’s position with respect to which carrier should provide**  
2           **compensation to Verizon ILEC for ALLTEL originated traffic that ALLTEL**  
3           **delivers to Verizon ILEC at ALLTEL’s interconnection point with Verizon**  
4           **ILEC and Verizon ILEC, in turn, transports for delivery to Verizon Wireless**  
5           **at an interconnection point within the Verizon ILEC network?**

6           **A:    As I have already demonstrated above, Verizon Wireless must be responsible for the**  
7           transit service that Verizon ILEC provides because this service involves the  
8           provision of network functions that are not the interconnection obligation of  
9           ALLTEL, involve the transport to a point of connection far beyond the ALLTEL  
10          network and certificated service territory and interconnection point obligations, and  
11          is an arrangement chosen by Verizon Wireless solely for the convenience of Verizon  
12          Wireless. Verizon Wireless, for the indirect transit traffic arrangements with  
13          ALLTEL, has not elected to establish an interconnection point on the network of  
14          ALLTEL; Verizon Wireless has voluntarily chosen to utilize the indirect transit  
15          arrangement because it is more economic for Verizon Wireless to use a 3<sup>rd</sup> party’s  
16          network than to interconnect directly with ALLTEL. This economically efficient  
17          choice for Verizon Wireless, to sit behind Verizon ILEC’s tandem and arrange to use  
18          Verizon ILEC’s network for completion of an “indirect interconnection” with  
19          ALLTEL rather than meeting ALLTEL directly, however, can not be used as a basis  
20          to impose additional costs on ALLTEL to now go outside its network.

21          As set forth above, the interconnection obligations established in the Act and set  
22          forth in the FCC’s rules address interconnection with the LEC’s existing network at  
23          a technically feasible interconnection point on that network. Accordingly,

1 ALLTEL's interconnection obligations do not extend beyond its own network or  
2 service area. These transit functions provided beyond these limits, to the extent that  
3 Verizon Wireless chooses not to establish an interconnection point on the network  
4 of ALLTEL, are the responsibility of Verizon Wireless. ALLTEL is not responsible  
5 for deployment or provisioning of network facilities or services for the transport of  
6 telecommunications beyond its own network.

7 In the course of the negotiations, and as a matter of voluntary compromise, ALLTEL  
8 has apparently indicated its willingness to continue employing the ITORP facility  
9 arrangement to deliver a defined scope of wireline-to-mobile user traffic to Verizon  
10 ILEC so that Verizon ILEC may transport that traffic to the interconnection point  
11 that Verizon Wireless has established on the Verizon ILEC network. ALLTEL's  
12 willingness to send its traffic in this manner is premised on the condition that  
13 Verizon Wireless is responsible for the transport services provided by Verizon ILEC.  
14 This approach makes Verizon Wireless responsible for the costs of Verizon ILEC's  
15 transit service beyond ALLTEL's network, consistent with the result that would  
16 occur under existing interconnection standards and rules when the requesting CMRS  
17 provider actually establishes a point of interconnection with ALLTEL's existing  
18 incumbent LEC network.

19 ALLTEL and other similarly situated LECs have the right to elect to direct their own  
20 traffic in the manner Verizon Wireless desires; *i.e.*, through Verizon ILEC's transit  
21 service arrangement, but ALLTEL and other LECs are not obligated to provision  
22 their own local exchange services in this manner. Verizon Wireless has no right to  
23 demand that ALLTEL obtain a service from Verizon ILEC for which ALLTEL must



1 pay Verizon ILEC for network functions beyond ALLTEL's existing network. No  
2 carrier has the right to demand that a second carrier must obtain some service from  
3 a third. In this case, Verizon Wireless is attempting to suggest that it can demand  
4 that ALLTEL must obtain a service from Verizon Wireless's wireline affiliate. Also,  
5 ALLTEL has no interconnection obligation to build transport facilities across  
6 Verizon ILEC's service area for the purpose of meeting Verizon Wireless at a point  
7 of interconnection far from ALLTEL's existing network.

8 **Q: On page 12 of his direct testimony, Mr. Sterling claims that ALLTEL's**  
9 **approach to compensation to the transit service provider as set forth in the**  
10 **preceding answer "is contrary to the FCC's rule 51.703(b)." Is he correct?**

11 **A:** No. In addition to the four reasons I have set forth above demonstrating that the  
12 Section 51.703(b) rule is not even relevant to the question of what the transit service  
13 provider can charge and to which carrier the charges should apply, Mr. Sterling's  
14 incorrect conclusion here is inconsistent with FCC conclusions that are, in fact,  
15 exactly to the contrary.

16 In fact, the FCC has found it appropriate for the intermediary transit service provider  
17 to assess the terminating CMRS carrier in exactly the same manner that is proposed  
18 by ALLTEL and in exactly the same manner that Mr. Sterling incorrectly believes  
19 is contrary to the rule. In a complaint proceeding between a CMRS provider and  
20 Verizon ILEC (in this case GTE North), the FCC confirmed that the intermediary  
21 LEC (*i.e.*, Verizon ILEC) had not violated the Section 51.703 rules when Verizon  
22 ILEC charged the terminating CMRS provider for "traffic that originates on a third  
23 carrier's network, transits the [intermediary carrier's] network, and terminates to the

1 [CMRS provider]. *See Order on Reconsideration*, Texcom, Inc. d/b/a Answer  
2 Indiana, Complainant, v. Bell Atlantic Corp., d/b/a Verizon Communications,  
3 Defendant, File No. EB-00-MD-14, released March 27, 2002.

4 The FCC has decided similarly in other proceedings between Bell companies and  
5 CMRS providers with respect to indirect transit service traffic.

6 Section 51.703(b) of the rules affords carriers the right not to pay for delivery  
7 of local traffic originated by the other carrier. However, [the CMRS provider  
8 complainants] are required to pay for “transiting traffic,” that is, traffic that  
9 originates from a carrier other than the interconnecting LEC [in this case US  
10 West] but nonetheless is carried over the LEC network to the [CMRS  
11 provider’s] network.

12  
13 Memorandum Opinion and Order, In the Matter of TSR Wireless L.L.C., et al.,  
14 Complainants, v. US West Communications, Inc. et al., Defendants, Files Nos. E-98-  
15 13, E-98-15, E-98-16, E-98-17, E-09-18 at note 70.

16 **Q: What sense do you make of Mr. Sterling’s attribution at p. 12 to an unnamed**  
17 **advisor(s) with respect to his incorrect conclusions about rule 51.703(b)?**

18 **A:** It is not clear from his testimony whether the incorrect conclusions about this rule  
19 are based on his own analysis and experience, or whether his conclusions are based  
20 on the analysis or suggestions of some other unnamed person(s). Perhaps Mr.  
21 Sterling was uncomfortable making this statement without attributing the conclusion  
22 to his advisor(s).

23 **Q: Do LECs transport their local exchange service calls to points beyond the local**  
24 **calling area in which the service is provided?**

25 **A:** No. There is no interconnection requirement for a LEC to transport its own local  
26 exchange service calls to some distant point, not only to a point beyond the local  
27 calling area of the originating service, but beyond the LEC’s own incumbent

1 network. Yet it appears that Verizon Wireless wants to force ALLTEL to do just  
2 that.

3 **Q: On page 11 of his direct testimony, Mr. Sterling states that his company's**  
4 **position is that a LEC bears the cost of delivering traffic to a CMRS carrier**  
5 **anywhere within the Major Trading Area ("MTA") in which the call is**  
6 **originated by a LEC. Do you agree?**

7 **A:** No. His suggestion is simply wrong. I have already explained at length that a  
8 LEC's interconnection obligations do not extend to areas beyond its own network or  
9 certificated service territory. Furthermore, if one examines what it could mean if  
10 the implications that could flow from Mr. Sterling's position here were it actually  
11 correct, it is apparent that it is preposterous.

12 Verizon Wireless and other wireless carriers misapply the existing standards and  
13 rules. These wireless carriers fail to recognize all of the conditions that apply with  
14 respect to their interpretation. I agree, regardless of whether it is sound policy or not,  
15 that Bell operating companies have been required to establish an interconnection  
16 point between the Bell company's network and the CMRS provider's network at a  
17 single interconnection point within a LATA and within the same MTA as the  
18 originating and terminating points of calls. However, Verizon Wireless, whether  
19 purposeful or not, neglects to remind this Commission that the point of  
20 interconnection is first premised by the conditions that it must be technically feasible  
21 and on the existing network of the particular Bell company. In no case is a Bell  
22 company obligated to establish a point of interconnection with a CMRS provider,  
23 whether it is in the same LATA or the same MTA, at a point not on the Bell

1 company's own existing network. As such, Verizon Wireless's statement and  
2 position is misleading because it omits the more relevant interconnection  
3 considerations. The Bell company must establish a single interconnection point on  
4 its existing network within a LATA and within a MTA.

5 Contrary to what Verizon Wireless may think or want, in no instance has the FCC  
6 required or ordered a LEC to establish an interconnection point with a CMRS  
7 provider at a point where the LEC is not a LEC network service provider.

8 Ironically, and contrary to sound universal service considerations, the imposition of  
9 a requirement on a smaller LEC such as ALLTEL to establish an interconnection  
10 point with another carrier at points beyond its own incumbent LEC network and  
11 certificated service territory would, as I have already stated, impose a requirement  
12 on ALLTEL that is more onerous than those applied to any Bell company.

13 **Q: How is the suggestion that a LEC has the responsibility to deliver its traffic to**  
14 **a CMRS carrier anywhere in a MTA preposterous?**

15 **A:** MTAs are very large geographic areas in some cases. As is demonstrated on my  
16 Exhibit C, which is an overlay of state boundaries over MTAs, using maps created  
17 by the FCC and available at the FCC's website,<sup>2</sup> for the MTAs that include portions  
18 of Pennsylvania, these areas extend as far as to points in Ohio, West Virginia,  
19 Virginia, Maryland, New Jersey, Delaware, New York, Connecticut, and Vermont.  
20 No LEC, certainly not smaller LECs such as ALLTEL, provides local exchange

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<sup>2</sup>These maps are available at [www.fcc.gov/oet/info/maps/areas/maps/states.pdf](http://www.fcc.gov/oet/info/maps/areas/maps/states.pdf) for the State Equivalent-Entities, <http://www.fcc.gov/oet/info/maps/overlays/rboc.pdf> for the Regional Bell Operating Companies, <http://www.fcc.gov/oet/info/maps/overlays/mtacolor.pdf> for the Major Trading Areas-Colored and <http://www.fcc.gov/oet/info/maps/areas/maps/mta.pdf> for the Major Trading Areas.

1 services to its customers for calling to points throughout such a large geographic area  
2 as a MTA. For example, the New York MTA stretches from the northeastern  
3 portions of Pennsylvania all the way to the Canadian border in northern New York  
4 and Vermont and includes most of Eastern New York, all of Connecticut, a  
5 significant portion of Northern New Jersey, and most of Vermont. No LEC,  
6 including the incumbent Verizon ILEC or any other LEC operating in portions of  
7 northeastern Pennsylvania, provides a LEC service which requires the delivery of  
8 local exchange service calls to, for example, Burlington, Vermont, and no LEC is  
9 required to provide such a service. No LEC in Pennsylvania is required to provide  
10 an intrastate local exchange service which involves transporting calls to Burlington,  
11 Vermont. Such calls are not included in a rural LEC's own local service offering and  
12 are not even a service provided by a LEC. While the geographic expanse of the  
13 New York MTA is most dramatic to illustrate in impossibility of Mr. Sterling's  
14 suggestion, the other MTAs that include portions of Pennsylvania also include areas  
15 at great distances away in other states.

16 On the other hand, if one looks at my Exhibit D, which is an overlay of the same  
17 FCC MTA boundary map (without color and geographic identifications) over  
18 another FCC map from the same website identifying national coverage areas of  
19 Regional Bell Operating Companies,<sup>3</sup> one can see that from the perspective of the  
20 RBOCs, a meet point anywhere in an MTA is much more likely to result in a meet  
21 point on an RBOC network, thus avoiding the extra-network issue presented when

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<sup>3</sup>While the FCC's RBOC map is slightly outdated, showing 7 RBOCs, when now there are 4, the point demonstrated remains valid, if not more so, since some RBOC territories are now even larger than represented on the FCC's map.

1 Verizon Wireless attempts to hold ALLTEL to a meet point anywhere in the MTA  
2 regardless of ALLTEL's network and service locations.

3 Which brings me to my Exhibit E, which is an overlay again of the FCC's MTA  
4 map, this time over a Telephone Map of Pennsylvania created and maintained by the  
5 Pennsylvania Telephone Association, and showing the location of each Pennsylvania  
6 incumbent local exchange company. ALLTEL, shown in purple, has a discontinuous  
7 and segmented service territory in Pennsylvania that effectively can put a portion of  
8 ALLTEL in 5 of the 6 MTAs that traverse Pennsylvania. Holding ALLTEL to the  
9 conclusions Mr. Sterling presents about ALLTEL's indirect interconnection  
10 obligations effectively means ALLTEL would be subject to paying Verizon ILEC  
11 for use of an tandem anywhere in Pennsylvania or the nine neighboring states of  
12 Ohio, West Virginia, Virginia, Maryland, New Jersey, Delaware, New York  
13 Connecticut and Vermont. This is preposterous.

14 Telecommunications services provided to end users that involve calling services and  
15 transport responsibility to interconnection points with other carriers' networks at  
16 points beyond a LEC's service area and existing network (e.g., to Burlington,  
17 Vermont) are provided by interexchange carriers, not by local exchange carriers.  
18 These are not LEC service calls. And the interconnection relationship that  
19 interexchange carriers have with wireless carriers such as Verizon Wireless is not  
20 ALLTEL's responsibility or concern, and interexchange carriers' interconnection  
21 arrangements with wireless carriers are not subject to the framework of the  
22 reciprocal compensation Subpart H rules. The involvement of a local exchange  
23 carrier in such calls is limited to the provision of network access functions within its

1 own networks. As such, for calls destined to points outside of the local exchange,  
2 the interexchange service carrier chosen by the end user is responsible for the  
3 transport and network functions for the transmission of the call to that distant point.  
4 An interexchange carrier affiliate or division of a LEC may provide this service in  
5 competition with other IXC's pursuant to equal access, but the service is not a local  
6 exchange carrier service.

7 Accordingly, Verizon Wireless cannot possibly believe that a LEC in Pennsylvania  
8 is somehow required to be responsible for the transport of calls to a distant point with  
9 Verizon Wireless including distant points perhaps as far away as West Virginia,  
10 Virginia, or Vermont.

11 The FCC has generally acknowledged a limitation on a Bell company to route calls  
12 no further than to a point on the Bell company's existing network somewhere within  
13 the bounds of a LATA. The analogous application for a much smaller LEC  
14 recognizes that the interconnection point that the LEC is required to establish with  
15 a wireless carrier is physically and technically limited to transporting traffic to points  
16 of interconnection on the LEC's existing network that are no further than its existing  
17 certificated service territory boundaries.

18 **Q: Does this end your testimony?**

19 **A:** Yes. However, as of the date this rebuttal testimony was due, ALLTEL was still  
20 awaiting a significant amount of discovery responses from Verizon Wireless.  
21 Therefore, I reserve the right to supplement this testimony to reflect Verizon  
22 Wireless's answers to ALLTEL's interrogatories as soon as practical after I have  
23 received and had a chance to review such answers.

# DOCUMENT

Exhibit A, Page 1

## SUMMARY OF WORK EXPERIENCE AND EDUCATION

**Steven E. Watkins**

February 2004

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My entire 27-year career has been devoted to service to smaller, independent telecommunications firms that primarily serve the small-town and rural areas of the United States.

I have been a consultant with the firm of Kraskin, Lesse & Cosson, LLC since June, 1996. The firm concentrates its practice in providing professional services to small telecommunications carriers. My work at Kraskin, Lesse & Cosson, LLC, has involved assisting smaller, rural, independent local exchange carriers ("LECs") and competitive local exchange carriers ("CLECs") in their analysis of a number of regulatory and industry issues, many of which have arisen with the passage of the Telecommunications Act of 1996. I am involved in regulatory proceedings in several states and before the Federal Communications Commission on behalf of small LECs. These proceedings are examining the manner in which the Act should be implemented. My involvement specifically focuses on those provisions most affecting smaller LECs.

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I have over the last eight years instructed smaller, independent LECs and CLECs on the specific details of the implementation of the Act including universal service mechanisms, interconnection requirements, and cost recovery. On behalf of clients in several states, I have analyzed draft interconnection agreements and conducted interconnection negotiations and arbitrations pursuant to the 1996 Act.

For 12 years prior to joining Kraskin, Lesse & Cosson, LLC, I held the position of Senior Industry Specialist with the Legal and Industry Division of the National Telephone Cooperative Association ("NTCA") in Washington, D.C. In my position at NTCA, I represented several hundred small and rural local exchange carrier member companies on a wide array of regulatory, economic, and operational issues. My work involved research, analysis, formulation of policy, and expert advice to member companies on industry issues affecting small and rural telephone companies.

My association work involved extensive evaluation of regulatory policy, analysis of the effects of policy on smaller LECs and their rural customers, preparation of formal written pleadings in response to FCC rulemakings and other proceedings, weekly contributions to association publications, representation of the membership on a large number of industry committees and task forces, and liaison with other telecom associations, regulators, other government agencies, and other industry members. I also attended, participated in and presented seminars and workshops to the membership and other industry groups too numerous to list here.



For those not familiar with NTCA, it is a national trade association of approximately 500 small, locally-owned and operated rural telecommunications providers dedicated to improving the quality of life in rural communities through advanced telecommunications. The Association advocates the interests of the membership before legislative, regulatory, judicial, and other organizations and industry bodies.

Prior to my work at NTCA, I worked for over eight years with the consulting firm of John Staurulakis, Inc., located in Seabrook, Maryland. I reached a senior level position supervising a cost separations group providing an array of management and analytical services to over 150 small local exchange carrier clients. The firm was primarily involved in the preparation of jurisdictional cost studies, access rate development, access and exchange tariffs, traffic analysis, property records, regulatory research and educational seminars.

For over ten years during my career, I served on the National Exchange Carrier Association's ("NECA") Industry Task Force charged with reviewing and making recommendations regarding the interstate average schedule cost settlements system. For about as many years, I also served in a similar role on NECA's Universal Service Fund ("USF") industry task force.

I graduated from Western Maryland College in 1974 with a Bachelor of Arts degree in physics. As previously stated, I have also attended industry seminars too numerous to list on a myriad of industry subjects over the years.

During my career representing small telecommunications firms, I estimate that I have prepared formal written pleadings for submission to the Federal Communications Commission on behalf of NTCA member and Kraskin, Lesse & Cosson client LECs in over two hundred proceedings. I have also contributed written comments in several state proceedings on behalf of Kraskin, Lesse & Cosson client LECs. I have provided testimony in proceedings before the Georgia, Pennsylvania, Indiana, Kentucky, Missouri, Nebraska, Minnesota, Montana, Tennessee, Kansas, South Carolina, New Mexico, West Virginia, and Louisiana public service commissions. Finally, I have testified before the Federal-State Joint Board examining jurisdictional separations changes.

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47 CFR Ch. I (10-1-02 Edition)

§20.11

Communications Service or VHF Public Coast Station spectrum to offer service on a private mobile radio service basis must overcome the presumption that Personal Communications Service and VHF Public Coast Stations are commercial mobile radio services.

(1) The applicant or licensee (who must file an application to modify its authorization) seeking authority to dedicate a portion of the spectrum for private mobile radio service, must include a certification that it will offer Personal Communications Service or VHF Public Coast Station service on a private mobile radio service basis. The certification must include a description of the proposed service sufficient to demonstrate that it is not within the definition of commercial mobile radio service in §20.3. Any application requesting to use any Personal Communications Service or VHF Public Coast Station spectrum to offer service on a private mobile radio service basis will be placed on public notice by the Commission.

(2) Any interested party may file a petition to deny the application within 30 days after the date of public notice announcing the acceptance for filing of the application. The petition shall contain specific allegations of fact supported by affidavit(s) of person(s) with personal knowledge to show that the applicant's request does not rebut the commercial mobile radio service presumption. The petition must be served on the applicant and contain a certificate of service to this effect. The applicant may file an opposition with allegations of fact supported by affidavit. The petitioner may file a reply. No additional pleadings will be allowed. The general rules of practice and procedure contained in §§1.1 through 1.52 of this chapter and §22.30 of this chapter shall apply.

(c) Any provider of private land mobile service before August 10, 1993 (including any system expansions, modifications, or acquisitions of additional licenses in the same service, even if authorized after this date), and any private paging service utilizing frequencies allocated as of January 1, 1993, that meet the definition of commercial mobile radio service, shall, except for purposes of §20.5 (applicable

August 10, 1993 for the providers listed in this paragraph), be treated as private mobile radio service until August 10, 1996. After this date, these entities will be treated as commercial mobile radio service providers regulated under this part.

[59 FR 18495, Apr. 19, 1994, as amended at 62 FR 18843, Apr. 17, 1997; 63 FR 40062, July 27, 1998; 64 FR 26887, May 18, 1999; 64 FR 59659, Nov. 3, 1999; 66 FR 10968, Feb. 21, 2001]

§20.11 Interconnection to facilities of local exchange carriers.

(a) A local exchange carrier must provide the type of interconnection reasonably requested by a mobile service licensee or carrier, within a reasonable time after the request, unless such interconnection is not technically feasible or economically reasonable. Complaints against carriers under section 208 of the Communications Act, 47 U.S.C. 208, alleging a violation of this section shall follow the requirements of §§1.711-1.734 of this chapter, 47 CFR 1.711-1.734.

(b) Local exchange carriers and commercial mobile radio service providers shall comply with principles of mutual compensation.

(1) A local exchange carrier shall pay reasonable compensation to a commercial mobile radio service provider in connection with terminating traffic that originates on facilities of the local exchange carrier.

(2) A commercial mobile radio service provider shall pay reasonable compensation to a local exchange carrier in connection with terminating traffic that originates on the facilities of the commercial mobile radio service provider.

(c) Local exchange carriers and commercial mobile radio service providers shall also comply with applicable provisions of part 51 of this chapter.

[59 FR 18495, Apr. 19, 1994, as amended at 61 FR 45619, Aug. 29, 1996]

§20.12 Resale and roaming.

(a) *Scope of section.* This section is applicable to providers of Broadband Personal Communications Services (part 24, subpart E of this chapter), Cellular Radio Telephone Service (part 22, subpart H of this chapter), and Specialized Mobile Radio Services in the 800 MHz

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**§51.403**

section 251 of the Act. Such determinations shall be made on a case-by-case basis.

**§51.403 Carriers eligible for suspension or modification under section 251(f)(2) of the Act.**

A LEC is not eligible for a suspension or modification of the requirements of section 251(b) or section 251(c) of the Act pursuant to section 251(f)(2) of the Act if such LEC, at the holding company level, has two percent or more of the subscriber lines installed in the aggregate nationwide.

**§51.405 Burden of proof.**

(a) Upon receipt of a bona fide request for interconnection, services, or access to unbundled network elements, a rural telephone company must prove to the state commission that the rural telephone company should be entitled, pursuant to section 251(f)(1) of the Act, to continued exemption from the requirements of section 251(c) of the Act.

(b) A LEC with fewer than two percent of the nation's subscriber lines installed in the aggregate nationwide must prove to the state commission, pursuant to section 251(f)(2) of the Act, that it is entitled to a suspension or modification of the application of a requirement or requirements of section 251(b) or 251(c) of the Act.

(c) In order to justify continued exemption under section 251(f)(1) of the Act once a bona fide request has been made, an incumbent LEC must offer evidence that the application of the requirements of section 251(c) of the Act would be likely to cause undue economic burden beyond the economic burden that is typically associated with efficient competitive entry.

(d) In order to justify a suspension or modification under section 251(f)(2) of the Act, a LEC must offer evidence that the application of section 251(b) or section 251(c) of the Act would be likely to cause undue economic burden beyond the economic burden that is typically associated with efficient competitive entry.

**47 CFR Ch. I (10-1-02 Edition)**

**Subpart F—Pricing of Elements**

**§51.501 Scope.**

(a) The rules in this subpart apply to the pricing of network elements, interconnection, and methods of obtaining access to unbundled elements, including physical collocation and virtual collocation.

(b) As used in this subpart, the term "element" includes network elements, interconnection, and methods of obtaining interconnection and access to unbundled elements.

**§51.503 General pricing standard.**

(a) An incumbent LEC shall offer elements to requesting telecommunications carriers at rates, terms, and conditions that are just, reasonable, and nondiscriminatory.

(b) An incumbent LEC's rates for each element it offers shall comply with the rate structure rules set forth in §§51.507 and 51.509, and shall be established, at the election of the state commission—

(1) Pursuant to the forward-looking economic cost-based pricing methodology set forth in §§51.505 and 51.511; or

(2) Consistent with the proxy ceilings and ranges set forth in §51.513.

(c) The rates that an incumbent LEC assesses for elements shall not vary on the basis of the class of customers served by the requesting carrier, or on the type of services that the requesting carrier purchasing such elements uses them to provide.

**§51.505 Forward-looking economic cost.**

(a) *In general.* The forward-looking economic cost of an element equals the sum of:

(1) The total element long-run incremental cost of the element, as described in paragraph (b); and

(2) A reasonable allocation of forward-looking common costs, as described in paragraph (c).

(b) *Total element long-run incremental cost.* The total element long-run incremental cost of an element is the forward-looking cost over the long run of the total quantity of the facilities and

functions that are directly attributable to, or reasonably identifiable as incremental to, such element, calculated taking as a given the incumbent LEC's provision of other elements.

(1) *Efficient network configuration.* The total element long-run incremental cost of an element should be measured based on the use of the most efficient telecommunications technology currently available and the lowest cost network configuration, given the existing location of the incumbent LEC's wire centers.

(2) *Forward-looking cost of capital.* The forward-looking cost of capital shall be used in calculating the total element long-run incremental cost of an element.

(3) *Depreciation rates.* The depreciation rates used in calculating forward-looking economic costs of elements shall be economic depreciation rates.

(c) *Reasonable allocation of forward-looking common costs—(1) Forward-looking common costs.* Forward-looking common costs are economic costs efficiently incurred in providing a group of elements or services (which may include all elements or services provided by the incumbent LEC) that cannot be attributed directly to individual elements or services.

(2) *Reasonable allocation.* (i) The sum of a reasonable allocation of forward-looking common costs and the total element long-run incremental cost of an element shall not exceed the stand-alone costs associated with the element. In this context, stand-alone costs are the total forward-looking costs, including corporate costs, that would be incurred to produce a given element if that element were provided by an efficient firm that produced nothing but the given element.

(ii) The sum of the allocation of forward-looking common costs for all elements and services shall equal the total forward-looking common costs, exclusive of retail costs, attributable to operating the incumbent LEC's total network, so as to provide all the elements and services offered.

(d) *Factors that may not be considered.* The following factors shall not be considered in a calculation of the forward-looking economic cost of an element:

(1) *Embedded costs.* Embedded costs are the costs that the incumbent LEC incurred in the past and that are recorded in the incumbent LEC's books of accounts;

(2) *Retail costs.* Retail costs include the costs of marketing, billing, collection, and other costs associated with offering retail telecommunications services to subscribers who are not telecommunications carriers, described in §51.609;

(3) *Opportunity costs.* Opportunity costs include the revenues that the incumbent LEC would have received for the sale of telecommunications services, in the absence of competition from telecommunications carriers that purchase elements; and

(4) *Revenues to subsidize other services.* Revenues to subsidize other services include revenues associated with elements or telecommunications service offerings other than the element for which a rate is being established.

(e) *Cost study requirements.* An incumbent LEC must prove to the state commission that the rates for each element it offers do not exceed the forward-looking economic cost per unit of providing the element, using a cost study that complies with the methodology set forth in this section and §51.511.

(1) A state commission may set a rate outside the proxy ranges or above the proxy ceilings described in §51.513 only if that commission has given full and fair effect to the economic cost based pricing methodology described in this section and §51.511 in a state proceeding that meets the requirements of paragraph (e)(2) of this section.

(2) Any state proceeding conducted pursuant to this section shall provide notice and an opportunity for comment to affected parties and shall result in the creation of a written factual record that is sufficient for purposes of review. The record of any state proceeding in which a state commission considers a cost study for purposes of establishing rates under this section shall include any such cost study.

#### §51.507 General rate structure standard.

(a) Element rates shall be structured consistently with the manner in which

§51.509

47 CFR Ch. I (10-1-02 Edition)

the costs of providing the elements are incurred.

(b) The costs of dedicated facilities shall be recovered through flat-rated charges.

(c) The costs of shared facilities shall be recovered in a manner that efficiently apportions costs among users. Costs of shared facilities may be apportioned either through usage-sensitive charges or capacity-based flat-rated charges, if the state commission finds that such rates reasonably reflect the costs imposed by the various users.

(d) Recurring costs shall be recovered through recurring charges, unless an incumbent LEC proves to a state commission that such recurring costs are de minimis. Recurring costs shall be considered de minimis when the costs of administering the recurring charge would be excessive in relation to the amount of the recurring costs.

(e) State commissions may, where reasonable, require incumbent LECs to recover nonrecurring costs through recurring charges over a reasonable period of time. Nonrecurring charges shall be allocated efficiently among requesting telecommunications carriers, and shall not permit an incumbent LEC to recover more than the total forward-looking economic cost of providing the applicable element.

(f) State commissions shall establish different rates for elements in at least three defined geographic areas within the state to reflect geographic cost differences.

(1) To establish geographically-deaveraged rates, state commissions may use existing density-related zone pricing plans described in §69.123 of this chapter, or other such cost-related zone plans established pursuant to state law.

(2) In states not using such existing plans, state commissions must create a minimum of three cost-related rate zones.

[61 FR 45619, Aug. 29, 1996, as amended at 64 FR 32207, June 16, 1999; 64 FR 68637, Dec. 8, 1999]

§51.509 Rate structure standards for specific elements.

In addition to the general rules set forth in §51.507, rates for specific ele-

ments shall comply with the following rate structure rules.

(a) *Local loops.* Loop costs shall be recovered through flat-rated charges.

(b) *Local switching.* Local switching costs shall be recovered through a combination of a flat-rated charge for line ports and one or more flat-rated or per-minute usage charges for the switching matrix and for trunk ports.

(c) *Dedicated transmission links.* Dedicated transmission link costs shall be recovered through flat-rated charges.

(d) *Shared transmission facilities between tandem switches and end offices.* The costs of shared transmission facilities between tandem switches and end offices may be recovered through usage-sensitive charges, or in another manner consistent with the manner that the incumbent LEC incurs those costs.

(e) *Tandem switching.* Tandem switching costs may be recovered through usage-sensitive charges, or in another manner consistent with the manner that the incumbent LEC incurs those costs.

(f) *Signaling and call-related database services.* Signaling and call-related database service costs shall be usage-sensitive, based on either the number of queries or the number of messages, with the exception of the dedicated circuits known as signaling links, the cost of which shall be recovered through flat-rated charges.

(g) *Collocation.* Collocation costs shall be recovered consistent with the rate structure policies established in the *Expanded Interconnection* proceeding, CC Docket No. 91-141.

§51.511 Forward-looking economic cost per unit.

(a) The forward-looking economic cost per unit of an element equals the forward-looking economic cost of the element, as defined in §51.505, divided by a reasonable projection of the sum of the total number of units of the element that the incumbent LEC is likely to provide to requesting telecommunications carriers and the total number of units of the element that the incumbent LEC is likely to use in offering its own services, during a reasonable measuring period.

(b)(1) With respect to elements that an incumbent LEC offers on a flat-rate basis, the number of units is defined as the discrete number of elements (e.g., local loops or local switch ports) that the incumbent LEC uses or provides.

(2) With respect to elements that an incumbent LEC offers on a usage-sensitive basis, the number of units is defined as the unit of measurement of the usage (e.g., minutes of use or call-related database queries) of the element.

#### §51.513 Proxies for forward-looking economic cost.

(a) A state commission may determine that the cost information available to it with respect to one or more elements does not support the adoption of a rate or rates that are consistent with the requirements set forth in §§51.505 and 51.511. In that event, the state commission may establish a rate for an element that is consistent with the proxies specified in this section, provided that:

(1) Any rate established through use of such proxies shall be superseded once the state commission has completed review of a cost study that complies with the forward-looking economic cost based pricing methodology described in §§51.505 and 51.511, and has concluded that such study is a reasonable basis for establishing element rates; and

(2) The state commission sets forth in writing a reasonable basis for its selection of a particular rate for the element.

(b) The constraints on proxy-based rates described in this section apply on a geographically averaged basis. For purposes of determining whether geographically deaveraged rates for elements comply with the provisions of this section, a geographically averaged proxy-based rate shall be computed based on the weighted average of the actual, geographically deaveraged rates that apply in separate geographic areas in a state.

(c) *Proxies for specific elements*—(1) *Local loops.* For each state listed below, the proxy-based monthly rate for unbundled local loops, on a statewide, weighted average basis, shall be no greater than the figures listed in the table below. (The Commission has not

established a default proxy ceiling for loop rates in Alaska.)

TABLE

State	Proxy ceiling
Alabama	\$17.25
Arizona	12.85
Arkansas	21.18
California	11.10
Colorado	14.97
Connecticut	13.23
Delaware	13.24
District of Columbia	10.81
Florida	13.68
Georgia	16.09
Hawaii	15.27
Idaho	20.16
Illinois	13.12
Indiana	13.29
Iowa	15.94
Kansas	19.85
Kentucky	16.70
Louisiana	16.98
Maine	18.69
Maryland	13.36
Massachusetts	9.83
Michigan	15.27
Minnesota	14.81
Mississippi	21.97
Missouri	18.32
Montana	25.18
Nebraska	18.05
Nevada	18.95
New Hampshire	16.00
New Jersey	12.47
New Mexico	18.66
New York	11.75
North Carolina	16.71
North Dakota	25.36
Ohio	15.73
Oklahoma	17.63
Oregon	15.44
Pennsylvania	12.30
Puerto Rico	12.47
Rhode Island	11.48
South Carolina	17.07
South Dakota	25.33
Tennessee	17.41
Texas	15.49
Utah	15.12
Vermont	20.13
Virginia	14.13
Washington	13.37
West Virginia	19.25
Wisconsin	15.94
Wyoming	25.11

(2) *Local switching.* (i) The blended proxy-based rate for the usage-sensitive component of the unbundled local switching element, including the switching matrix, the functionalities used to provide vertical features, and the trunk ports, shall be no greater than 0.4 cents (\$0.004) per minute, and no less than 0.2 cents (\$0.002) per minute, except that, where a state commission has, before August 8, 1996, established a rate less than or equal to

§51.615

the state commission that the restriction is reasonable and nondiscriminatory, such as by proving to a state commission that the incumbent LEC lacks the capability to comply with unbranding or rebranding requests.

(2) For purposes of this subpart, unbranding or rebranding shall mean that operator, call completion, or directory assistance services are offered in such a manner that an incumbent LEC's brand name or other identifying information is not identified to subscribers, or that such services are offered in such a manner that identifies to subscribers the requesting carrier's brand name or other identifying information.

§51.615 Withdrawal of services.

When an incumbent LEC makes a telecommunications service available only to a limited group of customers that have purchased such a service in the past, the incumbent LEC must also make such a service available at wholesale rates to requesting carriers to offer on a resale basis to the same limited group of customers that have purchased such a service in the past.

§51.617 Assessment of end user common line charge on resellers.

(a) Notwithstanding the provision in §69.104(a) of this chapter that the end user common line charge be assessed upon end users, an incumbent LEC shall assess this charge, and the charge for changing the designated primary interexchange carrier, upon requesting carriers that purchase telephone exchange service for resale. The specific end user common line charge to be assessed will depend upon the identity of the end user served by the requesting carrier.

(b) When an incumbent LEC provides telephone exchange service to a requesting carrier at wholesale rates for resale, the incumbent LEC shall continue to assess the interstate access charges provided in part 69 of this chapter, other than the end user common line charge, upon interexchange carriers that use the incumbent LEC's facilities to provide interstate or international telecommunications services to the interexchange carriers' subscribers.

47 CFR Ch. I (10-1-02 Edition)

Subpart H—Reciprocal Compensation for Transport and Termination of Telecommunications Traffic

EDITORIAL NOTE: Nomenclature changes to subpart H appear at 66 FR 26806, May 15, 2001.

§51.701 Scope of transport and termination pricing rules.

(a) The provisions of this subpart apply to reciprocal compensation for transport and termination of telecommunications traffic between LECs and other telecommunications carriers.

(b) *Telecommunications traffic.* For purposes of this subpart, telecommunications traffic means:

(1) Telecommunications traffic exchanged between a LEC and a telecommunications carrier other than a CMRS provider, except for telecommunications traffic that is interstate or intrastate exchange access, information access, or exchange services for such access (see FCC 01-131, paragraphs 34, 36, 39, 42-43); or

(2) Telecommunications traffic exchanged between a LEC and a CMRS provider that, at the beginning of the call, originates and terminates within the same Major Trading Area, as defined in §24.202(a) of this chapter.

(c) *Transport.* For purposes of this subpart, transport is the transmission and any necessary tandem switching of telecommunications traffic subject to section 251(b)(5) of the Act from the interconnection point between the two carriers to the terminating carrier's end office switch that directly serves the called party, or equivalent facility provided by a carrier other than an incumbent LEC.

(d) *Termination.* For purposes of this subpart, termination is the switching of telecommunications traffic at the terminating carrier's end office switch, or equivalent facility, and delivery of such traffic to the called party's premises.

(e) *Reciprocal compensation.* For purposes of this subpart, a reciprocal compensation arrangement between two carriers is one in which each of the two carriers receives compensation from the other carrier for the transport and termination on each carrier's network

Federal Communications Commission

§51.709

facilities of telecommunications traffic that originates on the network facilities of the other carrier.

[61 FR 45619, Aug. 29, 1996, as amended at 66 FR 26806, May 15, 2001]

**§51.703 Reciprocal compensation obligation of LECs.**

(a) Each LEC shall establish reciprocal compensation arrangements for transport and termination of telecommunications traffic with any requesting telecommunications carrier.

(b) A LEC may not assess charges on any other telecommunications carrier for telecommunications traffic that originates on the LEC's network.

**§51.705 Incumbent LECs' rates for transport and termination.**

(a) An incumbent LEC's rates for transport and termination of telecommunications traffic shall be established, at the election of the state commission, on the basis of:

(1) The forward-looking economic costs of such offerings, using a cost study pursuant to §§51.505 and 51.511;

(2) Default proxies, as provided in §51.707; or

(3) A bill-and-keep arrangement, as provided in §51.713.

(b) In cases where both carriers in a reciprocal compensation arrangement are incumbent LECs, state commissions shall establish the rates of the smaller carrier on the basis of the larger carrier's forward-looking costs, pursuant to §51.711.

**§51.707 Default proxies for incumbent LECs' transport and termination rates.**

(a) A state commission may determine that the cost information available to it with respect to transport and termination of telecommunications traffic does not support the adoption of a rate or rates for an incumbent LEC that are consistent with the requirements of §§51.505 and 51.511. In that event, the state commission may establish rates for transport and termination of telecommunications traffic, or for specific components included therein, that are consistent with the proxies specified in this section, provided that:

(1) Any rate established through use of such proxies is superseded once that state commission establishes rates for transport and termination pursuant to §§51.705(a)(1) or 51.705(a)(3); and

(2) The state commission sets forth in writing a reasonable basis for its selection of a particular proxy for transport and termination of telecommunications traffic, or for specific components included within transport and termination.

(b) If a state commission establishes rates for transport and termination of telecommunications traffic on the basis of default proxies, such rates must meet the following requirements:

(1) *Termination.* The incumbent LEC's rates for the termination of telecommunications traffic shall be no greater than 0.4 cents (\$0.004) per minute, and no less than 0.2 cents (\$0.002) per minute, except that, if a state commission has, before August 8, 1996, established a rate less than or equal to 0.5 cents (\$0.005) per minute for such calls, that rate may be retained pending completion of a forward-looking economic cost study.

(2) *Transport.* The incumbent LEC's rates for the transport of telecommunications traffic, under this section, shall comply with the proxies described in §51.513(c) (3), (4), and (5) of this part that apply to the analogous unbundled network elements used in transporting a call to the end office that serves the called party.

[61 FR 45619, Aug. 29, 1996, as amended at 61 FR 52709, Oct. 8, 1996]

**§51.709 Rate structure for transport and termination.**

(a) In state proceedings, a state commission shall establish rates for the transport and termination of telecommunications traffic that are structured consistently with the manner that carriers incur those costs, and consistently with the principles in §§51.507 and 51.509.

(b) The rate of a carrier providing transmission facilities dedicated to the transmission of traffic between two carriers' networks shall recover only the costs of the proportion of that trunk capacity used by an interconnecting carrier to send traffic that



§51.711

will terminate on the providing carrier's network. Such proportions may be measured during peak periods.

§51.711 Symmetrical reciprocal compensation.

(a) Rates for transport and termination of telecommunications traffic shall be symmetrical, except as provided in paragraphs (b) and (c) of this section.

(1) For purposes of this subpart, symmetrical rates are rates that a carrier other than an incumbent LEC assesses upon an incumbent LEC for transport and termination of telecommunications traffic equal to those that the incumbent LEC assesses upon the other carrier for the same services.

(2) In cases where both parties are incumbent LECs, or neither party is an incumbent LEC, a state commission shall establish the symmetrical rates for transport and termination based on the larger carrier's forward-looking costs.

(3) Where the switch of a carrier other than an incumbent LEC serves a geographic area comparable to the area served by the incumbent LEC's tandem switch, the appropriate rate for the carrier other than an incumbent LEC is the incumbent LEC's tandem interconnection rate.

(b) A state commission may establish asymmetrical rates for transport and termination of telecommunications traffic only if the carrier other than the incumbent LEC (or the smaller of two incumbent LECs) proves to the state commission on the basis of a cost study using the forward-looking economic cost based pricing methodology described in §§51.505 and 51.511, that the forward-looking costs for a network efficiently configured and operated by the carrier other than the incumbent LEC (or the smaller of two incumbent LECs), exceed the costs incurred by the incumbent LEC (or the larger incumbent LEC), and, consequently, that such that a higher rate is justified.

(c) Pending further proceedings before the Commission, a state commission shall establish the rates that licensees in the Paging and Radio Telephone Service (defined in part 22, subpart E of this chapter), Narrowband Personal Communications Services (de-

47 CFR Ch. I (10-1-02 Edition)

defined in part 24, subpart D of this chapter), and Paging Operations in the Private Land Mobile Radio Services (defined in part 90, subpart P of this chapter) may assess upon other carriers for the transport and termination of telecommunications traffic based on the forward-looking costs that such licensees incur in providing such services, pursuant to §§51.505 and 51.511. Such licensees' rates shall not be set based on the default proxies described in §51.707.

§51.713 Bill-and-keep arrangements for reciprocal compensation.

(a) For purposes of this subpart, bill-and-keep arrangements are those in which neither of the two interconnecting carriers charges the other for the termination of telecommunications traffic that originates on the other carrier's network.

(b) A state commission may impose bill-and-keep arrangements if the state commission determines that the amount of telecommunications traffic from one network to the other is roughly balanced with the amount of telecommunications traffic flowing in the opposite direction, and is expected to remain so, and no showing has been made pursuant to §51.711(b).

(c) Nothing in this section precludes a state commission from presuming that the amount of telecommunications traffic from one network to the other is roughly balanced with the amount of telecommunications traffic flowing in the opposite direction and is expected to remain so, unless a party rebuts such a presumption.

§51.715 Interim transport and termination pricing.

(a) Upon request from a telecommunications carrier without an existing interconnection arrangement with an incumbent LEC, the incumbent LEC shall provide transport and termination of telecommunications traffic immediately under an interim arrangement, pending resolution of negotiation or arbitration regarding transport and termination rates and approval of such rates by a state commission under sections 251 and 252 of the Act.

(1) This requirement shall not apply when the requesting carrier has an existing interconnection arrangement

that provides for the transport and termination of telecommunications traffic by the incumbent LEC.

(2) A telecommunications carrier may take advantage of such an interim arrangement only after it has requested negotiation with the incumbent LEC pursuant to §51.301.

(b) Upon receipt of a request as described in paragraph (a) of this section, an incumbent LEC must, without unreasonable delay, establish an interim arrangement for transport and termination of telecommunications traffic at symmetrical rates.

(1) In a state in which the state commission has established transport and termination rates based on forward-looking economic cost studies, an incumbent LEC shall use these state-determined rates as interim transport and termination rates.

(2) In a state in which the state commission has established transport and termination rates consistent with the default price ranges and ceilings described in §51.707, an incumbent LEC shall use these state-determined rates as interim rates.

(3) In a state in which the state commission has neither established transport and termination rates based on forward-looking economic cost studies nor established transport and termination rates consistent with the default price ranges described in §51.707, an incumbent LEC shall set interim transport and termination rates at the default ceilings for end-office switching (0.4 cents per minute of use), tandem switching (0.15 cents per minute of use), and transport (as described in §51.707(b)(2)).

(c) An interim arrangement shall cease to be in effect when one of the following occurs with respect to rates for transport and termination of telecommunications traffic subject to the interim arrangement:

(1) A voluntary agreement has been negotiated and approved by a state commission;

(2) An agreement has been arbitrated and approved by a state commission; or

(3) The period for requesting arbitration has passed with no such request.

(d) If the rates for transport and termination of telecommunications traffic in an interim arrangement differ

from the rates established by a state commission pursuant to §51.705, the state commission shall require carriers to make adjustments to past compensation. Such adjustments to past compensation shall allow each carrier to receive the level of compensation it would have received had the rates in the interim arrangement equalled the rates later established by the state commission pursuant to §51.705.

#### §51.717 Renegotiation of existing non-reciprocal arrangements.

(a) Any CMRS provider that operates under an arrangement with an incumbent LEC that was established before August 8, 1996 and that provides for non-reciprocal compensation for transport and termination of telecommunications traffic is entitled to renegotiate these arrangements with no termination liability or other contract penalties.

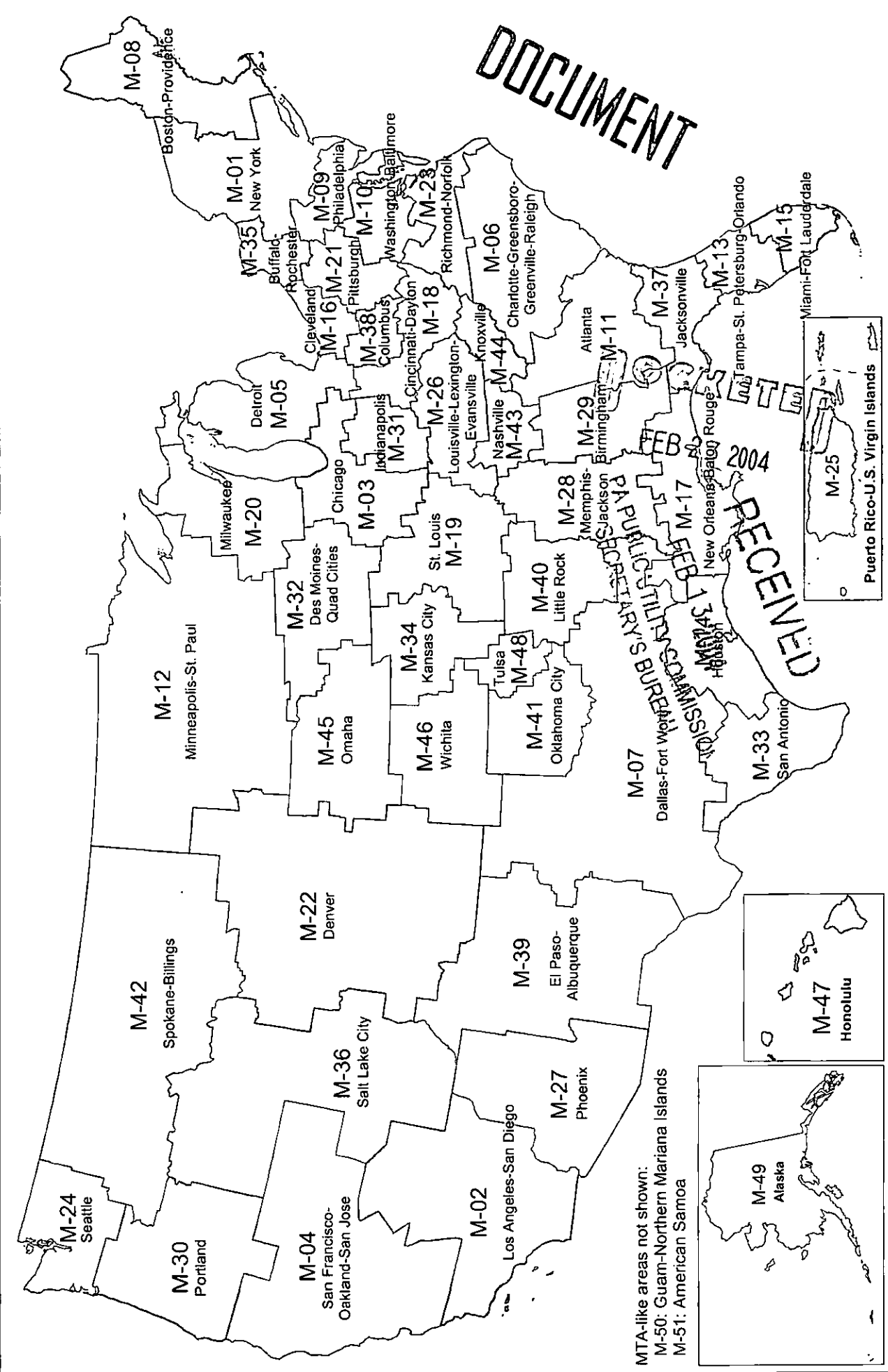
(b) From the date that a CMRS provider makes a request under paragraph (a) of this section until a new agreement has been either arbitrated or negotiated and has been approved by a state commission, the CMRS provider shall be entitled to assess upon the incumbent LEC the same rates for the transport and termination of telecommunications traffic that the incumbent LEC assesses upon the CMRS provider pursuant to the pre-existing arrangement.

#### Subpart I—Procedures for Implementation of Section 252 of the Act

##### §51.801 Commission action upon a state commission's failure to act to carry out its responsibility under section 252 of the Act.

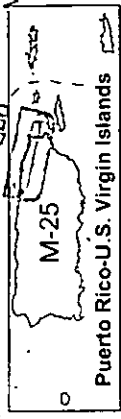
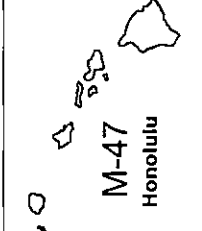
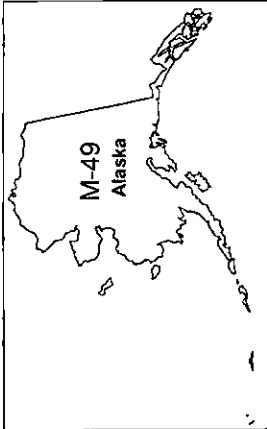
(a) If a state commission fails to act to carry out its responsibility under section 252 of the Act in any proceeding or other matter under section 252 of the Act, the Commission shall issue an order preempting the state commission's jurisdiction of that proceeding or matter within 90 days after being notified (or taking notice) of such failure, and shall assume the responsibility of the state commission under section 252

# Major Trading Areas (MTAs)



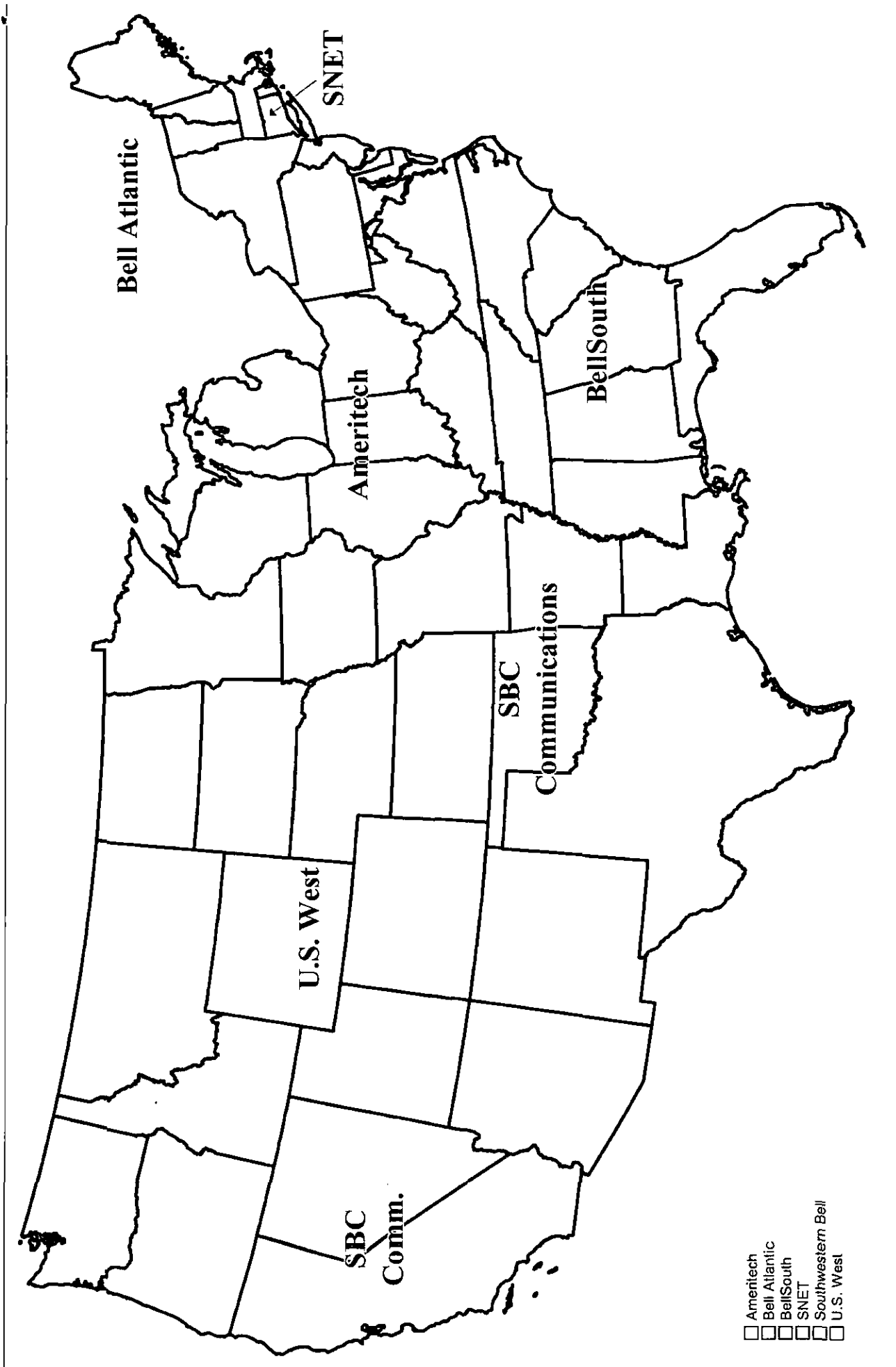
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MTA-like areas not shown:  
 M-50: Guam-Northern Mariana Islands  
 M-51: American Samoa



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# Regional Bell Operating Companies (RBOCs)



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Exhibit E

ALLTEL Exhibit 1A  
Docket No. A-310489F7004  
Witness: S. Lynn Hughes  
Date: 2/10/04

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**Commercial Mobile Radio Services (CMRS)  
INTERCONNECTION  
AGREEMENT**

**PENNSYLVANIA**

**Effective: May 1, 2001**

**Ending: April 30, 2002**

**Verizon Wireless**

**and**

**The United Telephone Company of Pennsylvania**

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This Agreement represents the positions of the parties hereto with respect to interconnection as of the date hereof based upon the particular circumstances of the parties. The parties reserve the right to modify these positions based upon further review of existing orders from or the issuance of additional orders by the Federal Communications Commission, the appropriate state public service or public utilities commission or a court of competent jurisdiction, or with respect to third parties based upon different circumstances.

~~Verizon Wireless~~

- 4.2.2.3 Type 2B Interconnection Charge. Sprint will bill the End Office Switching rate element, and will bill Common Transport when traffic terminates to a Sprint Remote Switch. These rate elements are reflected in Attachment I for all direct Local Traffic terminating to Sprint via a Sprint Type 2B Interconnection.
  - 4.2.2.4 Type 1 Interconnection Charge. Sprint will bill two End Office Switching rate elements and a Common Transport rate element as reflected in Attachment I for all direct Local Traffic terminating to Sprint via a Sprint Type 1 Interconnection.
- 4.2.3. Traffic Terminating to Carrier
- 4.2.3.1. Carrier will bill Sprint the same rates as Sprint charges Carrier for Local Traffic terminating on its network.
    - 4.2.3.1.1. Type 2A Tandem Interconnection Charge. Once Carrier has measurement capability, Carrier will bill Sprint one rate consisting of the Tandem Switching, End Office Switching, and Common Transport rate elements as reflected in Attachment I for all traffic terminating to Carrier via a Type 2A tandem interconnection with Sprint.
    - 4.2.3.1.2. Type 2B End Office Interconnection Charge. Once Carrier has measurement capability, Carrier will bill Sprint one rate consisting of the End Office Switching and Common Transport to Remotes rate elements as reflected in Attachment I for all traffic terminating to Carrier via a Type 2B end-office interconnection with Sprint.
    - 4.2.3.1.3 Type 1 Interconnection Charge. Once Carrier has measurement capability, Carrier will bill Sprint one rate consisting of two End Office Switching rate elements and a Common Transport rate element as reflected in Attachment I for all traffic terminating to Carrier via a Type 1 interconnection with Sprint.
- 4.3. Indirect Traffic Terminating to Sprint. Rate elements that may be charged to Carrier are (1) End Office Switching as set forth in Attachment I, and (2) any applicable Common Transport charges set forth in Attachment I except where the transiting LEC and Sprint End Office are collocated.
- 4.4. Indirect Traffic Terminating to Carrier. Rate elements that may be charged to Sprint are (1) End Office Switching as set forth in Attachment I, and (2) any applicable Common Transport charge as set forth in Attachment I except where the transiting LEC and Carrier's MSC are collocated.



**ATTACHMENT I – PRICE LIST**

Description	State - PA
<b>SERVICE ORDER</b>	
Manual Service Order	\$22.54
<b>TERMINATING COMPENSATION</b>	
End Office Switching Per Minute of Use	\$0.005951
Tandem Switching Per Minute of Use	\$0.003050
Common Transport per Minute of Use	\$0.001833
Common Transport Remote Factor	.373271
Common Transport to Remotes per Minute of Use	\$0.0006842
<b>TRANSPORT</b>	
Inter-exchange DS1 Dedicated Transport	See rate schedule
Inter-exchange DS3 Dedicated Transport	See rate schedule
NRC DS1	\$149.09
NRC DS3	\$160.80
<b>INTERCONNECTION</b>	
Intra-exchange Interconnection DS1	See rate schedule
Intra-exchange Interconnection DS3	ICB
NRC DS1 First Line	\$195.70
NRC DS1 Additional Line	\$151.74
NRC DS3	ICB
DS1 Electrical X-Connect	\$4.40
DS3 Electrical X-Connect	\$57.70
DS1 Facility Cross Connect	\$2.20
<b>FEATURES</b>	
STP Port	\$427.19
NRC STP Port	\$271.75
STP Switching	\$.85
911 Tandem Port	\$18.74
NRC 911 Tandem Port	\$111.99

The prices in this table are for Interconnection Services as described in this Agreement. Carrier may also take such other services not covered by this Agreement as the Parties may agree either pursuant to applicable state tariffs or separate agreement ("Non-Interconnection Services"). The rates, terms and conditions for such Non-Interconnection Services shall be as designated in the applicable tariff or separate agreement. Any incidental services (e.g. Directory assistance, operator services, etc.) will be billed at the standard rates for those services.

Thomas, Thomas, Armstrong & Niesen  
Attorneys and Counsellors at Law

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FAX (717) 236-8278

ALLTEL Ex. No. 4  
Docket No. A-310489F7004  
February 10, 2004

*HHJ sk*

DOCUMENT

D. MARK THOMAS

Direct Dial: (717) 255-7619  
E-Mail: dmthomas@ttanlaw.com

CHARLES E. THOMAS  
(1913 - 1998)

December 22, 2003

James J. McNulty, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
P.O. Box 3265  
Harrisburg, PA 17105-3265

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In re: Cellco Partnership d/b/a Verizon Wireless For Arbitration Pursuant to Section 252  
of the Telecommunications Act of 1996  
Docket No. A-310489

Dear Secretary McNulty:

Enclosed for filing are an original and three (3) copies of the Answer of ALLTEL  
Pennsylvania, Inc. to the Petition for Arbitration of Cellco Partnership d/b/a Verizon Wireless in  
the above referenced proceeding.

Copies of the Answer have been served in accordance with the attached Certificate of  
Service.

Very truly yours,

THOMAS, THOMAS, ARMSTRONG & NIESEN

By

*DMT*

D. Mark Thomas

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Enclosures

cc: Certificate of Service  
Stephen B. Rowell, Esquire (w/encl.)  
Lynn Hughes (w/encl.)

bcc: James T. Meister (w/encl.)

F:\CLIENTS\UTILITY\APIA-310489\031219 Sec. McNulty.wpd

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>Petition of:</b>	)	
	)	
<b>Cellco Partnership d/b/a Verizon Wireless</b>	)	<b>Docket No. A-310489</b>
<b>For Arbitration Pursuant to Section 252 of the</b>	)	
<b>Telecommunications Act of 1996</b>	)	

**RESPONSE OF ALLTEL PENNSYLVANIA, INC. TO THE PETITION FOR  
ARBITRATION OF CELLCO PARTNERSHIP d/b/a VERIZON WIRELESS**

Pursuant to Section 252 of the Telecommunications Act of 1996 ("Act"), ALLTEL Pennsylvania, Inc. ("ALLTEL") respectfully submits this response to the Petition of Verizon Wireless ("Verizon" or "Verizon Wireless") for Arbitration in the above-entitled matter. ALLTEL denies each and every allegation contained in the Petition except as hereinafter admitted, modified or otherwise pled.

**INTRODUCTION**

ALLTEL is a Pennsylvania corporation, which has been certificated by the Pennsylvania Public Utilities Commission ("Commission") to provide local exchange services and other telecommunications services within certain local service areas in the Commonwealth of Pennsylvania. As such, ALLTEL is an incumbent local exchange carrier ("ILEC") within the meaning of the Act.

Verizon Wireless has requested that ALLTEL negotiate regarding the prices, terms and conditions of an interconnection agreement pursuant to § 252 of the Act regarding ALLTEL's local service areas in the Commonwealth of Pennsylvania. The parties have negotiated, resolved and agreed upon contract language regarding many issues. Despite good faith bargaining by ALLTEL, the parties have not been able to

resolve all issues. Verizon Wireless filed a *Petition for Arbitration* with the Commission on November 26, 2003. The *Petition, however,* is deficient as it does not accurately reflect all issues that are resolved or unresolved between the parties. The Act places the explicit duty on the petitioner for arbitration to provide the state commission with:

All relevant documentation concerning -----

- (i) the unresolved issues;
- (ii) the position of each of the parties with respect to these issues; and
- (iii) any other issue discussed and resolved by the parties.

The *Petition, however,* misrepresents the status of the negotiations that took place between the parties, fails to document the proper positions of ALLTEL, leaves the issues confused, and acts to shift the burden of this duty of the petitioner to the non-petitioning party. Verizon's list of issues is incomplete and it has failed to provide documentation that properly reflects all of the other issues that were discussed and resolved in the course of negotiations. Verizon attaches a document that in itself reveals in some respects issues not identified in the *Petition* and other unresolved issues not identified in the *Petition* or not determinable except by comparison to documents not provided by Verizon.

ALLTEL has not agreed to utilize all the terms of Verizon's Exhibit 1 draft agreement, and the draft agreement does not reflect the actual course of all the negotiations or the status of the issues between the parties. As a result, it is clear that resolution through arbitration of only the 14 issues presented by the Petitioner will not result in or resolve an interconnection agreement between the parties, because there are many additional incompatible provisions between the parties. There are simply many other issues which were resolved and not reflected in Verizon's Exhibit 1 or were

discussed but not resolved that Verizon has failed to identify and misrepresents as resolved.

While it is not the duty of the responding company to fulfill those requirements established by the Act that are the responsibility of the petitioner in an arbitration, without waiving its rights with respect to the inadequacy of the petition, ALLTEL has identified additional unresolved issues in this Response and attached as Exhibit A, a draft agreement which reflects ALLTEL's position on unresolved issues and indicates by underlining or hi-lighting ALLTEL's proposed language with respect to all issues that ALLTEL believes to be unresolved between the parties.

Further, while discussed elsewhere herein, as this proposed interconnection agreement includes terms with respect to indirect traffic termination through Verizon Pennsylvania, Inc. (Verizon - PA), another ILEC, (Verizon - PA) necessarily other terms and conditions related to the indirect arrangement must be resolved with Verizon - PA, the transiting company. Therefore, complete resolution of the issues between Verizon Wireless and ALLTEL is also dependent on addressing matters that require agreements with Verizon - PA. Agreements with Verizon Wireless cannot be finalized or at least not effective prior to resolution of the necessary terms and conditions with Verizon - PA that arise as a result of the indirect interconnection terms and conditions sought by Verizon Wireless.

## **RESPONSE TO PETITION**

### **PARTIES**

1. Verizon's allegations in Paragraph 1 do not require a response.

2. ALLTEL admits the allegations of Paragraph 2, except that copies of all correspondence, notices, inquiries and orders regarding this Petition should also be sent to:

Stephen Rowell  
Senior Vice President – State Government Affairs  
ALLTEL Corporate Services  
One Allied Drive  
Little Rock Arkansas 72202  
Telephone: 501 905 8460  
Facsimile: 501 905 4443  
Email: Stephen.B.Rowell@alltel.com

### **BACKGROUND**

3. With respect to the allegations of paragraph 3 of the Petition, ALLTEL admits that on January 14, 2003, Verizon Wireless provided ALLTEL a letter with respect to negotiation of an interconnection agreement with ALLTEL for Pennsylvania. ALLTEL admits that the parties' then-existing interconnection agreement was to terminate at the latest, on March 16, 2003. However, as demonstrated in Case No C-20039321, a proceeding concerning a complaint filed against Verizon - PA by ALLTEL and an action by Verizon Communications against Verizon Wireless, with respect to Verizon - PA ceasing to pay ALLTEL under the IntraLATA Toll Origination Plan ("ITORP") for Verizon Wireless originated traffic terminated on ALLTEL by Verizon PA (the "Complaint Proceeding"), the agreement may have actually terminated on September 26, 2002 as a result of an earlier notice from ALLTEL to Verizon Wireless. ALLTEL admits that Verizon Wireless provided another communication to ALLTEL dated February 28, 2003. The details and effect of that communication speak for themselves. ALLTEL admits the parties discussed a possible exchange of letters stating that the agreement

would continue to be effective while the parties negotiated a successor agreement, which exchange never occurred. ALLTEL admits that a subsequent discussion occurred on March 20, 2003 regarding amending the prior agreement to continue on a month-to-month basis while the Complaint Proceeding continued regarding ALLTEL's dispute with Verizon Communications over the ITORP Plan. However, the parties never executed such an agreement. ALLTEL has consistently asserted that with respect to indirect traffic, ALLTEL must be compensated pursuant to the Pennsylvania Public Utility Commission approved ITORP until an interconnection agreement is negotiated with terms, conditions and rates that supercede ITORP and are approved to do so by the Commission. The terminated interconnection agreement between ALLTEL and Verizon Wireless did not at any time change or supercede the ITORP settlement process. Thus, the termination of the agreement did not alter this compensation method or ALLTEL's position. This issue is the subject of the Complaint Proceeding. Without waiving its rights with respect to ITORP compensation; however, ALLTEL has been negotiating with Verizon Wireless with respect to the terms of an agreement for both direct and indirect traffic that would with respect to Verizon Wireless originated traffic, if approved by the Commission, replace the ITORP compensation mechanism, subject to necessary agreements with Verizon – PA being negotiated also. All other allegations of paragraph 3 are denied.

4. With respect to the allegations of paragraph 4 of the Petition, ALLTEL admits that the parties have continued to exchange correspondence and negotiate, that Verizon Wireless provided ALLTEL a proposal in response to ALLTEL's negotiation documents on April 4, 2003, and that ALLTEL requested further negotiations on May 19, 2003.

ALLTEL, affirmatively states however, that it provided a proposed interconnection agreement to Verizon Wireless on November 25, 2002, but Verizon Wireless did not provide its responses to ALLTEL's interconnection agreement until 131 days later, on April 4, 2003, and that ALLTEL attempted to schedule a conference call on May 19, 2003 to discuss the agreement and Verizon's April 4<sup>th</sup> responses. Verizon representatives stated they were unavailable on the proposed date and never suggested alternatives. Further, as asserted by Verizon, in paragraph 6 of its *Petition*, "The parties held negotiations telephonically on October 17, November 18, 20, and 21." Further, consistent with Verizon's allegations in paragraph 6 of the *Petition*, the parties have been engaged in negotiations subsequent to May 19, 2003. ALLTEL denies all other allegations of Paragraph 4.

5. With respect to the allegations of paragraph 5 of the *Petition*, ALLTEL admits that Verizon Wireless provided ALLTEL a communication with respect to negotiation of a successor interconnection agreement on June 23, 2003. ALLTEL admits that by communication on August 15, 2003, ALLTEL notified Verizon - PA that its prior agreement with Verizon Wireless had terminated and because the terminated interconnection agreement had been Verizon PA's only alleged reason (which ALLTEL disputed) for not paying since April 2002, in accordance with ITORP, ALLTEL again demanded that Verizon - PA pay ALLTEL for Verizon Wireless originated traffic terminated by Verizon - PA to ALLTEL under ITORP. ALLTEL admits that Verizon Wireless, on September 8, 2003, offered to compensate ALLTEL on an interim basis pursuant to the Verizon Wireless interpretation of the terms of the prior interconnection agreement until the parties could negotiate or arbitrate a successor interconnection



agreement, and to make these payments subject to a true-up after a final rate is established pursuant to this proceeding. ALLTEL admits that Verizon Wireless submitted a payment to ALLTEL on November 5, 2003 with respect to the payments and Verizon stated that it had determined that reciprocal compensation was due ALLTEL net of the reciprocal compensation ALLTEL purportedly owed Verizon Wireless. While ALLTEL accepted the payments from Verizon Wireless, it did so, notifying Verizon Wireless that ITORP was still applicable and Verizon's reciprocal compensation calculations would not apply to this indirect traffic. All other allegations of paragraph 5 of the Petition are denied.

6. With respect to the allegations of paragraph 6 of the Petition, ALLTEL admits that the parties have exchanged drafts of a successor interconnection agreement and have continued negotiations. ALLTEL admits that the parties have been unable to reach accord with regard to all aspects of the interconnection and reciprocal compensation arrangements between the parties. All other allegations of paragraph 6 are denied.

#### **JURISDICTION**

With respect to the allegations of paragraph 7 of the Petition, ALLTEL admits that Verizon's most recent request for negotiation was dated June 23, 2003, that § 252 of the Act requires that a Petition for Arbitration must be filed between the 135<sup>th</sup> and 160<sup>th</sup> day after the date on which an incumbent local exchange carrier receives a request for negotiation and that the Petition was timely filed.

#### **AGREEMENT**

8. Verizon Wireless alleged the following in paragraph 8 of the Petition: "A copy of the current version of the Interconnection and Reciprocal Compensation Agreement

being negotiated by the Parties (the “Agreement”) is attached hereto as Exhibit 1. The underlined, text, in redline form, represents language that has not been agreed to by both Parties.”

ALLTEL RESPONSE: The version of the Interconnection and Reciprocal Compensation Agreement submitted as Exhibit 1 to the Petition does not accurately reflect the status of the negotiations between the parties in this proceeding. There are additional unresolved issues not reflected in Exhibit 1 to the Petition, which would need to be addressed in this arbitration. While Verizon’s Petition only identifies 15 issues as being subject to dispute, ALLTEL has identified over 30 issues that must be addressed. The additional unresolved issues identified by ALLTEL are set forth later in this Response as Additional Unresolved Issues.

**ISSUES TO BE ARBITRATED**  
**OVERVIEW**

9. Verizon alleged the following in paragraph 9: “There is no threshold dispute that the Parties are each subject to the Act. Thus, the parties agree that:
- a) CMRS providers such as Verizon Wireless are “telecommunications carriers” within the meaning of Section 251 (a) of the Act;
  - b) ALLTEL is a “telecommunications carrier” within the meaning of Section 251 (a) of the Act; and
  - c) ALLTEL is an incumbent local exchange carrier within the scope of the Parties’ respective rights and obligations pursuant to the Act.”

ALLTEL RESPONSE: ALLTEL admits the allegations in paragraphs 9 (a) and (b) and with respect to paragraph (c), ALLTEL admits that it is an incumbent local exchange carrier pursuant to the Act. All other allegations of the paragraph are denied.

10. Verizon alleged the following in paragraph 10 of the Petition: “There is considerable disagreement, however, over the scope of the Parties’ respective rights and obligations pursuant to the Act.”

ALLTEL RESPONSE: ALLTEL admits that there are unresolved issues among the parties in this proceeding. All other allegations are denied.

11. Verizon alleges the following in paragraph 11 of the Petition: “Section 252 (a) of the Act requires all telecommunications carriers to interconnect, directly or indirectly, with the facilities and equipment of other telecommunications carriers. 47 U.S.C. § 252 (a). Section 252 (b)(5) of the Act imposes a duty on all local exchange companies to establish reciprocal compensation arrangements for the transport and termination of telecommunications. 47 U.S.C § 252 (b)(5). Even prior to the passage of the 1996 Act, the FCC’s rules required that “a local exchange carrier shall pay reasonable compensation to a commercial mobile radio service provider in connection with terminating traffic that originates on facilities of the local exchange carrier”. Despite these clear directives, the Parties have reached an impasse on whether reciprocal compensation should apply to the exchange of traffic. Specifically, ALLTEL denies any responsibility to pay the costs associated with transport and tandem switching charges for traffic that originates on ALLTEL’s network and terminates on the network of Verizon Wireless where the parties are interconnected indirectly.”

ALLTEL RESPONSE: The laws and rules speak for themselves. ALLTEL denies all allegations of paragraph 11 of the Petition to the extent inconsistent with the referenced law and rules and to the extent they conflict with ALLTEL's allegations set forth elsewhere in this Response.

12. Verizon alleges the following as paragraph 12 of the Petition: "Section 51.701 (e) of the FCC's rules defines the reciprocal compensation required by Section 252 (b) of the Act as an arrangement "in which each of the two carriers receives compensation from the other carrier for the transport and termination on each carrier's network facilities of telecommunications traffic that originates on the network facilities of the other carrier." 47 C.F.R. §51.701 (e). Moreover, the FCC has prohibited the imposition of access charges on intraMTA traffic exchanged between a CMRS carrier and a LEC: "We reiterate that traffic between an incumbent LEC and a CMRS network that originates and terminates within the same MTA (defined based on the parties' locations at the beginning of the call) is subject to transport and termination rates under section 251 (b)(5), rather than interstate or intrastate access charges." The FCC has made clear that access charges are only appropriate where LECs and CMRS providers route traffic through the facilities of an interexchange carrier, as opposed to a transiting LEC."

ALLTEL RESPONSE: The laws and rules speak for themselves and therefore, ALLTEL denies all allegations to the extent they conflict with any applicable law and rules and ALLTEL's statements set forth elsewhere in this Response. ALLTEL denies that Verizon is quoting the FCC's rules in their entirety. ALLTEL denies all other allegations in this paragraph to the extent that they are irrelevant to any issues subject to dispute in this proceeding.

13. Verizon alleges the following as paragraph 13 of the Petition: “ALLTEL appears willing to provide dialing parity for Verizon Wireless’s NPA-NXX codes that are locally rated for the purposes of ALLTEL’s own locally rated numbers and numbers, which are, afforded EAS treatment. However, it is unclear whether ALLTEL agrees that it is compelled to provide such dialing parity pursuant to its LEC obligations under Section 251 (b)(3) of the Act. The parties’ disagreement may affect the pricing that applies to indirect traffic, and the pricing for indirect traffic therefore unquestionably remains open.”

ALLTEL RESPONSE: The issue of dialing parity is moot, because ALLTEL has agreed to provide dialing parity. There is no pricing issue between ALLTEL and Verizon Wireless with respect to any aspect of Dialing Parity service that either may provide the other and, therefore, the allegations of this paragraph with respect to pricing are irrelevant to this proceeding.

14. Verizon alleges in paragraph 14 of the Petition that the following paragraphs of the *Petition set forth the issues to be arbitrated. As stated earlier, the Petition only reflects some of the outstanding unresolved issues. Verizon’s Petition only identifies 15 issues as being subject to dispute, in reality, over 30 issues must be addressed. The additional unresolved issues are set forth later in this Response. The following section of this response addresses the 15 Verizon Petition identified issues.*

## **INTERCONNECTION OBLIGATIONS**

### **VERIZON ISSUE 1**

Issue 1: Are Rural LECs subject to the negotiation and arbitration process set forth in Section 252 (b) for disputes under Section 251 (b)(5) for traffic indirectly exchanged between CMRS providers?

Verizon Wireless's Position: Yes. The arbitration process of Section 252 (b) applied to any disputes arising under Section 252 (a)-(c).

ALLTEL's Alleged Position: No. Arbitration and pricing requirements of Section 252 do not apply to indirect interconnection unless specifically covered by an agreement.

ALLTEL's Actual Position: The issue of whether compensation for indirect traffic applies absent an agreement is moot and not subject to arbitration in this proceeding because the parties have agreed that reciprocal compensation will be included in the interconnection agreement as provided in Petition Exhibit A Attachment 2, section 2.1.5. In its discussion in paragraph 16 of the Petition, Verizon addresses ALLTEL's rural status. To the extent Verizon is seeking and obtains interconnection, exchange of traffic and reciprocal symmetrical compensation in this proceeding with respect to both direct and indirect traffic, consistent with the law, ALLTEL is not asserting its rural company exemption and does not anticipate applying for a 2% rural carrier suspension or modification. However, if it were determined that ALLTEL will be required, which it clearly should not, to extend facilities or bear the costs of use of facilities to extend its delivery of traffic outside of its network and local exchange area, regardless of the distance and costs imposed on ALLTEL by Verizon's chosen location for its network, then ALLTEL reserves the right to assert its rural exemption and to seek a suspension or modification as a 2% rural carrier.

## VERIZON ISSUE 2

Issue 2: Do the FCC's rules interpreting the scope of an ILEC's reciprocal compensation obligations under 252 (b)(5) apply to IntraMTA traffic that is exchanged indirectly through a third-party LEC's Tandem facilities?

Verizon Wireless's Position: Yes. The FCC's reciprocal compensation rules apply to all traffic defined as "telecommunications traffic" by 51.701 (b)(2) of the FCC's rules.

ALLTEL's Alleged Position: Unclear. While ALLTEL agrees that indirect traffic may be subject to an interconnection agreement, it is unclear to what extent it is required to pay for the costs of transport and termination in the land to mobile direction.

ALLTEL's Actual Position: This is a moot issue and not subject to arbitration.

The parties have reached agreement that reciprocal compensation will apply to intraMTA traffic.

#### VERIZON ISSUE 3 (a)

Issue 3 (a): Does Section 252 (b)(5) impose an obligation on the originating LEC to pay a CMRS provider for its traffic when it transits the network of a third party LEC and terminates on the network of a CMRS provider?

Verizon Wireless's Position: Section 251 (b)(5) obligates the originating carrier to bear the costs of transport and termination, for telecommunications traffic terminated on a CMRS provider's network.

ALLTEL's Alleged Position: Section 251 (b)(5) does not require the originating LEC to pay charges for indirect telecommunications traffic from its subscribers that terminates on another carrier's network.

ALLTEL's Actual Position: This issue is also moot and not subject to arbitration as the parties have agreed to reciprocal compensation for indirect traffic exchanged between a third party tandem. Petition Exhibit A, Attachment 2, section 2.1.5 addresses this agreement.

#### VERIZON ISSUE 3 (b)

Issue 3 (b): Pursuant to Section 251 (b)(5), is a LEC required to pay any transit charges on traffic it originates indirectly to a CMRS provider?

Verizon Wireless's Position: The FCC's rules obligate the originating carrier to pay transit charges due third-party carriers for telecommunications traffic terminated on a CMRS providers network.

ALLTEL's Alleged Position: Section 252 (b)(5) does not require originating LECs to pay transit charges for indirect telecommunications traffic from its subscribers that terminates on another carrier's network.

ALLTEL's Actual Position: Section 251(b)(5) of the Act, referred to by Verizon, addresses reciprocal compensation arrangements for the transport and termination of telecommunications traffic and as further defined in 47 C.F.R. §51.701(b)(2), which specifies the compensation of transport and termination of telecommunications traffic between a LEC and a CMRS provider that originates and terminates within the same Major Trading Area. This FCC rule clearly outlines the requirements between a LEC and CMRS provider, not a third party. This issue has been decided by state commissions. The New York Public Service Commission, for example, has ruled that Independents are currently responsible for bringing meet-point facilities to their borders only consistent with the long standing arrangement in place today for trunks used in the provision of local calling between the Independent ILECs and Verizon. ILEC responsibility is limited to delivering traffic to its service area borders. Competing carriers must either provide their own interconnection facilities or lease facilities to the meet-point. If call volumes between an Independent ILEC and a CMRS provider go beyond the small volume level, the CMRS provider should be responsible for establishing direct trunking. A DS1 or T-1 level is a reasonable standard for triggering dedicated transport since it represents a standard unit of network capacity, is an efficient network design, and is generally acceptable to most



parties. Verizon Wireless has signed interconnection agreements with Independent ILECs in New York agreeing to pay any third party tandem switching and tandem transport charges that may be assessed by the tandem operator to deliver land-originated traffic from the independent LEC's exchange boundary to the wireless carrier.

Exhibit A, Attachment 2, Section 2.1, as filed and referenced in paragraph 24 of the Petition, addresses transport and termination of traffic of a Verizon Wireless Virtual NPA-NXX within an ALLTEL rate center. In this situation Verizon Wireless has established an NPA-NXX within an ALLTEL rate center to receive local calling from ALLTEL customers and the associated switch for this NPA-NXX is located outside of the ALLTEL territory, thus causing indirect routing of all traffic to this NPA-NXX that is rate centered within an ALLTEL territory. This routing configuration has not historically existed in the telecommunications industry in establishing local calling between telecommunications companies. For example, in an EAS arrangement, each of the LECs NPA-NXXs that are included in the local calling area are in separate and distinct rate centers and are directly connected. ALLTEL should not incur any third party charges associated with the routing of traffic to Verizon merely due to Verizon's choice of a distant network location. Verizon Wireless has specifically chosen not to establish direct interconnection facilities to ALLTEL and is attempting to place the costs upon ALLTEL and ultimately upon ALLTEL's customers to reach its facilities.

The interconnection obligations established in the Act and set forth in the FCC's rules address interconnection with a LEC's network and interconnection within the LEC's service area. LECs have no obligations to establish interconnection with other carriers or provide interconnection services at a geographic point outside of their networks or in areas where the LECs do not provide LEC service. Accordingly, the interconnection obligations and responsibilities of ALLTEL do not extend beyond its network and service areas. ALLTEL is not responsible for deployment or provisioning of network facilities or services for transport of telecommunications beyond its own network.

No LEC is obligated to provide interconnection at points that are not within its network service area. A LEC's interconnection responsibilities are related exclusively to its existing network and service area. The position of Verizon Wireless threatens the viability of ALLTEL and the very fundamental precepts of universal service. Verizon Wireless suggests that ALLTEL must take financial responsibility to deploy or use a transport facility to take traffic originated by its customers to a point of interconnection with Verizon Wireless at any point designated by Verizon Wireless, irrespective of the distance from ALLTEL's network to that point.

Verizon Wireless has no interconnection right to demand that ALLTEL obtain a service from Verizon - PA for which ALLTEL must pay Verizon - PA to transport traffic beyond ALLTEL's network. Nor does ALLTEL have any obligation to establish an interconnection point with Verizon Wireless at a point

outside of ALLTEL's network service area. Consistent with applicable statutes and regulations, ALLTEL's only obligation in this regard is to establish an interconnection point with other requesting carriers at an established technically feasible point on ALLTEL's network.

Verizon Wireless has not elected to establish an interconnection point on each of ALLTEL's segregated networks, but has voluntarily chosen to utilize the Verizon - PA transit arrangement. Therefore, Verizon Wireless is responsible for all Verizon - PA costs.

While Bell operating companies have been required to establish a single interconnection point with CMRS providers in a LATA, this point of interconnection is on the Bell network, not ALLTEL's network. While Verizon Wireless may wish otherwise, the FCC has not required a LEC to establish an interconnection point with another carrier at a point not on the LEC's network. The imposition of a requirement on ALLTEL to establish interconnection beyond its own network would be a requirement that is more onerous than any that has been applied to Bell companies to address competitive concerns in Bell service areas.

Interconnection obligations arise only with respect to the LEC's actual, existing network. To the extent that the Act requires a LEC to provide interconnection with its network, that interconnection arises only with respect to the LEC's existing network when the request is made. In the context of CMRS

interconnection, courts have also confirmed that interconnection obligations are established with respect to the LEC's existing network.

When a LEC does not carry traffic beyond its local boundary, it is permitted to assess a charge to the end user customer placing the call. In a matter between a CMRS provider and Qwest, the FCC concluded that Qwest could charge the CMRS provider for the delivery of such traffic:

“Moreover, although Qwest concedes that it must allow [the CMRS provider] to interconnect without charge at any point within an MTA that is within the LATA, Qwest disagrees that it must transport, free of charge, all calls made to [the CMRS provider] within the MTA to [the CMRS provider's] interconnection point. Qwest points out that, for calls made by its end users in local calling areas outside the local calling area where [the CMRS provider's] interconnection point resides, Qwest would ordinarily assess toll charges to those end users,.... We agree with Qwest that, pursuant to the *TSR Wireless Order*, if [the CMRS provider] wants to avoid having callers to its [mobile wireless] customer pay such charges..., it may enter into a wide area calling arrangement with Qwest.... We, therefore, conclude that Qwest is not prohibited from assessing [the CMRS provider] charges for such services.

*Memorandum Opinion and Order*, Mountain Communications, Inc., Complainant v. Qwest Communications International, Inc., Defendant, File No. EB-00-MD-017, released February 4, 2002 at para, 13, and *Order on Review*, released July 25, 2002 in the same proceeding.

The FCC referred to this arrangement under which Qwest delivered traffic to a distant interconnection point not within the local calling area of the originating wireline user as a “Wide Area Calling” service. The FCC described this service as “an arrangement that allows a [CMRS provider] to subsidize the cost of calls from a LEC’s customer’s to the [CMRS provider’s] customers, when completing such calls requires the LEC to transport them from one of its local calling areas to another of its local calling areas.”

It should be noted that in this proceeding the FCC further concluded that a LEC (Qwest) is not required to offer the so-called wide area calling arrangement to CMRS providers because “wide area calling services are not necessary for interconnection or for the provision of service by a [CMRS provider] to its customer,” and the FCC’s rules “do not require a LEC to offer such services at all.” Similarly, in this instance, the imposition of an obligation on any Independent ILEC to take financial responsibility for the transport of traffic to a CMRS provider beyond the ICO’s network point of interconnection is “not necessary for interconnection or for the provision of service by a [CMRS provider] to its customers.

#### VERIZON ISSUE 4

Issue 4: Does a third party transit provider “terminate” traffic within the meaning of Section 251 (b)(5)?

Verizon Wireless’s Position: No. The FCC has ruled that a transiting carrier is not the “terminating carrier” for the purposes of payment of reciprocal compensation charges to the originating carrier, but the originating carrier still must pay the terminating carrier for transport and termination.

ALLTEL's Alleged Position: Yes.

ALLTEL's Actual Position: It is not clear to ALLTEL what is the specific issue that Verizon seeks to arbitrate. It appears to be simply re-arguing Issue(s) 1 and/or 2. If this assumption is correct then ALLTEL's responses to those issues are incorporated herein by reference; however, if it is later determined to be another issue then such should be dismissed as it was not properly raised or ALLTEL should be allowed to respond.

#### **VERIZON ISSUE 5**

Issue 5: Where a third party provider provides indirect interconnection facilities, must the interconnection agreement that establishes the terms and conditions for the exchange of the traffic between the originating and terminating carriers include the terms and conditions on which the originating carrier will pay the third party transiting provider for transiting service?

Verizon Wireless's Position: No. Reciprocal compensation sets up a system for two parties to establish arrangements and bill each other for traffic terminating on their respective networks.

ALLTEL's Alleged Position: Adequate contractual terms and conditions must be included in the interconnection agreement.

ALLTEL's Actual Position: While Verizon Wireless is requesting interconnection with ALLTEL, some of that interconnection will be and is through a third party, Verizon - PA. Because the third party transit provider may, for example, attempt to impose charges, it is important and necessary, as between originating and terminating carriers (ALLTEL and Verizon Wireless), to state in their agreement the terms and conditions and responsibility for compensation as to those transiting charges. This is essential in this instance, because ALLTEL, as explained in response to Issue 3(b) of this arbitration, is not responsible for

charges due to Verizon Wireless' choice of location and means of interconnection.

Further, while Verizon Wireless maintains that issues regarding Verizon - PA or any "transit" provider are irrelevant to the agreement between ALLTEL and Verizon Wireless, that position is not logical. The Verizon Wireless position might be plausible if Verizon Wireless proposed to arrange to use Verizon - PA trunks on a dedicated basis to transport its traffic and establish a direct point of interconnection with ALLTEL, but that, however, is not the case. Therefore, in the absence of mutual agreement, Verizon - PA cannot utilize its interconnection to ALLTEL to terminate Verizon Wireless traffic to ALLTEL. Nor could ALLTEL demand records from Verizon - PA with respect to traffic delivered. The concerns with respect to Verizon - PA are exacerbated by the fact that it has been permitted to maintain a "C trunk" connecting common trunk group to ALLTEL. It commingles traffic over this trunk group and, therefore, ALLTEL lacks the technical ability to identify the nature of the traffic on the terminating end. Only Verizon - PA is in such a position.

Interconnection on the switched telecommunications network does not occur in the absence of the establishment of proper terms and conditions. The indirect interconnection of Verizon Wireless to ALLTEL works today because the actual physical interconnection used (i.e., the interconnection between Verizon - PA and ALLTEL) was established under a framework of mutually agreed and commonly applied terms and conditions (ITORP). The indirect interconnection arrangement

cannot be altered in the absence of insuring that Verizon - PA maintains certain responsibilities that must be maintained in order for the indirect interconnection arrangement to function in an orderly manner. The terms and conditions must address: (a) establishment of trunking facilities and a physical interconnection point; (b) responsibility to establish proper authority for Verizon - PA to deliver traffic of third parties; (c) responsibility not to abuse the scope of traffic authorized by the arrangement (i.e., the transmission of unauthorized traffic); (d) provision of complete and accurate usage records; (e) coordination of billing and collection and compensation; (f) responsibilities to resolve disputes that will necessarily involve issues where the factual information is in the possession of Verizon - PA (e.g., how much traffic was transmitted, and which carrier originated the traffic); (g) responsibilities to act to implement network changes which alter or terminate the voluntary arrangement; and (h) responsibilities to coordinate appropriate actions in the event of default and nonpayment by a carrier transiting traffic. This list demonstrates the factual reality that a "transit" agreement will not and cannot work in the absence of established terms and conditions regarding the responsibilities and obligations of the transit carrier to the terminating carrier.

#### **VERIZON ISSUE 6**

Issue 6: Can CMRS traffic be combined with other traffic types over the same trunk group?

Verizon Wireless's Position: There is no technological reason for requiring CMRS provider traffic to be delivered over segregated trunk groups. It is also economically inefficient to require separate and distinct trunk groups for CMRS traffic.



ALLTEL's Alleged Position: ALLTEL traffic to CMRS should be segregated on separate trunks.

ALLTEL's Actual Position: This issue is moot. The interconnection agreement attached to the Verizon petition as Exhibit A, Attachment 2 §2.1.5, allows for the delivery and receipt of the indirect traffic to the CMRS provider over existing facilities. While Verizon Wireless additionally seems to imply that capacity will never be an issue, as discussed with respect to Issue 27 in this arbitration, a capacity threshold must be established at a DS-1 level.

#### VERIZON ISSUE 7

Issue 7: Is an incumbent local exchange provider required to provide dialing parity to a CMRS provider's NPA NXXs that are locally rated where traffic is exchanged indirectly?

Verizon Wireless's Position: Yes. Where Verizon Wireless has local rated numbers to ALLTEL's subscribers local calling areas and extended local calling areas, CMRS originated calls should be afforded dialing parity and be treated as local calls.

ALLTEL's Alleged Position: ALLTEL has conceptually agreed to dialing parity for locally rated numbers, but the parties have not agreed to language.

ALLTEL's Actual Position: ALLTEL has agreed to dialing parity and is proposing the following changes to the language § 2.1.6 of Attachment 2 in Exhibit A to the Petition as follows: "ALLTEL shall treat CMRS NPA-NXXs which are local rated in an ALLTEL rate center or in an ALLTEL mandatory Extended Area Service rate center as local calls to its subscribers. ALLTEL shall afford local dialing parity to locally rated CMRS NPA-NXXs within an ALLTEL rate center or in an ALLTEL mandatory Extended Area Service rate center."

#### VERIZON ISSUE 8

Issue 8: Should a LEC be required to share in cost of dedicated two-way interconnection facilities between its switch and the CMRS carriers switch?

Verizon Wireless's Position: Yes. Where the parties have agreed to construct or lease two-way interconnection facilities on a dedicated basis, both parties should share in their proportionate use of such facilities, regardless of whether such facilities extend beyond the LEC's rate center boundary of "interconnected network".

ALLTEL's Alleged Position: No. A LEC is only required to share the costs of facilities that are located within its franchise territory.

ALLTEL's Actual Position: This issue is re-arguing Issue 3 (b) and is simply another attempt by Verizon Wireless to shift a portion of Verizon Wireless' costs of network or transport that is beyond ALLTEL local exchange area and network onto ALLTEL and its customers. ALLTEL's response to Issue 3 (b) is incorporated herein by reference.

## COMPENSATION

### **VERIZON ISSUE 9**

Issue 9: What is the appropriate pricing methodology for establishing a reciprocal compensation rate for the exchange of indirect traffic?

Verizon Wireless's Position: Where a LEC uses a transit provider to originate traffic to a CMRS provider, the LEC is responsible for the costs of delivery and termination up to the network of the CMRS provider.

ALLTEL's Alleged Position: CMRS carriers must compensate ALLTEL for transport between the third party tandem and ALLTEL's network in addition to the reciprocal compensation rate that would apply for direct interconnection.

ALLTEL's Actual Position: It is not clear what Verizon is seeking to arbitrate in Issue 9. Verizon's issue summary seems to address the appropriate method for determining the rates for reciprocal compensation; however, Verizon's position

statement discusses delivery and termination costs. ALLTEL reserves the right to respond upon further clarification. If the issue is whether forward looking costs are to be used to determine the rates, the issue is moot, because ALLTEL is agreeing to provide a forward looking cost study prepared consistent with FCC rules. ALLTEL is supplying these costs studies to Verizon Wireless. If this issue, however, is addressing transiting costs, transiting costs is addressed in ALLTEL's Response to Issue 3 (b).

### VERIZON ISSUE 10

Issue 10: Can the Parties implement a traffic factor to use as a proxy for the mobile-to-land and land-to-mobile traffic balance if the CMRS provider does not measure traffic?

Verizon Wireless's Position: Yes. There are circumstances under which the Parties may need to use factors.

ALLTEL's Alleged Position: Unclear. ALLTEL may agree to the use of a traffic factor to estimate the amount of mobile to land traffic terminating on its network, but the actual ratio is still open.

ALLTEL's Actual Position: Contrary to Verizon's position on this Issue, Exhibit A, Attachment 3, Section 1.1 of the Petition provides that the Parties should use either actual call recordings or data (either Meet Point Billing Records or a report) provided by the transit provider for billing to the other party. ALLTEL does not need a factor for billing of traffic to Verizon Wireless. Consistent with the parties' negotiated language, actual recordings should be used where available. The billing of traffic based upon actual call detail records or a report from the transit provider produces an accurate bill for the traffic terminated to each party. The utilization of factors only provides an estimate for the billing of the traffic terminated on a party's network.

Verizon states, in paragraph 29 of its Petition, that in the interconnection agreement between Verizon Wireless and Verizon Pennsylvania “Verizon Wireless’s proposed language would enable both parties to utilize third-party billing records for traffic each party originates to the other party.” It is inconsistent and illogical that a factor is needed by Verizon Wireless as Verizon Wireless has agreed with Verizon - PA to utilize billing records.

#### VERIZON ISSUE 11

Issue 11: Where a CMRS provider’s switch serves the geographically comparable area of ILEC tandem, can it charge a termination rate equivalent to a tandem rate for traffic terminated in the Mobile to Land direction?

Verizon Wireless’s Position: The switch of Verizon Wireless serves a geographically equivalent area as an ILEC tandem.

ALLTEL’s Alleged Position: Only where the parties are interconnected at an ALLTEL tandem.

ALLTEL’s Actual Position: Rates must be reciprocal and symmetrical. In some areas of Pennsylvania, ALLTEL’s network does not include an ALLTEL tandem, but instead the ALLTEL end office subtends another ILEC’s tandem. ALLTEL will, therefore, not be billing a tandem rate to Verizon at those locations. As ALLTEL will not be billing the tandem rate in those areas, if Verizon were to bill ALLTEL, tandem rates at those locations as it is attempting to do, Verizon’s rate would exceed ALLTEL’s rate and, therefore, the rates charged each other at those locations would not be reciprocal and symmetrical.

Verizon’s proposal violates the basic premise of §51.711 in its entirety because the rates would not be symmetrical and reciprocal. 47 C.F.R. § 51.711(a)(3)

refers to the “geographic area comparable to the area served by the incumbent LEC’s tandem switch”. The ILEC with the comparable geographic area and the tandem switching charge will not be a party to this agreement and § 51.711 addresses symmetrical reciprocal compensation between the two parties entering into an interconnection agreement. ALLTEL proposes to include its tandem rate in the reciprocal rates only when the network layout of ALLTEL includes an ALLTEL tandem and Verizon Wireless is connecting directly to the ALLTEL Tandem.

#### VERIZON ISSUE 12

Issue 12: Should the Parties establish a factor to delineate what percentage of traffic is interMTA and thereby subject to access rates? If so, what should the factor be? (Appendix A.II)

Verizon Wireless’s Position: Yes. Verizon Wireless has negotiated interMTA factors with other similarly situated LECs in other states, and Verizon Wireless would expect a negotiated interMTA factor to be three (3%) or less.

ALLTEL’s Alleged Position: ALLTEL has not agreed to a precise interMTA factor, but have stated they could agree to a factor as part of an entire reciprocal compensation arrangement. However, Verizon Wireless does not know what ALLTEL would accept for a negotiated interMTA factor.

ALLTEL’s Actual Position: ALLTEL has already agreed to provide an interMTA factor, which includes traffic studies per §3.2.2 of Attachment 3 of Exhibit A of the Verizon Wireless Petition. Therefore, it is moot and arbitration is not appropriate as to whether a factor will be used. With respect to what will be the factor, Verizon Wireless is required to provide a traffic study to demonstrate the appropriate factor. It has not provided a study and, therefore, it is not yet

possible to determine if the parties are in agreement with respect to what will be the factor.

## GENERAL TERMS AND CONDITIONS

### VERIZON ISSUE 13

Issue 13: After a requesting carrier sends a formal request for interconnection under Section 252 (b) of the Act, what interim reciprocal compensation terms apply to the parties until an agreement has been negotiated and arbitrated by the Commission?

Verizon Wireless's Position: Section 51.715 of the FCC's rules provides for interim reciprocal compensation rates, where a requesting carrier has requested negotiations of an interconnection agreement.

ALLTEL's Alleged Position: Unclear.

ALLTEL's Actual Position: Section 51.715 of the FCC's rules addresses interim reciprocal compensation rates. As discussed earlier in this Response, however, ALLTEL has consistently asserted that indirect traffic must be compensated pursuant to the Pennsylvania Public Utility Commission approved ITORP until such time that an agreement is negotiated with terms, conditions and rates that would supercede ITORP and an agreement is reached with the transiting carrier and are approved by the Commission to do so. The terminated interconnection agreement between ALLTEL and Verizon Wireless did not at any time change or supercede the ITORP settlement process. Thus, the termination of the agreement did not alter this compensation method or ALLTEL's position.

### VERIZON ISSUE 14

Issue 14: Under what circumstances should either party be permitted to terminate the agreement or block traffic as a remedy in cases of default or breach?

Verizon Wireless's Position: Unless there is a material breach of the agreement, a party should not be able to block traffic or terminate service under the Agreement. Adequate contractual remedies including dispute resolution and legal remedies can protect the non-defaulting party. Blocking of traffic should not be a remedy because it undermines the ability of carriers to choose to interconnect indirectly under Section 251 (a)(1) of the Act.

ALLTEL's Alleged Position: ALLTEL should be allowed to block traffic if the CMRS provider defaults.

ALLTEL's Actual Position: As defined in §8.1.5 of the General Terms and Conditions of Exhibit A of the Verizon Wireless Petition, "In the event that CMRS Provider is in breach of this Agreement, ALLTEL will provide 30 day's written notice to allow CMRS Provider to cure the breach. If the breach is not cured at the end of the 30 days, ALLTEL may terminate service to CMRS Provider; any security deposits applied to its account and ALLTEL may pursue any other remedies available at law or equity". This language provides for notice and allows adequate time for the breach to be cured. This approach is common commercial and industry standard approach to defaults. Verizon Wireless has executed agreements with Independents ILECs in New York including the following language: "Either Party will have the right to terminate this Agreement at any time upon written notice to the other Party in the event a Party is in material breach of the provisions of this Agreement and that breach continues for a period of thirty (30) days after the other Party notifies the breaching Party of such breach, including a reasonable detailed statement of the nature of the breach". This language would also be acceptable to ALLTEL.

## ADDITIONAL UNRESOLVED ISSUES

Following are additional unresolved issues, discrepancies and inaccuracies, which ALLTEL has identified subsequent to review of the Petition and Exhibit 1 to the Petition. Exhibit 1 to the Petition includes language never presented for ALLTEL's review, as well as language which is contrary to ALLTEL's understanding of the parties' resolution of issues in their negotiations. Attached, as ALLTEL Exhibit A is the interconnection agreement reflecting ALLTEL's position in this proceeding.

### ALLTEL ISSUE 15

Issue 15: Payment due date, General Terms and Conditions, paragraph 8.2 and Attachment 3, paragraph 1.1 of Verizon's Exhibit 1.

ALLTEL Position: Payment for all undisputed charges should be due 30 days after the date of the invoice. This is industry standard. If Verizon's position were required, the billing company would not know the date from which to determine the due date because it would not know when the billed company received the invoice. The billing company must have a date certain from which to calculate a due date. The invoice date is the most practical and accepted date for this purpose.

Verizon Wireless Position: Verizon states in General Terms and Conditions, paragraph 8.2 Payment for all undisputed charges are due within thirty (30) days of receipt of the invoice. In Attachment 3, paragraph 1.1, Verizon states that bills rendered by either party shall be paid within forty-five (45) calendar days of receipt of the invoice.

### ALLTEL ISSUE 16

Issue 16: Bona Fide Dispute, General Terms and Conditions, paragraph 9.1.1.3

ALLTEL Position: A Bona Fide dispute does not include the refusal to pay all or part of a bill or bills when no written documentation is provided to support the dispute, nor should a Bona Fide dispute include the refusal to pay other amounts owed by the disputing Party pending resolution of the dispute. Claims by the disputing Party for damages of any kind should not be considered a Bona Fide dispute.



Verizon Wireless Position: Uncertain. Verizon Wireless agreed to keep this language reflected in ALLTEL's position statement on 11/20/03, but it appears in the Verizon Wireless Exhibit 1 that Verizon Wireless now disagrees.

#### ALLTEL ISSUE 17

Issue 17: Removal of Bona Fide in the dispute language, General Terms and Conditions, paragraph 9.1.1.4

ALLTEL Position: Once a Bona Fide dispute has been processed in accordance with this subsection 9.1.1, the disputing party must make payment on any of the disputed amount owed to the billing party by the next billing due date, or the billing party must have the right to pursue normal treatment procedures. Any credits due to the disputing party resulting from the Bona Fide dispute process would be applied to the disputing party's account by the billing party by the next billing cycle upon resolution of the dispute.

Verizon Wireless Position: Uncertain. Verizon Wireless agreed to this language on 11/20/03 if a definition of Bona Fide Dispute was added to the agreement. Verizon Wireless however has not proposed any such definition. This still remains open in the Verizon Wireless Exhibit 1 and yet a definition of Bona Fide Dispute has not been added.

#### ALLTEL ISSUE 18

Issue 18: Limitations on disputes, General Terms and Conditions, paragraph 9.1.2.

ALLTEL Position: ALLTEL agrees the proposed language in Petition Exhibit 1 is acceptable.

Verizon Wireless Position: Proposed language: No action or demand for arbitration, regardless of form, arising out of the subject matter of this agreement may be brought by either party more than two (2) years after the cause of action has accrued. The Parties waive the right to invoke any different limitation on the bringing of actions provided under state or federal law unless such waiver is otherwise barred by law.

Issue 19: Arbitration, General Terms and Conditions, paragraph 9.6.1

ALLTEL Position: ALLTEL agrees to Verizon's proposal reflected in Petition Exhibit 1.

Verizon Wireless Position: Verizon Wireless will only agree to consensual commercial arbitration as an elective remedy.

## ALLTEL ISSUE 20

Issue 20: Most Favored Nation, General Terms and Conditions, paragraph 31.1

ALLTEL Position: Verizon Wireless may not MFN into another agreement during the term of the existing agreement. While it may seek changes in the agreement under the Change of Law Provision, to make it consistent with changes in law during the term, the Act does not provide Verizon the right to simply walk away from a valid agreement in favor of another agreement. MFN rights under the act are available after the agreement expires or while it does not have an agreement.

Verizon Wireless Position: Verizon Wireless requests the language to be added to the agreement that allows Verizon Wireless to MFN into any other agreement during the term of this agreement.

## ALLTEL ISSUE 21

Issue 21: Identification of parties to the agreement.

ALLTEL Position: Verizon Wireless operates through a number of separate entities and partnerships. It has proposed to delete the information contained in Attachment 1 of Exhibit 1 that would identify the entities of either party, which are bound by and would have rights under this agreement. It is essential that the parties know which entities may claim rights under this agreement. This deletion is inconsistent with the opening paragraph of the general Terms and Conditions of the Agreement submitted as Verizon's Exhibit 1 to the Petition, which would require such an attachment.

Verizon Wireless Position: The information contained in Attachment 1 as reviewed by ALLTEL was removed in Exhibit 1 Attachment 1 which Verizon submitted to the Commission.

## ALLTEL ISSUE 22

Issue 22: Type 1 Interconnection Facilities to be grandfathered, Attachment 2, paragraph 1.1.1.

ALLTEL Position: ALLTEL has agreed to continue to provide service for Type 1 facilities that exist as of the effective date of the interconnection agreement until transitioned to Type 2B. ALLTEL is proposing the following language be added to Verizon's Attachment 2, § 1.1.1:

“CMRS Provider shall not request new Type 1 facilities. Existing Type 1 facilities as of the effective date of this interconnection agreement may be retained until the parties migrate the Type 1 facilities to Type 2B facilities.”

Verizon Position: Uncertain.

### ALLTEL ISSUE 23

Issue 23: Type 2A and Type 2B, Attachment 2, paragraph 1.1.2 and paragraph 1.1.3 of Verizon’s Exhibit 1.

ALLTEL Position: Petition Exhibit 1 Attachment 2 as presented to the Commission reflects language deletions not agreed to by ALLTEL with respect to multi-frequency signaling. ALLTEL did not agree to remove the language that allows for continued multi-frequency signaling. In Exhibit 1 provided by Verizon Wireless, references to multi-frequency were removed. Deletion of the multi-frequency signaling language is significant because it implies availability and requirement of SS7 signaling at all locations. ALLTEL will offer SS7 where it is provisioned; however, it has not provided and is not required to provision SS7 signaling at all locations. Where multi-frequency signaling is the only signaling available in ALLTEL’s network, it will continue to be utilized and the agreement must reflect such.

Verizon Wireless Position: Verizon Wireless is apparently requesting SS7 signaling in all locations, even if not available from ALLTEL.

### ALLTEL ISSUE 24

Issue 24: Incumbent Local Exchange Carrier Requirement, Attachment 2, paragraph 1.4.2 of Verizon’s Exhibit 1.

ALLTEL Position: The agreement must expressly indicate that ALLTEL is only providing service in the area of the state where it is authorized to provide service. While the Parties have agreed that the terms and conditions specified in this agreement will apply only to the provision of services and facilities by ALLTEL in those areas where ALLTEL is the Incumbent Local Exchange Carrier, as defined by the Act, Verizon has deleted the express language on this subject from Petition Exhibit 1. ALLTEL is only authorized to provide service in its franchised area.

Verizon Wireless Position: Verizon Wireless is proposing to delete language from the contract that specifies that it applies to ALLTEL service area.

## ALLTEL ISSUE 25

Issue 25: Direct Routed Traffic Mobile to Land Traffic, Attachment 2, paragraph 2.1.1.1, paragraph 2.1.1.2, paragraph 2.1.2.1, and paragraph 2.1.2.2 of Verizon's Exhibit 1.

ALLTEL Position: Verizon Wireless agreed in negotiations to insert the phrase "within ALLTEL's interconnected network" within the above sections. Its Petition Exhibit 1 does not include this phrase. Verizon Wireless has, however, agreed to this language in other sections of this agreement. This language is essential because ALLTEL has separate segregated networks in Pennsylvania, which are not connected to each other by ALLTEL facilities. It is essential to clarify in the agreement that when Verizon connects to one of these separate segregated networks, it is able to exchange traffic and is achieving interconnection, only with that individual segregated ALLTEL network.

Verizon Wireless Position: Uncertain. In Petition Exhibit 1, Verizon Wireless deleted the proposed phrase, but did not identify this as an unresolved issue.

## ALLTEL ISSUE 26

Issue 26: Direct Routed Traffic Land to Mobile Traffic, Attachment 2, paragraph 2.1.2.2 of Verizon's Exhibit 1.

ALLTEL Position: Verizon has inappropriately proposed to insert language with respect to indirect connection to tandems into a section that addresses direct connection. This proposal would create conflicting provisions in the agreement.

## ALLTEL ISSUE 27

Verizon Wireless Position: Uncertain

Issue 27: Indirect Network Interconnection, Attachment 2, paragraph 2.1.5 of Verizon's Exhibit 1.

ALLTEL Position: ALLTEL has added language requiring the establishment of a direct interconnection facility when the capacity of the indirect traffic reaches a DS1 level. A DS1 level is a reasonable standard for triggering dedicated transport because DS1 is a standard unit of network capacity, is an efficient network design and is generally accepted in the industry. A 500,000 MOU threshold, which appears to be Verizon Wireless' actual proposal (assuming "500.00" is a typographical error)

would equate to approximately 43 DSIs. At a 500,000 MOU threshold ALLTEL would be forced to expand its existing facilities (between ALLTEL and the third party) at ALLTEL customer expense before the threshold is met or exceeded.

Verizon Wireless Position: Uncertain. Verizon Wireless proposes in Exhibit 1 to the Petition, a 500.00 MOU per month as a threshold, however, in negotiations Verizon proposed a 500,000 MOU threshold.

#### ALLTEL ISSUE 28

Issue 28: NPA-NXX's with different rating and routing points, Attachment 2, paragraph 2.1.

ALLTEL Position: ALLTEL is not responsible for any third party charges when Verizon Wireless rating points for an NPA-NXX are different than the routing points. In this situation, Verizon Wireless has established an NPA-NXX within an ALLTEL rate center to receive local calling from ALLTEL customers and the associated switch for this NPA-NXX is located outside of the ALLTEL territory, thus causing indirect routing of all traffic to this NPA-NXX that is rate centered within an ALLTEL territory. This routing configuration has not previously existed in the telecommunications industry in establishing local calling between telecommunications companies. In an EAS arrangement, each of the LECs NPA-NXXs that are included in the local calling area are in separate and distinct rate centers and are directly connected. ALLTEL should not incur any third party charges associated with the routing of traffic to Verizon. Verizon Wireless has specifically chosen not to establish direct interconnection facilities to ALLTEL and is attempting to place the costs upon ALLTEL and ultimately upon ALLTEL's customers. Furthermore, if ALLTEL cannot record this traffic terminating to ALLTEL, Verizon Wireless must provide a report of the MOUs that originate from these NPA-NXXs.

Verizon Position: Verizon Wireless wants to establish codes in ALLTEL rate centers, regardless of actual delivery point of calls, and require ALLTEL to bear all transport costs to the point of delivery.

#### ALLTEL ISSUE 29

Issue 29: Factors for billing of direct routed traffic instead of actual call recordings, Attachment 3, Section 1.1 of Verizon Exhibit 1.

ALLTEL Position: ALLTEL can record the terminating traffic originating from Verizon Wireless that is routed through a direct interconnection between the Parties. Verizon Wireless proposes language that requires

both parties to bill from the use of a factor when either of the parties cannot record the actual call detail and which limits the billing of actual terminating minutes by ALLTEL due to a recording or billing limitation of Verizon Wireless. Actual recording produces an accurate bill that can be supported by call detail records. A traffic ratio provides no supporting documentation of the bill.

Verizon Wireless Position: Verizon Wireless has provided new language in Exhibit 1 that was not previously provided to AT during any discussions or redlines provided to ALLTEL.

### ALLTEL ISSUE 30

Issue 30: Land to Mobile traffic factor, Attachment 4 of Verizon's Exhibit 1.

ALLTEL Position: ALLTEL has the ability to record all terminating traffic originating from Verizon Wireless over direct interconnection facilities, therefore a factor is not needed by ALLTEL for billing Verizon. Verizon's proposed factor of 60/40 land to mobile was not provided by Verizon Wireless to ALLTEL during any discussions or redlines. This split is different from the shared facilities factor of 70/30 land to mobile proposed by Verizon Wireless and agreed to by ALLTEL. The shared facilities factor is based upon the percentage of land to mobile traffic, Verizon Wireless is inconsistent with its proposal and has not supported the 60/40 factor.

Verizon Wireless Position: 60/40 land to mobile traffic factor to be used by both Parties when either Party cannot record the terminating minutes originating from the other Party routed over a direct interconnection facility.

### ALLTEL ISSUE 31

Issue 31: Definition of Interconnection Point, Attachment 8 of Verizon Exhibit 1.

ALLTEL Position: Verizon is proposing a vague definition, which does not appropriately define the parties responsibilities. While the definition does not need to limit use of this terms to direct connection only, it must reflect that the POI divides the responsibilities of network between the parties, which in ALLTEL's case will be on its network.

Verizon Wireless Position: Verizon Wireless wants to modify the definition to a vague term.

### ALLTEL ISSUE 32

Issue 32: Definition of Interexchange Carrier

ALLTEL Position: The term is not used in the agreement.

Verizon Wireless Position: Verizon Wireless wants to keep definition.

WHEREFORE, ALLTEL having responded to the petition, prays the Commission deny the relief requested by petitioner and affirm ALLTEL's position on the issues as stated in this response.

Respectfully submitted

Thomas, Thomas, Armstrong & Niessen



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Patricia Armstrong  
Regina Matz

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Dated: December 22, 2003

**AFFIDAVIT**

STATE OF ARKANSAS    )  
                                  )  
COUNTY OF PULASKI    )

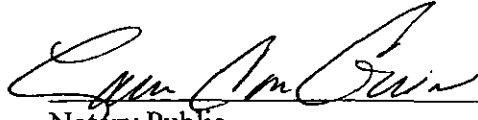
SS:

S. LYNN HUGHES, being duly sworn according to law, deposes and says that she is Director, Wholesale Services, of ALLTEL Communications, and that in this capacity she is authorized to and does make this Affidavit of ALLTEL Communications, and that the facts set forth in the foregoing document are true and correct to the best of her knowledge, information and belief.


  
\_\_\_\_\_  
S. Lynn Hughes

Sworn and Subscribed to before me this 19<sup>th</sup> day of December, 2003.

(SEAL)

  
\_\_\_\_\_  
Notary Public

My Commission Expires

June 20, 2007  




**COMMERCIAL MOBILE RADIO SERVICES**  
**INTERCONNECTION AGREEMENT**  
**BETWEEN**  
**ALLTEL PENNSYLVANIA, INC.**  
**AND**  
**CELLCO PARTNERSHIP D/B/A VERIZON WIRELESS**  
**FOR**  
**PENNSYLVANIA**

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COMMERCIAL MOBILE RADIO SERVICES  
INTERCONNECTION AGREEMENT

BETWEEN

ALLTEL PENNSYLVANIA, INC.

AND

CELLCO PARTNERSHIP D/B/A VERIZON WIRELESS

<b>GENERAL TERMS AND CONDITIONS</b> .....	<b>14</b>
1.0 INTRODUCTION.....	14
2.0 EFFECTIVE DATE.....	14
3.0 INTERVENING LAW.....	14
4.0 TERM OF AGREEMENT.....	22
5.0 ASSIGNMENT.....	223332
6.0 CONFIDENTIALITY AND PROPRIETARY INFORMATION.....	33
7.0 LIABILITY AND INDEMNIFICATION.....	44
8.0 PAYMENT OF RATES AND LATE PAYMENT CHARGES.....	66
9.0 DISPUTE RESOLUTION.....	77
10.0 TERMINATION OF SERVICE TO CMRS PROVIDER.....	10101110
11.0 NOTICES.....	1010111110
12.0 TAXES.....	11111211
13.0 FORCE MAJEURE.....	131314131312
14.0 PUBLICITY.....	131314131312
15.0 INTENTIONALLY LEFT BLANK.....	13131413
16.0 LAW ENFORCEMENT AND CIVIL PROCESS.....	13131413
17.0 INTENTIONALLY LEFT BLANK.....	141415141413
18.0 AMENDMENTS OR WAIVERS.....	141415141413
19.0 AUTHORITY.....	141415141413
20.0 BINDING EFFECT.....	14141514
21.0 CONSENT.....	14141614
22.0 EXPENSES.....	14141614
23.0 HEADINGS.....	1414161514
24.0 RELATIONSHIP OF PARTIES.....	1414161514
25.0 CONFLICT OF INTEREST.....	151516151514
26.0 MULTIPLE COUNTERPARTS.....	151516151514
27.0 THIRD PARTY BENEFICIARIES.....	151516151514
28.0 REGULATORY APPROVAL.....	151516151514
29.0 TRADEMARKS AND TRADE NAMES.....	15151715
30.0 REGULATORY AUTHORITY.....	15151715
31.0 INTENTIONALLY LEFT BLANK.....	1515171615
32.0 VERIFICATION REVIEWS.....	1515171615
33.0 COMPLETE TERMS.....	1616181716
34.0 INTENTIONALLY LEFT BLANK.....	1717181716
35.0 INTENTIONALLY LEFT BLANK.....	171718171716
36.0 INTENTIONALLY LEFT BLANK.....	171718171716
37.0 RESPONSIBILITY OF EACH PARTY.....	171718171716
38.0 INTENTIONALLY LEFT BLANK.....	171718171716
39.0 GOVERNMENTAL COMPLIANCE.....	171718171716
40.0 MANAGEMENT CONTRACTS.....	17171917
41.0 SUBCONTRACTING.....	1717191817
42.0 REFERENCED DOCUMENTS.....	181819181817

43.0	SEVERABILITY.....	181819181817
44.0	SURVIVAL OF OBLIGATIONS.....	18182018
45.0	GOVERNING LAW.....	1818201918
46.0	INTENTIONALLY LEFT BLANK.....	1818201918
47.0	INTENTIONALLY LEFT BLANK.....	1919201918
48.0	DISCLAIMER OF WARRANTIES.....	1919201918
49.0	DEFINITIONS AND ACRONYMS.....	191920191918
50.0	INTENTIONALLY LEFT BLANK.....	19192019
51.0	INTENTIONALLY LEFT BLANK.....	19192119
52.0	CERTIFICATION REQUIREMENTS.....	19192119
53.0	OTHER REQUIREMENTS AND ATTACHMENTS.....	19192119
<b><u>ATTACHMENT 1: ALLTEL AFFILIATED LOCAL EXCHANGE CARRIERS.....</u></b>		<b>14</b>
<b><u>ATTACHMENT 2: NETWORK INTERCONNECTION ARCHITECTURE.....</u></b>		<b>14</b>
1.0	NETWORK ARCHITECTURE.....	14
2.0	TRANSMISSION AND ROUTING.....	33
3.0	ORDERING.....	55654
4.0	NETWORK MAINTENANCE AND MANAGEMENT.....	55765
<b><u>ATTACHMENT 3: BILLING, COMPENSATION AND CHARGES.....</u></b>		<b>14</b>
1.0	BILLING.....	14
2.0	COMPENSATION.....	14
3.0	CHARGES.....	222222
4.0	TRANSMISSION AND ROUTING OF EXCHANGE ACCESS SERVICE.....	<b>ERROR! BOOKMARK NOT DEFINED.ERROR! BOOKMARK NOT DEFINED.4444</b>
<b><u>ATTACHMENT 4: PRICING.....</u></b>		<b>14</b>
<b><u>ATTACHMENT 5: INTENTIONALLY LEFT BLANK.....</u></b>		<b>14</b>
<b><u>ATTACHMENT 6: INTENTIONALLY LEFT BLANK.....</u></b>		<b>14</b>
<b><u>ATTACHMENT 7: INTENTIONALLY LEFT BLANK.....</u></b>		<b>14</b>
<b><u>ATTACHMENT 8: DEFINITIONS.....</u></b>		<b>14</b>
<b><u>ATTACHMENT 9: ACRONYMS.....</u></b>		<b>14</b>

## GENERAL TERMS AND CONDITIONS

This Interconnection Agreement ("Agreement") is entered into between Celco Partnership d/b/a Verizon Wireless, a Delaware general partnership, its affiliates and assigns on behalf of the FCC CMRS licensees and markets listed in Attachment 1-A (all collectively referred to as "CMRS Provider"), having an office at 180 Washington Valley Road, Bedminster, New Jersey, 07921 and ALLTEL Pennsylvania, Inc. ("ALLTEL"), a Delaware corporation, having an office at One Allied Drive, Little Rock, Arkansas 72202, for and on behalf of the affiliated local exchange carriers identified in *Attachment 1-B: s*. Hereinafter, CMRS Provider and ALLTEL are referred to individually as "Party" and collectively as "the Parties."

**WHEREAS**, ALLTEL is a Local Exchange Carrier in the State(s) of \_\_\_\_\_;

**WHEREAS**, CMRS Provider is a licensed Commercial Mobile Radio Service provider in the State(s) of \_\_\_\_\_; and

**WHEREAS**, pursuant to the Communications Act of 1934, as amended ("the Act"), and other applicable laws, the Parties desire to enter into an agreement for the interconnection of their networks and payment of Reciprocal Compensation, where required by law, for the termination of Telecommunications Traffic;

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants of this Agreement, the Parties hereby agree as follows:

### **1.0 Introduction**

1.1 This Agreement sets forth the terms, conditions and rates under which ALLTEL agrees to provide interconnection to CMRS Provider. Further, this Agreement sets forth the terms, conditions and rates under which CMRS Provider will provide interconnection and other services to ALLTEL, where applicable. This Agreement also sets forth the terms and conditions for the interconnection of the Parties' networks and for the payment of Reciprocal Compensation, where required by law, for the transport and termination of Telecommunications Traffic between the Parties.

1.2 This Agreement includes and incorporates herein the Attachments of this Agreement and all accompanying Appendices, Addenda and Exhibits.

### **2.0 Effective Date**

2.1 This Agreement will be effective only upon execution and delivery by both Parties. The "Effective Date" of this Agreement will be the date on which this Agreement is filed with the appropriate Commission, subject to approval by the Commission in accordance with Section 252 of the Act, or, where approval by a such Commission is not required, the date that the last Party executes the Agreement.

### **3.0 Intervening Law**

3.1 This Agreement is entered into as a result of private negotiation between the Parties, acting pursuant to the Act, and/or other applicable state laws or Commission rulings. If the actions of state or federal legislative bodies, courts or regulatory agencies of competent jurisdiction modify or stay the enforcement of laws or regulations that were the basis for a provision of the contract, the affected provision(s) will be modified in accordance with such action of the legislative body, court or regulatory agency. In such event, either Party may send the other party written notice of its intent to modify the Agreement to conform to the change in law. The Parties shall expend diligent efforts to arrive at an agreement respecting the modifications within sixty days of either Party's receipt of notice. If private negotiations fail, disputes between the Parties concerning the interpretation of the actions

required or provisions affected by such governmental actions may be resolved pursuant to Section 252 of the Act or any remedy available to the Parties under law.

#### 4.0 Term of Agreement

- 4.1 The Parties agree to interconnect pursuant to the terms defined in this Agreement for a term of two (2) years from the Effective Date of this Agreement, and thereafter the Agreement shall renew on a month to month basis, unless and until terminated as provided herein.
- 4.2 Either Party may terminate or request renegotiations of this Agreement upon 60 days written notice to the other Party. However, no such termination or request for renegotiations of a successor interconnection agreement shall be effective prior to the date two (2) years from the Effective Date of this Agreement.
- 4.3 By mutual agreement, the Parties may amend this Agreement in writing to modify its terms.
- 4.4 A Party may terminate this Agreement without penalty or liability, other than for amounts owed as of the date of termination, by giving the other Party written notice of its desire to terminate not less than thirty (30) calendar days prior to the intended date of termination if:
- (i) the other Party makes an assignment for the benefit of creditors;
  - (ii) the other Party makes an unauthorized assignment of this Agreement; or
  - (iii) the other Party fails to perform any of its obligations under this Agreement in any material respect, and such material failure continues without remedy for a period of thirty (30) calendar days after written notice is given by the non-defaulting Party to the defaulting Party.
- 4.5 Upon expiration or termination of this Agreement, if either Party desires uninterrupted service under this Agreement during negotiations of a new agreement, the requesting Party shall provide the other Party written notification appropriate under the Act. Upon receipt of such notification, the same terms, conditions and prices in this Agreement will continue as were in effect at the end of the latest term or renewal, so long as negotiations are continuing without impasse and only then until resolution pursuant to this Section. If the Parties are actually in arbitration or mediation before the appropriate state regulatory commission or the Federal Communications Commission ("FCC") prior to the expiration of this Agreement, this Agreement will continue in effect until a successor interconnection agreement is approved by the state regulatory commission or the FCC resolving the issues set forth in such arbitration or mediation request.
- 4.6 The Parties agree to resolve any disputed matter relating to this Agreement pursuant to Section 9.0: Dispute Resolution.
- 4.7 Upon either Party's written request, the Party providing service shall fully cooperate in effecting an orderly and efficient transition of any services to another vendor. During any such transition, the Party providing service warrants that the level and quality of the services will not be degraded and that it shall exercise its best, commercially reasonable efforts to effect an orderly and efficient transition. To the extent that such transition is not completed by the expiration date of this Agreement, the Party providing service shall continue to provide the service to be discontinued at then effective rates, until such time as written notice is given that the transition is complete.

#### 5.0 Assignment

- 5.1 Neither Party may assign, subcontract or otherwise transfer its rights or obligations under this Agreement, except under such terms and conditions as are mutually acceptable to the other Party
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and only with such Party's prior written consent, which consent shall not be unreasonably withheld; provided, however, that either Party may assign this Agreement to a corporate affiliate or management contract conducting business as a Local Exchange Carrier or Commercial Mobile Radio Service provider, as appropriate, by providing prior written notice to the other Party of such assignment or transfer. Nothing in this Section is intended to impair the right of either Party to utilize subcontractors.

- 5.2 Each Party will notify the other Party in writing not less than sixty (60) calendar days in advance of anticipated assignment

## 6.0 Confidentiality and Proprietary Information

- 6.1 For the purposes of this Agreement, confidential information means confidential or proprietary technical, customer, end user or network information given by one Party (the "Discloser") to the other Party (the "Recipient") which is disclosed by one Party to the other Party in connection with this Agreement during negotiations and the term of this Agreement ("Confidential Information"). Such Confidential Information will automatically be deemed proprietary to the Discloser and subject to this Section 6.0, unless otherwise confirmed in writing by the Discloser. All other information which is indicated and marked as Confidential Information at the time of disclosure shall also be treated as Confidential Information under Section 6.0 of this Agreement. The Recipient agrees: (i) to use such Confidential Information only for the purpose of performing under this Agreement; (ii) to hold it in confidence and disclose it to no one other than (a) its employees having a need to know for the purpose of performing under this Agreement, and (b) its agents, including, without limitation, attorneys who are under a legal obligation to maintain the confidentiality of disclosures; and (iii) to safeguard such Confidential Information from unauthorized use or disclosure, using at least the same degree of care with which the Recipient safeguards its own Confidential Information. If the Recipient wishes to disclose the Discloser's Confidential Information to a third party agent or consultant, such disclosure must be agreed to in writing by the Discloser prior to such disclosure, and the agent or consultant must have executed a written agreement of nondisclosure and non-use comparable to the terms of this Section.
- 6.2 The Recipient may make copies of such Confidential Information only to the extent reasonably necessary to perform its obligations under this Agreement. All such copies will be subject to the same restrictions and protections as the original document(s) and will bear the same copyright and proprietary rights notices as are contained on the original document(s).
- 6.3 The Recipient agrees to return all such Confidential Information in tangible form received from the Discloser, including any copies made by the Recipient, within thirty (30) calendar days after a written request is delivered to the Recipient, or to destroy all such Confidential Information if directed to do so by Discloser, except for Confidential Information that the Recipient reasonably requires to perform its obligations under this Agreement. If either Party loses or makes an unauthorized disclosure of the other Party's Confidential Information, it will notify the other Party immediately and use reasonable efforts to retrieve the lost or wrongfully disclosed information.
- 6.4 The Recipient will have no obligation to safeguard Confidential Information: (i) which was in the possession of the Recipient free of restriction prior to its receipt from the Discloser; (ii) after it becomes publicly known or available through no breach of this Agreement by the Recipient; (iii) after it is rightfully acquired by the Recipient free of restrictions on its disclosure; or (iv) after it is independently developed by personnel of the Recipient to whom the Discloser's Confidential Information had not been previously disclosed. In addition, either Party will have the right to disclose such Confidential Information to any mediator, arbitrator, state or federal regulatory body or a court in the conduct of any mediation, arbitration or approval of this Agreement, so long as, in the absence of an applicable protective order, the Discloser has been previously notified by the Recipient in time sufficient for the Recipient to undertake lawful measures to avoid disclosing such information and for Discloser to have reasonable time to seek or negotiate a protective order before or with any applicable mediator, arbitrator, state or regulatory body or a court.
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- 6.5 The Parties recognize that an individual end user may simultaneously seek to become or in fact be a customer of both Parties. Nothing in this Agreement is intended to limit the ability of either Party to use customer specific information lawfully obtained from end users or sources other than the Discloser.
- 6.6 Each Party's obligations to safeguard such Confidential Information disclosed prior to expiration or termination of this Agreement will survive such expiration or termination.
- 6.7 Except as otherwise expressly provided elsewhere in this Agreement, no license is hereby granted with respect to any patent, trademark or copyright, nor is any such license implied solely by virtue of the disclosure of any such Confidential Information.
- 6.8 Each Party agrees that the Discloser may be irreparably injured by an unauthorized disclosure by the Recipient or its representatives in breach of this Agreement, and the Parties agree that the Discloser will be entitled to seek equitable relief, including injunctive relief and specific performance, in the event of any breach or threatened breach of the confidentiality provisions of this Agreement. Such remedies will not be deemed to be the exclusive remedies for a breach of this Agreement, but will be in addition to all other remedies available at law or in equity.

## 7.0 **Liability and Indemnification**

### 7.1 **Limitation of Liabilities**

With respect to any claim or suit for damages arising out of mistakes, omissions, defects in transmission, interruptions, failures, delays or errors occurring in the course of furnishing any service hereunder, the liability of the Party furnishing the affected service, if any, shall not exceed an amount equivalent to the proportionate charge to the other Party for the period of that particular service during which time such mistakes, omissions, defects in transmission, interruptions, failures, delays or errors occurs and continues; provided, however, that any such mistakes, omissions, defects in transmission, interruptions, failures, delays or errors which are caused by the negligence or willful act or omission of the complaining Party or which arise from the use of the complaining Party's facilities or equipment shall not result in the imposition of any liability whatsoever upon the Party furnishing service.

### 7.2 **No Consequential Damages**

**NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, RELIANCE OR SPECIAL DAMAGES SUFFERED BY SUCH OTHER PARTY (INCLUDING, WITHOUT LIMITATION, DAMAGES FOR HARM TO BUSINESS, LOST REVENUES, LOST SAVINGS OR LOST PROFITS SUFFERED BY SUCH OTHER PARTY), REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, WARRANTY, STRICT LIABILITY OR TORT, INCLUDING, WITHOUT LIMITATION, NEGLIGENCE OF ANY KIND, WHETHER ACTIVE OR PASSIVE, AND REGARDLESS OF WHETHER THE PARTIES KNEW OF THE POSSIBILITY THAT SUCH DAMAGES COULD RESULT. EACH PARTY HEREBY RELEASES THE OTHER PARTY (AND SUCH OTHER PARTY'S SUBSIDIARIES AND AFFILIATES, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS) FROM ANY SUCH CLAIMS. NOTHING CONTAINED IN THIS SECTION WILL LIMIT A PARTY'S LIABILITY TO THE OTHER PARTY FOR: (i) WILLFUL OR INTENTIONAL MISCONDUCT (INCLUDING GROSS NEGLIGENCE); OR (ii) BODILY INJURY, DEATH OR DAMAGE TO TANGIBLE REAL OR TANGIBLE PERSONAL PROPERTY PROXIMATELY CAUSED BY A PARTY'S NEGLIGENT ACT OR OMISSION, OR THAT OF THEIR RESPECTIVE AGENTS, SUBCONTRACTORS OR EMPLOYEES.**

7.3 **Obligation to Indemnify**

7.3.1 Each Party shall be indemnified and held harmless by the other Party against claims, losses, suits, demands, damages, costs or other expenses, including reasonable attorneys' fees ("Claims"), that are asserted, suffered or made by third parties arising from: (i) any act or omission of the indemnifying Party in connection with its performance or non-performance under his Agreement; (ii) actual or alleged infringement by the indemnifying Party of any patent, trademark, copyright, service mark, trade name, trade secret or intellectual property right (now known or later developed); and (iii) provision of the indemnifying Party's services or equipment, including, but not limited to, claims arising from the provision of the indemnifying Party's services to its end users (e.g., claims for interruption of service, quality of service or billing disputes). Each Party shall also be indemnified and held harmless by the other Party against Claims of persons for services furnished by the indemnifying Party or by any of its subcontractors under worker's compensation laws or similar statutes.

7.3.2 Each Party agrees to release, defend, indemnify and hold harmless the other Party from any claims, demands or suits that assert any infringement or invasion of privacy or confidentiality of any person or persons caused or claimed to be caused, directly or indirectly, by the other Party's employees and equipment associated with the provision of any service herein. This provision includes, but is not limited to, suits arising from disclosure of the telephone number, address or name associated with the telephone called or the telephone used in connection with any services herein.

7.3.3 Neither Party makes any warranty, express or implied, concerning either Party's (or any third party's) rights with respect to intellectual property (including, without limitation, patent, copyright and trade secret rights) or contract rights associated with either Party's right to interconnect. This Section 7.3.3 applies solely to this Agreement. Nothing in this Section will be deemed to supersede or replace other agreements, if any, between the Parties with respect to either Party's intellectual property or contract rights.

7.3.4 When the lines or services of another company or carrier are used in establishing connections to and/or from points not reached by a Party's lines, neither Party shall be liable for any act or omission of such other company or carrier.

7.4 **Obligation to Defend; Notice; Cooperation**

Whenever a claim arises for indemnification under this Section (the "Claim"), the relevant Indemnatee, as appropriate, will promptly notify the Indemnifying Party and request the Indemnifying Party to defend the same. Failure to so notify the Indemnifying Party will not relieve the Indemnifying Party of any liability that the Indemnifying Party might have, except to the extent that such failure prejudices the Indemnifying Party's rights or ability to defend such Claim. The Indemnifying Party will have the right to defend against such Claim, in which event the Indemnifying Party will give written notice to the Indemnatee of acceptance of the defense of such Claim and the identity of counsel selected by the Indemnifying Party. Except as set forth below, such notice to the relevant Indemnatee will give the Indemnifying Party full authority to defend, adjust, compromise or settle such Claim with respect to which such notice has been given, except to the extent that any compromise or settlement might prejudice the intellectual property rights or other rights of the relevant Indemnities. The Indemnifying Party will consult with the relevant Indemnatee prior to any compromise or settlement that would affect the intellectual property rights or other rights of any Indemnatee, and the relevant Indemnatee will have the right to refuse such compromise or settlement and, at such Indemnatee's sole cost, to take over defense of such Claim; provided, however, that in such event the Indemnifying Party will not be responsible for, nor will it be obligated to indemnify the relevant Indemnatee against, any damages, costs, expenses or liabilities, including, without limitation, attorneys' fees, in excess of such refused

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compromise or settlement. With respect to any defense accepted by the Indemnifying Party, the relevant Indemnitee will be entitled to participate with the Indemnifying Party in such defense if the Claim requests equitable relief or other relief that could affect the rights of the Indemnitee and also will be entitled to employ separate counsel for such defense at such Indemnitee's expense. In the event the Indemnifying Party does not accept the defense of any indemnified Claim as provided above, the relevant Indemnitee will have the right to employ counsel for such defense at the expense of the Indemnifying Party, and the Indemnifying Party shall be liable for all costs associated with Indemnitee's defense of such Claim, including court costs, and any settlement or damages awarded a third party. Each Party agrees to cooperate and to cause its employees and agents to cooperate with the other Party in the defense of any such Claim.

## 8.0 Payment of Rates and Late Payment Charges

- 8.1 Either Party, at its discretion may require the other Party to provide a security deposit to ensure payment of the Party's account.
- 8.1.1 Such security deposit shall be a cash deposit or other form of security acceptable to the Parties. Any such security deposit may be held during the continuance of the service as security for the payment of any and all amounts accruing for the service.
- 8.1.2 If a security deposit is required, such security deposit shall be made prior to the activation of service.
- 8.1.3 The fact that a security deposit has been provided in no way relieves the Party from complying with the regulations as to advance payments and the prompt payment of bills on presentation nor does it constitute a waiver or modification of the regular practices of either Party providing for the discontinuance of service for non-payment of any sums due the Party.
- 8.1.4 Both Parties reserve the right to increase the security deposit requirements when, in its sole judgment, circumstances so warrant and/or gross monthly billing has increased beyond the level initially used to determine the security deposit.
- 8.1.5 Either Party will have the right to terminate this Agreement at any time upon written notice to the other Party in the event a Party is in material breach of the provisions of this Agreement and that breach continues for a period of thirty (30) days after the other Party notifies the breaching Party of such breach, including a reasonable detailed statement of the nature of the breach.
- 8.1.6 In the case of a cash deposit, interest at a rate as set forth in the appropriate ALLTEL tariff shall be paid to the Party during the possession of the security deposit by the other Party. Interest on a security deposit shall accrue annually and, if requested, shall be annually credited to the other Party by the accrual date.
- 8.2 The Parties agree to pay all undisputed rates and charges due and owing under this Agreement thirty (30) days from the invoice-date, in immediately available funds. The Parties represent and covenant to each other that all invoices will be promptly processed and mailed in accordance with the Parties' regular procedures and billing systems. If payment is not received by the payment due date, a late penalty in the form of interest, as set forth in subsection 8.3 below, shall apply.
- 8.3 If the undisputed amount billed is received by the billing Party after the payment due date, or if any portion of the payment is received by the billing Party in funds which are not immediately available to the billing Party, then a late payment charge will apply to the unpaid balance.
- 8.4 The Parties agree that interest on overdue undisputed bills will apply at the lesser of the highest interest rate (in decimal value) which may be levied by law for commercial transactions,

compounded daily and applied for each month or portion thereof that an outstanding balance remains, or 0.000325%, compounded daily and applied for each month or portion thereof that an outstanding balance remains.

## 9.0 Dispute Resolution

### 9.1 Notice of Disputes

Notice of a valid dispute whether billing or contractual in nature, must be in writing, specifically documenting the nature of the dispute, and must include a detailed description of the underlying dispute. Billing disputes must be submitted on the Billing Dispute Form contained in Appendix A or the dispute will not be accepted as a valid billing dispute and therefore denied by the billing Party.

#### 9.1.1 Billing Disputes

A Party must submit billing disputes ("Billing Disputes") to the other Party on the Billing Dispute Form contained in Appendix A by the due date on the disputed bill. The dispute form must be complete, with all applicable fields populated with the required information for the billable element in dispute. If the billing dispute form is not complete with all applicable information, the dispute will be denied by the billing Party. After receipt of a completed dispute, the billing Party will review to determine the accuracy of the billing dispute. If the billing Party determines the dispute is valid, the billing Party will credit the paying Party's bill by the next bill date. If the billing Party determines the billing dispute is not valid, the paying Party may escalate the dispute as outlined in section 9.1.1.1. If escalation of the billing dispute does not occur within the 60 days as outlined below, the paying Party must remit payment for the disputed charge, included late payment charges, to the billing Party by the next bill date. The Parties will endeavor to resolve all Billing Disputes within sixty (60) calendar days from receipt of the Dispute Notice.

9.1.1.1 Resolution of the dispute is expected to occur at the first level of management, resulting in a recommendation for settlement of the dispute and closure of a specific billing period. If the issues are not resolved within the allotted time frame, the following resolution procedure will be implemented:

9.1.1.1.1 If the dispute is not resolved within sixty (60) calendar days of receipt of the Dispute Notice, the dispute will be escalated to the second level of management for each of the respective Parties for resolution. If the dispute is not resolved within ninety (90) calendar days of the notification date, the dispute will be escalated to the third level of management for each of the respective Parties for resolution.

9.1.1.1.2 If the dispute is not resolved within one hundred and twenty (120) calendar days of the receipt of the Dispute Notice, the dispute will be escalated to the fourth level of management for each of the respective Parties for resolution.

9.1.1.1.3 Each Party will provide to the other Party an escalation list for resolving billing disputes. The escalation list will contain the name, title, phone number, fax number and email address for each escalation point identified in this section 9.1.1.1.

9.1.1.2 If a Party disputes a charge and does not pay such charge by the payment due date, such charges shall be subject to late payment charges as set forth in subsection 8.3 above. If a Party disputes charges and the dispute is resolved in favor of such Party, the other Party shall credit the bill of the disputing Party for

the amount of the disputed charges, along with any late payment charges assessed, not later than the second billing cycle after the resolution of the dispute. Accordingly, if a Party disputes charges and the dispute is resolved in favor of the other Party, the disputing Party shall pay the other Party the amount of the disputed charges and any associated late payment charges, to be paid not later than the second billing cycle after the resolution of the dispute.

9.1.1.3 For purposes of this subsection 9.1.1. "Bona Fide Dispute" means a dispute of a specific amount of money actually billed by a Party. A Bona Fide Dispute does not include the refusal to pay all or part of a bill or bills when no written documentation is provided to support the dispute, nor shall a Bona Fide Dispute include the refusal to pay other amounts owed by the disputing Party pending resolution of the dispute. Claims by the disputing Party for damages of any kind will not be considered a Bona Fide Dispute for purposes of this subsection 9.1.1.

9.1.1.4 Once the Bona Fide Dispute has been processed in accordance with this subsection 9.1.1, the disputing Party will make payment on any of the disputed amount owed to the billing Party by the next billing due date, or the billing Party shall have the right to pursue normal treatment procedures. Any credits due to the disputing Party resulting from the Bona Fide Dispute process will be applied to the Disputing Party's account by the billing Party by the next billing cycle upon resolution of the dispute.

9.1.1.5 All Other Disputes

Neither Party shall bill the other party for charges incurred more than 9 months after the service is provided to the non-billing party.

9.1.2 All Other Disputes

No action or demand for arbitration, regardless of form, arising out of the subject matter of this agreement may be brought by either party more than two (2) years after the cause of action has accrued. The Parties waive the right to invoke any different limitation on the bringing of actions provided under state or federal law unless such waiver is otherwise barred by law.

9.2 Alternative to Litigation

9.2.1 The Parties desire to resolve disputes arising out of this Agreement without litigation. Accordingly, except for action seeking a temporary restraining order or an injunction related to the purposes of this Agreement, or suit to compel compliance with this Dispute Resolution process, The Parties agree to use the following Dispute Resolution procedure with respect to any controversy or claim arising out of or relating to this Agreement or its breach.

9.2.2 Each Party agrees to promptly notify the other Party in writing of a dispute. and may, in the Dispute Notice, invoke the informal dispute resolution process described in subsection 9.3 below. The Parties will endeavor to informally resolve the dispute within sixty (60) calendar days of receipt of the Dispute Notice.

9.3 Informal Resolution of Disputes

In the case of a dispute, and upon receipt of the Dispute Notice, each Party will appoint a duly authorized representative knowledgeable in telecommunications matters to meet and negotiate in

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good faith to resolve any dispute arising under this Agreement. The location, form, frequency, duration and conclusion of these discussions will be left to the discretion of the representatives. Upon agreement, the representatives may, but are not obligated to, utilize other alternative dispute resolution procedures, such as mediation, to assist in the negotiations. Discussions and the correspondence among the representatives for purposes of settlement are exempt from discovery and production and will not be admissible in the arbitration described below or in any lawsuit without the concurrence of both Parties. Documents identified in or provided with such communications which are not prepared for purposes of the negotiations are not so exempted and, if otherwise admissible, may be admitted in evidence in the arbitration or lawsuit. Unless otherwise provided herein, or upon the Parties' agreement, neither Party may invoke formal Dispute Resolution procedures, including arbitration or other procedures as appropriate, sooner than sixty (60) calendar days after receipt of the Dispute Notice, provided the Party invoking the formal dispute resolution process has negotiated in good faith with the other Party.

9.4 **Formal Dispute Resolution**

9.4.1 The Parties agree that, for any dispute not resolved pursuant to the informal procedures set forth in subsection 9.3 above, either Party may proceed with any remedy available to it pursuant to law, equity or agency mechanisms; provided that, upon mutual agreement of the Parties, such disputes may also be submitted to binding arbitration pursuant to subsection 9.6 below.

9.4.2 The Parties agree that all billed amounts are to be paid when due, and that interest shall apply to all overdue invoices as set forth in Section 8.0: Payment of Rates and Late Payment Charges of this Agreement.

9.5 **Conflicts**

9.5.1 The Parties agree that the Dispute Resolution procedures set forth in this Agreement are not intended to conflict with applicable requirements of the Act or the state regulatory commission with regard to procedures for the resolution of disputes arising out of this Agreement.

9.6 **Arbitration**

9.6.1 Any dispute not resolved pursuant to the informal dispute resolution procedures set forth in subsection 9.3 above within sixty (60) calendar days of receipt of the Dispute Notice may be submitted to binding arbitration by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association, provided that both Parties consent to arbitration

9.6.2 Additional discovery may be permitted upon mutual agreement of the Parties. The arbitration shall be commenced within ninety (90) calendar days of the request for arbitration. The arbitration shall be held in Little Rock, Arkansas. The arbitrator shall control the scheduling so as to process the matter expeditiously. The Parties shall submit written briefs not less than five (5) business days before the proceeding. The arbitrator shall rule on the dispute by issuing a written opinion within thirty (30) calendar days after the close of the proceeding. The arbitrator shall have no authority to order punitive or consequential damages. The times specified in this Section may be extended upon mutual agreement of the Parties or by the arbitrator upon a showing of good cause. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.

9.7 **Costs**

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Each Party shall bear its own costs of these procedures. A Party seeking discovery shall reimburse the responding Party for the costs of production of documents (including search time and reproduction costs).

#### 10.0 Termination of Service

- 10.1 Notwithstanding the notice and cure provisions, stated herein, failure of CMRS Provider to pay billed charges shall be grounds for termination of this Agreement. Failure of either Party to pay undisputed charges shall be grounds for termination of this Agreement. If either Party fails to pay when due any undisputed charges billed to it under this Agreement, and any portion of such undisputed billed charges remain unpaid more than thirty (30) calendar days after the due date of such charges, the billing Party will notify the non-paying Party in writing that, in order to avoid having service disconnected, the non-paying Party must remit all undisputed billed charges to the billing Party within thirty (30) calendar days after receipt of said notice (the "Termination Notice"). Disputes hereunder will be resolved in accordance with the Dispute Resolution Procedures set out in Section 9: Dispute Resolution of this Agreement.
- 10.2 Either Party may discontinue service to the other Party for failure to pay undisputed billed charges as provided in this Section, and will have no liability to that Party in the event of such disconnection.
- 10.3 After disconnect procedures have begun, ALLTEL will not accept service orders from CMRS Provider until all undisputed past due amounts are paid in full, in immediately available funds. ALLTEL will have the right to require a deposit equal to two months' charges (based on the two most recent months of service from ALLTEL) prior to resuming service to CMRS Provider after disconnect for nonpayment

#### 11.0 Notices

- 11.1 Except as otherwise specifically provided in this Agreement, all contract notices, consents, approvals, modifications or other communications, excluding billing notices, to be given under the terms of this Agreement shall be in writing and sent postage prepaid by registered mail, return receipt requested. Notice may also be effected by personal delivery or by overnight courier. Billing disputes or inquiries may be provided by fax. All notices will be effective upon receipt. All notices shall be directed to the following:

Contract Notices:

**To ALLTEL:**

Attn: Director – Negotiations  
Mailstop B4F4NB  
One Allied Drive  
Little Rock, Arkansas 72202

Copy to:

Attn: Legal Department  
One Allied Drive, Mailstop: B1F06-B  
Little Rock, Arkansas 72202

**To CMRS Provider:**

Director – Wireline Interconnection

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Verizon Wireless  
One Verizon Place  
Alpharetta, GA 30004

**Copy to:**

Director Interconnection - Regulatory  
Verizon Wireless  
1300 I Street, NW – Suite 400  
Washington, DC 20005

Billing Inquires or Disputes:

To: ALLTEL  
Attn: Manager CABS Department  
One Allied Drive, Mailstop: B4F03-NA  
Little Rock, AR 72022  
Fax: 501-905-7027  
Phone: 1-800-351-4241

To CMRS Provider:

- 11.2 Either Party may unilaterally change its designated representative and/or address for the receipt of notices by giving ten (10) business days' prior written notice to the other Party in compliance with this Section.

**12.0 Taxes**

- 12.1 Each Party purchasing services hereunder shall pay or otherwise be responsible for all federal, state or local sales, use, excise, gross receipts, transaction or similar taxes, fees or surcharges (hereinafter "Tax") levied against or upon such purchasing Party (or the providing Party when such providing Party is permitted to pass along to the purchasing Party such taxes, fees or surcharges), except for any tax on either Party's corporate existence, status or income. Whenever possible, these amounts shall be billed as a separate item on the invoice.
- 12.2 Purchasing Party may be exempted from certain taxes if purchasing Party provides proper documentation from the appropriate taxing authority. Failure to timely provide said tax exemption certificate will result in no exemption being available to the purchasing Party until such time as the purchasing Party presents a valid certification.
- 12.3 With respect to any purchase of services, facilities or other arrangements, if any Tax is required or permitted by applicable law to be collected from the purchasing Party by the providing Party, then: (i) the providing Party shall bill the purchasing Party for such Tax; (ii) the purchasing Party shall remit such Tax to the providing Party; and (iii) the providing Party shall remit such collected Tax to the applicable taxing authority, except as otherwise indicated below.
- 12.4 With respect to any purchase hereunder of services, facilities or arrangements that are resold to a third party, if any Tax is imposed by applicable law on the end user in connection with any such purchase, then: (i) the purchasing Party shall be required to impose and/or collect such Tax from the end user, and (ii) the purchasing Party shall remit such Tax to the applicable taxing authority. The purchasing Party agrees to indemnify and hold harmless the providing Party on an after-tax basis for any costs incurred by the providing Party as a result of actions taken by the applicable
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taxing authority to collect the Tax from the providing Party due to the failure of the purchasing Party to pay or collect and remit such tax to such authority.

- 12.5 If the providing Party fails to collect any Tax as required herein, then, as between the providing Party and the purchasing Party, (i) the purchasing Party shall remain liable for such uncollected Tax and (ii) the providing Party shall be liable for any penalty and interest assessed with respect to such uncollected Tax by such authority. However, if the purchasing Party fails to pay any Taxes properly billed and submitted to the purchasing Party, then, as between the providing Party and the purchasing Party, the purchasing Party will be solely responsible for payment of the Taxes, penalty and interest.
- 12.6 If the purchasing Party fails to impose and/or collect any Tax from end users as required herein, then, as between the providing Party and the purchasing Party, the purchasing Party shall remain liable for such uncollected Tax and any interest and penalty assessed thereon with respect to the uncollected Tax by the applicable taxing authority. With respect to any Tax that the purchasing Party has agreed to pay or impose on and/or collect from end users, the purchasing Party agrees to indemnify and hold harmless the providing Party on an after-tax basis for any costs incurred by the providing Party as a result of actions taken by the applicable taxing authority to collect the Tax from the providing Party due to the failure of the purchasing Party to pay or collect and remit such Tax to such authority.
- 12.7 All notices, affidavits, exemption certificates or other communications required or permitted to be given by either Party to the other Party under this Section 12 will be made in writing and will be delivered by certified mail, and sent to the addresses stated below:

**To ALLTEL:**

Director - State and Local Taxes  
ALLTEL Service Corporation  
One Allied Drive  
Little Rock, AR 72202

**Copy to:**

Wholesale Product Management  
Mailstop B4F4N-B  
One Allied Drive  
Little Rock, AR 72202

**To CMRS Provider:**

Director – Wireline Interconnection  
Verizon Wireless  
One Verizon Place  
Alpharetta, GA 30004

**Copy to:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- 12.7.1 Either Party may unilaterally change its designated representative and/or address for the receipt of notices by giving ten (10) business days' prior written notice to the other Party in compliance with this Section.
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**13.0 Force Majeure**

13.1 Neither Party shall be liable 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: earthquake, tornado, hurricane, flood, fire, explosion, power failure, acts of God, war (whether or not declared), revolution, civil commotion, or acts of public enemies; or labor unrest, including, without limitation, strikes, slowdowns, picketing, boycotts or delays caused by the other Party or by other service or equipment vendors; or any other similar 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 use its commercially reasonable efforts 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. Notwithstanding anything herein to the contrary, if any delay or non-performance described herein exceeds thirty (30) calendar days, the Party owed such performance will have the right (but not the obligation) to terminate this Agreement without penalty or liability, other than amounts owed as of the date of termination. Such termination must be in writing.

**14.0 Publicity**

14.1 The Parties agree not to use in any advertising or sales promotion, press releases or other publicity matters any endorsements, direct or indirect quotes or pictures implying endorsement by the other Party or any of its employees, without such Party's prior written approval. The Parties will submit to each other for written approval, prior to publication, all such publicity endorsement matters that mention or display the other Party's name and/or marks or contain language from which a connection to said name and/or marks may be inferred or implied.

14.2 Neither Party will offer any services using the trademarks, service marks, trade names, brand names, logos, insignia, symbols or decorative designs of the other Party or its affiliates without the other Party's prior written authorization.

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**16.0 Law Enforcement and Civil Process**

**16.1 Intercept Devices**

Local and federal law enforcement agencies periodically request information or assistance from local service providers. When either Party receives a request associated with a customer of the other Party, the receiving Party will refer such request to the appropriate Party, unless the request directs the receiving Party to attach a pen register, trap-and-trace or form of intercept on the Party's own facilities, in which case that Party will comply with any valid request, to the extent the receiving Party is able to do so. If such compliance requires the assistance of the other Party, such assistance will be provided.

**16.2 Subpoenas**

If a Party receives a subpoena for information concerning an end user that the Party knows to be an end user of the other Party, the receiving Party will refer the subpoena to the requesting entity with an indication to the court or law enforcement agency issuing the subpoena that the other Party is the responsible company.

**16.3 Law Enforcement Emergencies**



If a Party receives a request from a law enforcement agency to implement at its switch a temporary number change, temporary disconnect or one-way denial of outbound calls for an end user of the other Party, the receiving Party will comply so long as it is a valid emergency request, as interpreted by the Party receiving such request. Neither Party will be held liable for any claims or damages arising from compliance with such requests, and the Party serving the end user agrees to indemnify and hold the other Party harmless against any and all such claims..

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**18.0 Amendments or Waivers**

18.1 Except as otherwise provided in this Agreement, no amendment to this Agreement will be effective unless the same is in writing and signed by an authorized representative of each Party.

18.2 Failure of either Party to insist on performance of any term or condition of this Agreement or to exercise any right or privilege hereunder shall not be construed as a continuing or future waiver of such term, condition, right or privilege. The Parties recognize that ALLTEL is entitled to maintain that it is a Rural Telephone Company and is entitled to all rights afforded Rural Telephone Companies under the Act including, but not limited to, exemptions, suspensions, and modifications under 47 USC § 251(f). This Agreement does not affect, and ALLTEL does not waive, any rights including, but not limited to, the rights afforded ALLTEL under 47 USC § 251(f).

**19.0 Authority**

19.1 Each person whose signature appears below represents and warrants that he or she has authority to bind the Party on whose behalf he or she has executed this Agreement.

**20.0 Binding Effect**

20.1 This Agreement will be binding on and inure to the benefit of the respective successors and permitted assigns of the Parties.

**21.0 Consent**

21.1 Where consent, approval or mutual agreement is required of a Party, it will not be unreasonably withheld or delayed.

**22.0 Expenses**

22.1 Except as specifically set out in this Agreement, each Party will be solely responsible for its own expenses involved in all activities related to the scope of this Agreement.

**23.0 Headings**

23.1 The headings in this Agreement are inserted for convenience and identification only and will not be considered in the interpretation of this Agreement.

**24.0 Relationship of Parties**

24.1 This Agreement will not establish, be interpreted as establishing, or be used by either Party to establish or to represent their relationship as any form of agency, partnership or joint venture. Neither Party will have any authority to bind the other Party nor to act as an agent for the other Party unless written authority, separate from this Agreement, is provided. Nothing in the

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Agreement will be construed as providing for the sharing of profits or losses arising out of the efforts of either or both of the Parties. Nothing herein will be construed as making either Party responsible or liable for the obligations and undertakings of the other Party.

**25.0 Conflict of Interest**

25.1 The Parties represent that no employee or agent of either Party has been or will be employed, retained or paid a fee, or otherwise has received or will receive any personal compensation or consideration from the other Party or its employees or agents in connection with the arranging or negotiation of this Agreement or associated documents.

**26.0 Multiple Counterparts**

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

**27.0 Third Party Beneficiaries**

27.1 Except as may be specifically set forth in this Agreement, this Agreement does not provide and will not be construed to provide third parties with any remedy, claim, liability, reimbursement, cause of action or other privilege.

**28.0 Regulatory Approval**

28.1 Each Party agrees to cooperate with the other Party and with any state or federal regulatory commission to obtain regulatory approval of this Agreement. During the term of this Agreement, each Party agrees to continue to cooperate with the other Party and any regulatory commission so that the benefits of this Agreement may be achieved.

28.2 Upon execution of this Agreement, it shall be filed with the appropriate state regulatory commission pursuant to the requirements of §252 of the Act. If the state regulatory commission imposes any filing(s) or public interest notice(s) regarding the filing or approval of the Agreement, the Parties shall share the responsibility and associated costs in making such filings or notices.

**29.0 Trademarks and Trade Names**

29.1 Except as specifically set out in this Agreement, nothing in this Agreement will grant, suggest or imply any authority for one Party to use the name, trademarks, service marks or trade names of the other Party for any purpose whatsoever, absent written consent of the other Party.

**30.0 Regulatory Authority**

30.1 Each Party will be responsible for obtaining and keeping in effect all FCC, state regulatory commission, franchise authority and other regulatory approvals that may be required in connection with the performance of its obligations under this Agreement. Each Party will reasonably cooperate with the other Party in obtaining and maintaining any required approvals necessary for fulfilling its obligations under this Agreement.

**31.0 ~~31.0~~ Most Favored Nation**

31.1 ~~Intentionally Left Blank~~If during the term of this Agreement, ALLTEL enters into an interconnection agreement with another CMRS provider, CMRS provider may adopt such other agreement in the entirety upon written request pursuant to Section 252(i) of the Act.

**32.0 Verification Reviews**

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- 32.1 Subject to each Party's reasonable security requirements, and except as may be otherwise specifically provided in this Agreement, either Party, at its own expense may audit the other Party's relevant books, records and other documents pertaining to services provided under this Agreement once in each contract year, solely for the purpose of evaluating the accuracy of the other Party's billing and invoicing. The Parties may employ other persons or firms for this purpose. Such audit will take place at a time and place agreed on by the Parties, but not later than sixty (60) calendar days after notice thereof.
- 32.2 The review will consist of an examination and verification of data involving records, systems, procedures and other information related to the services performed by either Party, as related to settlement charges or payments made in connection with this Agreement as determined by either Party to be reasonably required. Each Party shall maintain reasonable records for a minimum of twelve (12) months and provide the other Party with reasonable access to such information as is necessary to determine amounts receivable or payable under this Agreement.
- 32.3 Adjustments, credits or payments shall be made and any corrective action shall commence within thirty (30) calendar days from the Requesting Party's receipt of the final audit report to compensate for any errors or omissions which are disclosed by such audit and are agreed to by the Parties. Audit findings may be applied retroactively for not more than twelve (12) months from the date the audit began. One and one-half percent (1 ½%) or the highest interest rate allowable by law for commercial transactions shall be assessed and shall be computed by compounding monthly from the time of the overcharge, not to exceed twelve (12) months from the date the audit began, to the day of payment or credit. Any disputes concerning audit results will be resolved pursuant to the Dispute Resolution procedures described in Section 9.0 above of this Agreement.
- 32.4 Each Party will cooperate fully in any such audit, providing reasonable access to any and all appropriate employees and books, records and other documents reasonably necessary to assess the accuracy of the Party's bills.
- 32.5 Verification reviews will be limited in frequency to once per twelve (12) month period, with provision for staged reviews, as mutually agreed, so that all subject matters are not required to be reviewed at the same time. Verification reviews will be scheduled subject to the reasonable requirements and limitations of the audited Party and will be conducted in a manner that will not interfere with the audited Party's business operations.
- 32.6 The Party requesting a verification review shall fully bear its costs associated with conducting a review. The Party being reviewed will provide access to required information, as outlined in this Section, at no charge to the reviewing Party. Should the reviewing Party request information or assistance beyond that reasonably required to conduct such a review, the Party being reviewed may, at its option, decline to comply with such request or may bill actual costs incurred in complying subsequent to the concurrence of the reviewing Party.
- 32.7 For purposes of conducting an audit pursuant to this Agreement, the Parties may employ other persons or firms for this purpose (so long as said Parties are bound by this Agreement, as are the principles). The Parties will bear their own reasonable expenses associated with this inspection. Subsequent audits will be scheduled when and if cause is shown.
- 32.9 Information obtained or received by a Party in conducting the inspections described in this Section 32.0 shall be subject to the confidentiality provisions of Section 6.0 above of this Agreement.

### **33.0 Complete Terms**

- 33.1 This Agreement sets forth the entire understanding and supersedes all prior agreements between the Parties relating to the subject matter contained herein and merges all prior discussions between them, and neither Party shall be bound by any definition, condition, provision, representation, warranty, covenant or promise other than as expressly stated in this Agreement, or as is
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contemporaneously or subsequently set forth in writing and executed by a duly authorized officer or representative of the Party to be bound thereby.

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**37.0 Responsibility of Each Party**

37.1 Each Party is an independent contractor, and has and hereby retains the right to exercise full control of and supervision over its own performance of its obligations under this Agreement and retains full control over the employment, direction, compensation and discharge of its employees assisting in the performance of such obligations. Each Party will be solely responsible for all matters relating to payment of such employees, including compliance with social security taxes, withholding taxes and all other regulations governing such matters. Each Party will be solely responsible for proper handling, storage, transport and disposal at its own expense of all: (i) substances or materials that it or its contractors or agents bring to, create or assume control over at work locations, or (ii) waste resulting therefrom or otherwise generated in connection with its or its contractors' or agents' activities at the work locations. Subject to the limitations on liability and except as otherwise provided in this Agreement, each Party will be responsible for: (i) its own acts and performance of all obligations imposed by applicable law in connection with its activities, legal status and property, real or personal, and (ii) the acts of its own affiliates, employees, agents and contractors during the performance of the Party's obligations hereunder.

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**39.0 Governmental Compliance**

39.1 The Parties agree that each Party will comply at its own expense with all applicable laws that relate to: (i) its obligations under or activities in connection with this Agreement, or (ii) its activities undertaken at, in connection with or relating to work locations. Each Party agrees to indemnify, defend (at the other Party's request) and save harmless the other Party, each of its officers, directors and employees from and against any losses, damages, claims, demands, suits, liabilities, fines, penalties and expenses (including reasonable attorneys' fees) that arise out of or result from: (i) its failure or the failure of its contractors or agents to so comply, or (ii) any activity, duty or status of its or its contractors or agents that triggers any legal obligation to investigate or remedy environmental contamination.

**40.0 Management Contracts**

40.1 Nothing in this Agreement shall prohibit either Party from enlarging its network through contractual affiliations with third parties for the construction and operation of a CMRS or LEC network under the Party's brand name. Traffic originating and terminating via any such extended network shall be treated as interconnection traffic, subject to the terms, conditions and rates of this Agreement, in states where this Agreement is in effect. States not included in this Agreement may be added upon mutual consent.

**41.0 Subcontracting**

41.1 If any obligation is performed through a subcontractor, each Party will remain fully responsible for the performance of this Agreement in accordance with its terms, including any obligations either Party performs through subcontractors, and each Party will be solely responsible for payments due the Party's own subcontractors. No contract, subcontract or other Agreement entered into by either Party with any third party in connection with the provision of services

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hereunder will provide for any indemnity, guarantee or assumption of liability by, or other obligation of, the other Party to this Agreement with respect to such arrangement, except as consented to in writing by the other Party. No subcontractor will be deemed a third party beneficiary for any purposes under this Agreement. Any subcontractor who gains access to Confidential Information covered by this Agreement will be required by the subcontracting Party to protect such Confidential Information to the same extent the subcontracting Party is required to protect the same under the terms of this Agreement.

**42.0 Referenced Documents**

42.1 Whenever any provision of this Agreement refers to a technical reference, technical publication, CMRS Provider practice, ALLTEL practice, any publication of telecommunications industry administrative or technical standards or any other document specifically incorporated into this Agreement, it will be deemed to be a reference to the most recent version or edition (including any amendments, supplements, addenda or successors) of each document that is in effect, and will include the most recent version or edition (including any amendments, supplements, addenda or successors) of each document incorporated by reference in such a technical reference, technical publication, CMRS Provider practice, ALLTEL practice or publication of industry standards. However, if such reference material is substantially altered in a more recent version to significantly change the obligations of either Party as of the effective date of this Agreement, and the Parties are not in agreement concerning such modifications, the Parties agree to negotiate in good faith to determine how such changes will impact performance of the Parties under this Agreement, if at all. Until such time as the Parties agree, the provisions of the last accepted and unchallenged version will remain in force.

**43.0 Severability**

43.1 If any term, condition or provision of this Agreement is held to be invalid or unenforceable for any reason, such invalidity or unenforceability will not invalidate the entire Agreement, unless such construction would be unreasonable. The Agreement will be construed as if it did not contain the invalid or unenforceable provision or provisions, and the rights and obligations of each Party will be construed and enforced accordingly; provided, however, that in the event such invalid or unenforceable provision or provisions are essential elements of this Agreement and substantially impair the rights or obligations of either Party, the Parties will promptly negotiate a replacement provision or provisions. If impasse is reached, the Parties will resolve said impasse under the dispute resolution procedures set forth in Section 9.0 of this Agreement.

**44.0 Survival of Obligations**

44.1 Any liabilities or obligations of a Party for acts or omissions prior to the cancellation or termination of this Agreement, any obligation of a Party under the provisions regarding indemnification, Confidential Information, limitations on liability, and any other provisions of this Agreement which, by their terms, are contemplated to survive (or to be performed after) termination of this Agreement, will survive cancellation or termination thereof.

**45.0 Governing Law**

45.1 This Agreement shall be governed by and construed in accordance with the Act and the FCC's rules and regulations, except insofar as state law may control any aspect of this Agreement, in which case the domestic laws of the state where the interconnection service is provided, without regard to its conflicts of laws principles, shall govern.

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**48.0 Disclaimer of Warranties**

48.1 **EXCEPT AS OTHERWISE PROVIDED HEREIN, NEITHER PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR INTENDED OR PARTICULAR PURPOSE WITH RESPECT TO SERVICES PROVIDED HEREUNDER. ADDITIONALLY, NEITHER PARTY ASSUMES ANY RESPONSIBILITY WITH REGARD TO THE CORRECTNESS OF DATA OR INFORMATION SUPPLIED BY THE OTHER PARTY WHEN THIS DATA OR INFORMATION IS ACCESSED AND USED BY A THIRD PARTY.**

**49.0 Definitions and Acronyms**

49.1 **Definitions**

For purposes of this Agreement, certain terms have been defined in *Attachment 8: Definitions* and elsewhere in this Agreement to encompass meanings that may differ from, or be in addition to, the normal connotation of the defined word. Unless the context clearly indicates otherwise, any term defined or used in the singular will include the plural. The words "will" and "shall" are used interchangeably throughout this Agreement and the use of either connotes a mandatory requirement. The use of one or the other will not mean a different degree of right or obligation for either Party. A defined word intended to convey its special meaning is capitalized when used.

49.2 **Acronyms**

Other terms that are capitalized and not defined in this Agreement will have the meaning in the Act. For convenience of reference only, *Attachment 9: Acronyms* provides a list of acronyms used throughout this Agreement.

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**52.0 Certification Requirements**

52.1 CMRS Provider warrants that it has obtained all necessary jurisdictional certifications or licenses required in those jurisdictions in which CMRS Provider has ordered services pursuant to this Agreement. Upon request by any governmental entity, CMRS Provider shall provide proof of certification to ALLTEL.

**53.0 Other Requirements and Attachments**

53.1 This Agreement incorporates a number of listed Attachments which, together with their associated Appendices, Exhibits and Addenda, constitutes the entire Agreement between the Parties.

53.2 Appended to this Agreement and incorporated herein are the Attachments listed below. To the extent that any definition, term or condition in any given Attachment differs from those contained in the main body of this Agreement, that definition, term or condition will supersede those contained in the main body of this Agreement, but only in regard to the services or activities listed in that particular Attachment. In particular, if an Attachment contains a term length that differs from the term length in the main body of this Agreement, the term length of that Attachment will control the length of time that services or activities are to occur under the Attachment, but will not

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affect the term length of the remainder of this Agreement, except as may be necessary to interpret the Attachment.

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**THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.**

IN WITNESS THEREOF, the Parties hereto have caused this Agreement to be executed as of this \_\_\_\_ day of \_\_\_\_\_, 2003.

Cellco Partnership d/b/a Verizon Wireless:

ALLTEL Pennsylvania, Inc.:

\_\_\_\_\_  
Name (print or type)

\_\_\_\_\_  
Name (print or type)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Position/Title

Cellco Partnership d/b/a Verizon Wireless

\_\_\_\_\_  
Position/Title

ALLTEL Pennsylvania, Inc.

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**ATTACHMENT 1: ALLTEL AFFILIATED LOCAL EXCHANGE CARRIERS AND CMRS PROVIDERS  
AFFILIATES**

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## **ATTACHMENT 2: NETWORK INTERCONNECTION ARCHITECTURE**

This Attachment describes the network architecture with which the Parties to this Agreement may interconnect their respective networks, within the ALLTEL interconnected network, for the transmission and routing of Telecommunications Traffic and Exchange Access. It also describes the ordering process and maintenance requirements.

### **1.0 Network Architecture**

#### **1.1 Interconnection Facilities**

##### **1.1.1 Type 1**

Type 1 facilities are those facilities that provide a trunk side connection (line side treatment) between an ALLTEL end office and CMRS Provider's Mobile Switching Center ("MSC"). Type 1 facilities provide the capability to access all ALLTEL local end offices within the LATA, Third Party Providers, 800/888 traffic, 911/E911 traffic, Operator Services traffic and Directory Assistance traffic. ~~The availability and provision of Type 1 facilities is subject to change, as mandated by the FCC's implementation of wireless number pooling and portability.~~ CMRS Provider shall not request new Type 1 facilities. Existing Type 1 facilities as of the effective date of this interconnection agreement may be retained until the Parties migrate the Type 1 facilities to Type 2B facilities.

##### **1.1.2 Type 2A**

A Type 2A Interconnection is a trunk-side connection to an ALLTEL Tandem Switch that uses either MF or SS7 signaling and supervision. A Type 2A Interconnection provides access to the valid NXX codes of the ALLTEL End Offices subtending the Tandem Switch and the Remote Switches subtending those ALLTEL End Offices. A Type 2A Interconnection cannot be used to reach Operator Services, Directory Assistance, 911/E911, or to carry 800 or 900 traffic. This interconnection type requires that the CMRS Provider establish their own dedicated NXX. ALLTEL will not transit traffic for CMRS provider to a Third Party network or from a Third Party network to CMRS provider. Traffic originated by a telecommunications carrier, not subject to this agreement, delivered to one of the Parties, regardless of whether such traffic is delivered through the Party's end user customer, is not considered to be originating on that Party's network and may not be routed on this type 2A direct interconnection.

##### **1.1.3 Type 2B**

A Type 2B Interconnection is a trunk-side connection to a ALLTEL End Office that uses either MF or SS7 signaling and supervision. A Type 2B Interconnection only provides access to the valid ALLTEL NXX codes served by that End Office and Remote Switches subtending that ALLTEL End Office and cannot be used to reach EAS points, Operator Services Directory Assistance, 911/E911, or to carry 800 or 900 traffic. This interconnection type requires that the CMRS Provider to establish their own dedicated NXX. ALLTEL will not transit traffic for CMRS provider to a Third Party network or from a Third Party network to CMRS provider. Traffic originated by a telecommunications carrier, not subject to this agreement, delivered to one of the Parties, regardless of whether such traffic is delivered through the Party's end user customer, is

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not considered to be originating on that Party's network and may not be routed on this type 2B direct interconnection.

1.2 CMRS Provider may develop additional Interconnection Points, within each of ALLTEL's interconnected networks, other than the actual location of its MSC through the use of either ALLTEL's Special Access facilities, its own facilities or the facilities of a third party.

1.3 CMRS Provider shall provide ALLTEL with an annual forecast of intended mobile to land usage for each Interconnection Point. The Parties agree to work cooperatively to determine the number of trunks needed to handle the estimated traffic.

1.4 **Facility Location**

1.4.1 **Technical Feasibility**

1.4.1.1 To the extent required by Section 251 of the Act, CMRS Provider may interconnect within each of ALLTEL's interconnected networks at any technically feasible point.

1.4.2 **Incumbent Local Exchange Carrier Requirement**

The Parties acknowledge that the terms and conditions specified in this Agreement do not apply to the provision of services or facilities by ALLTEL in those areas where ALLTEL is not the Incumbent Local Exchange Carrier, as defined by the Act.

1.5 **Additional Interconnection Methods Available to CMRS Provider**

1.5.1 CMRS Provider may provide its own facilities and transport for the delivery of Telecommunications Traffic from its MSC to the Interconnection Point on each of ALLTEL's interconnected networks. Alternatively, CMRS Provider may purchase an entrance facility and transport from a third party or from ALLTEL for the delivery of such traffic. Rates for entrance facilities and transport purchased from ALLTEL are specified in the applicable interstate or intrastate Access Tariff.

1.5.3 The Parties may share ALLTEL's interconnection facilities at the rates specified in *ALLTEL's applicable access tariffs*. Charges will be shared by the Parties based on their proportional (percentage) use of such facilities as specified in *Attachment 4: Pricing*.

1.6 **Interconnection Methods Available to ALLTEL**

1.6.1 ALLTEL may provide its own facilities and transport for the delivery of Telecommunications Traffic from its Interconnection Point to the Interconnection Point on CMRS Provider's network. Alternatively, ALLTEL may purchase an entrance facility and transport from a third party for the delivery of such traffic.

1.7 **Network Technical Requirements, Standards and Notices**

1.7.1 Each Party will provide the services in this Agreement to the other Party at a standard equal in quality to that provided to itself or to any subsidiary, affiliate or any other party to which such Party provides interconnection. Either Party may request, and the other Party will provide, to the extent technically feasible, services that are either superior or lesser in quality than the providing Party provides to itself; provided, however, that such services shall be considered Special Requests.

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- 1.7.2 Nothing in this Agreement is intended to limit either Party's ability to upgrade or modify its network, including, without limitation, the incorporation of new equipment, new software or otherwise, so long as such upgrades or modifications are not inconsistent with the Parties' obligations under the terms of this Agreement.
- 1.7.3 The Parties agree to comply with §§51.325 through 51.335 of Title 47 of the Code of Federal Regulations, as may be amended from time to time, regarding notifications, network changes, upgrades and/or modifications.
- 1.7.4 Each Party will be solely responsible, at its own expense, for the overall design of its telecommunications services and for any redesigning or rearrangement of its telecommunications services which may be required because of the other Party's modifications, including, without limitation, changes in facilities, operations or procedures, minimum network protection criteria or operating or maintenance characteristics of facilities. Each Party agrees to waive nonrecurring charges associated with either Party's initiated rehousing of facilities; provided, however, that each Party shall be responsible for any other costs associated with the reconfiguration of its network.

## 2.0 **Transmission and Routing**

This Section provides the terms and conditions for the exchange of traffic between the Parties' respective networks for the transmission and routing by the Parties of local and non-local Traffic from the parties respective end user customers. Traffic originated by a telecommunications carrier, not subject to this agreement, delivered to one of the Parties, regardless of whether such traffic is delivered through the Party's end user customer, is not considered to be originating on that Party's network and may not be routed on this direct interconnection. The standard configuration for CMRS interconnection trunking arrangements will be on a two-way basis at either the Tandem or the End Office.

### 2.1 **Basic Terms**

#### 2.1.1 **Direct Routed Mobile to Land Traffic**

2.1.1.1 CMRS Provider shall be responsible for the delivery of local and non-local Traffic from its network to ALLTEL's network at the appropriate Interconnection Point within ALLTEL's interconnected network for the transport and termination of such traffic by ALLTEL to an ALLTEL end user.

2.1.1.2 Unless CMRS Provider elects to provision its own facilities under subsection 1.5 of this Attachment, ALLTEL shall provide the physical plant facilities that interconnect CMRS Provider's Interconnection Point with ALLTEL's Interconnection Point within ALLTEL's interconnected network. ALLTEL shall provision mobile-to-land connecting facilities for CMRS Provider under the prices, terms and conditions specified in ALLTEL's applicable access tariff, as appropriate

#### 2.1.2 **Direct Routed Land to Mobile Traffic**

2.1.2.1 ALLTEL shall be responsible for the delivery of Telecommunications Traffic from its network to CMRS Provider's network at the appropriate Interconnection Point within ALLTEL's interconnected network for the transport and termination of such traffic by CMRS Provider to the handset of a CMRS Provider end user.

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2.1.2.2 Unless ALLTEL elects to have a third party provision facilities under subsection 1.6 of this Attachment, ALLTEL shall provide the physical plant facilities that interconnect ALLTEL's Interconnection Point with CMRS Provider's Interconnection Point within ALLTEL's interconnected network. ALLTEL shall be responsible for the physical plant facility from its network to the appropriate Interconnection Point within ALLTEL's interconnected network.

2.1.4 **Signaling**

ALLTEL will provide, at CMRS Provider's request and where technically available, Signaling System 7 ("SS7") to accommodate out-of-band signaling in conjunction with the exchange of Telecommunications Traffic between the Parties' respective networks. When ALLTEL provides SS7 Signaling services directly to CMRS Provider, ALLTEL shall provide such service rates and conditions provided in ALLTEL's applicable tariff. These rates are for the use of ALLTEL STPs in the completion of mobile-to-land Telecommunications Traffic. Charges for STP bridge links and port terminations used when connection is required between CMRS Provider's and ALLTEL's STP shall be on a bill and keep basis. CMRS Provider may, in its sole discretion and at no additional charge, interconnect on an SS7 basis with ALLTEL using a Third Party Provider's SS7 network, provided that the third party has established SS7 interconnection with ALLTEL.

2.1.5 **Indirect Network Interconnection**

When the Parties interconnect their networks indirectly via a third LEC's tandem, compensation shall be in accordance with the terms of this Agreement as specified in Attachment 3.. Neither Party shall deliver: (i) traffic destined to terminate at the other Party's end office via another LEC's end office, or (ii) traffic destined to terminate at an end office subtending the other Party's access tandem via another LEC's access tandem. ALLTEL will only be responsible for the interconnection facilities located within the ALLTEL exchange boundary utilized in the routing of the indirect traffic. -When traffic to a specific ALLTLEL end office exceeds a DS1 level, then CMRS Provider will establish a direct connection to the ALLTEL end office. If the ALLTEL end office is a remote switch, the CMRS provider will establish a direct connection to the ALLTEL host switch serving the ALLTEL remote switch.

2.1.6 ALLTEL shall treat CMRS NPA-Nxx which are local rated in an ALLTEL rate center or in a mandatory Extended Service Area rate center as local calls to its subscribers. ALLTEL shall afford local dialing parity to locally rated CMRS NPA-Nxxs within an ALLTEL rate center or in a mandatory Extended Service Area rate center.

2.2 **Routing Points**

ALLTEL will route indirect traffic to an NPA-NXX of CMRS Provider as specified in the Location Exchange Routing Guide (LERG) and as specified in detail in section 2.1.5 above. When the rating point and routing point for an NPA-NXX are not within the same rate center, ALLTEL will not be responsible for any charges that may be assessed by the third party for traffic originated from ALLTEL and terminating to CMRS provider. CMRS provider will be responsible for all charges due to a third party. If ALLTEL can not record the traffic terminating to ALLTEL originating from these NPA-NXX's of the CRMS provider, then CMRS provider will provide a monthly report to ALLTEL of the minutes of use originating from these NPA-NXX's and terminating to ALLTEL. The report will be provided by the 5<sup>th</sup> day each month for the preceeding month's minutes of use. The report will provide a total of minutes of use by originating NPA-NXX and terminating NPA-NXX.. CMRS must establish an agreement with the third party for the transiting of the traffic for these NPA\_NXX's.

### 3.0 Ordering

3.1 Unless otherwise provided for in this Agreement, this provision shall apply for the ordering of interconnection herein. Each Party shall be responsible for ordering from the other Party any interconnection or other facilities as specified in this Agreement. The Parties shall mutually agree upon the format for any orders and any required codes or other information that must be included in any particular order. Subject to the paragraph immediately below, orders shall be processed as follows: after the receipt of a request, a Party shall notify the ordering Party, in a timely manner and in agreement with published intervals, of any additional information it may require to determine whether it is technically feasible to meet the request. Within forty-five (45) calendar days of its receipt of said information, the Party shall notify the ordering Party if the request is technically feasible ("Notification"). If the request is technically feasible, the Party shall activate the order as mutually agreed to by the Parties after Notification (the "Activation Date"). The penalty for the providing Party's non-compliant delivery of connecting facility by the specified due date shall be a refund of nonrecurring charges of the connecting facility to the other Party.

### 3.2 Special Requests

All requests for: (i) services covered by this Agreement for which facilities do not exist; (ii) facilities, equipment or technologies not in the providing Party's sole discretion considered necessary to fulfill a request under this Agreement; or (iii) services not specifically enumerated in this Agreement shall be handled as a "Special Request." Special Requests pursuant to this subsection 3.2 may include, without limitation, requests for fiber, microwave, alternate routing, redundant facilities and other non-standard facilities or services.

3.2.1 If either Party requires direct interconnection at additional locations within the ALLTEL interconnected network, then it shall submit a Special Request in writing to the other Party specifying: (i) the point of interconnection; (ii) an estimated activation date; and (iii) a forecast of intended use. Within twenty (20) business days of its receipt of the ordering Party's request (the "Request Date"), the providing Party shall notify the ordering Party of any additional information it may require to determine whether it is technically feasible to meet the request. Within sixty (60) calendar days of its receipt of said information (or sixty (60) calendar days from the Request Date if the providing Party does not ask for additional information), the providing Party shall notify the ordering Party ("Notification") if its request is technically feasible. If the request is technically feasible, the providing Party shall activate the interconnection within fifteen (15) business days of the Notification (the "Activation Date"), as specified by the ordering Party.

3.2.2 The Parties recognize that Special Requests may be made of the other Party pursuant to *Attachment 3: Billing, Compensation and Charges*, subsection 3.3 therein. The providing Party shall have seventy-five (75) business days to notify the ordering Party ("Special Notification") if the ordering Party's Special Request, in the providing Party's sole discretion, will be fulfilled and what the cost of fulfilling such request will be. If the Special Request will be fulfilled, the providing Party shall activate the order at a time agreed to by the Parties.

3.2.3 An ordering Party may cancel a Special Request at any time, but will pay the providing Party's reasonable and demonstrable costs per the rates as specified in the Party's access tariff, of processing and/or implementing the Special Request up to the date of cancellation.

### 4.0 Network Maintenance and Management

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4.1 The Parties will work cooperatively to install and maintain a reliable network in order to implement this Agreement. The Parties will exchange appropriate information (e.g., maintenance contact numbers, network information, information required to comply with law enforcement and other security agencies of the Government) to achieve this desired reliability.

4.2 Each Party will provide a 24-hour contact number for Network Traffic Management issues to the other's surveillance management center. A facsimile number must also be provided to facilitate event notifications for planned mass calling events. Additionally, both Parties agree that they will work cooperatively to ensure that all such events will attempt to be conducted in such a manner as to avoid disruption or loss of service to other end users.

4.2.1 **24 Hour Network Management Contact:**

**For ALLTEL:**

State-specific contacts are provided at <http://www.alltel.com>.

**To CMRS Provider:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4.3 Neither Party will use any service provided under this Agreement in a manner that impairs the quality of service to other carriers or to either Party's subscribers. Either Party will provide the other Party notice of said impairment at the earliest practicable time.

4.4 Either Parties' use of any of the other Party's facilities, or of its own equipment or that of a third party in conjunction with any of the other Party's facilities, shall not materially interfere with or impair service over any facilities of the other Party, its affiliated companies or its connecting and concurring carriers involved in its services, cause damage to their plant, impair the privacy of any communications carrier over their facilities or create hazards to the employees of any of them or the public.

4.5 After written notice and thirty (30) calendar days' opportunity to cure, the Party whose facilities are being used may discontinue or refuse to provide service to the other Party if the Party using the facilities breaches subsections 4.3 or 4.4 above and fails to cure such breach with the thirty (30) day cure period; provided, however, such termination of service will, where appropriate, be limited to the facility being used that is the subject of the breach.

4.6 Trouble clearing procedures of both Parties shall include mechanisms for escalation of restoration efforts appropriate to the critical impact on the other Party's network. Both Parties agree that each will use its best, commercially reasonable efforts to clear troubles on its network that materially affects the other Party's end users.

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**ATTACHMENT 3: BILLING, COMPENSATION AND CHARGES**

This Attachment describes the terms and conditions under which billing, compensation and charges will be applied to the Parties under this Agreement.

**1.0 Billing**

1.1 Each Party shall deliver monthly settlement statements for terminating the other Party's Telecommunications Traffic for both local and non-local usage, and for the proportionate share of the interconnection facilities used in routing direct traffic between each Party's end user customers. Subject to Section 8.0: Payment of Rates and Late Payment Charges and Section 9.0: Dispute Resolution of this Agreement, bills rendered by either Party shall be paid within thirty (30) calendar days of the invoice date. For direct interconnection, the billing Party will record the traffic originating from the other Party's end user customers and terminating to the billing Party's end user customers that is routed over the direct interconnection facilities. In the event the Parties use indirect interconnection arrangements to terminate local and non-local Traffic between their networks, the Parties agree to use meet point billing records or a report detailing the minutes of usage provided by the third party for compensation of usage routed indirectly to the other Party. Indirect routed traffic for CMRS Provider's NPA-NXXs that have different rating and routing points, as specified in the LERG, will be billed in accordance with Attachment 2, Section 2.2.

1.2 For the purposes of establishing service and providing efficient and consolidated billing to CMRS Provider, CMRS Provider is required to provide ALLTEL its authorized and nationally recognized Operating Company Number(s).

1.3 Bills rendered to either Party will be delivered to the following locations:

To: ALLTEL:  
Attn: Manager Telecom Service Group  
1 Allied Drive, Mailstop: B4F05-SC  
Little Rock, AR 72022

To: CMRS Provider:  
Attn:

\_\_\_\_\_  
\_\_\_\_\_

**2.0 Compensation**

**2.1 Reciprocal Compensation**

**2.1.1 Rates**

The Parties shall provide each other Reciprocal Compensation for the transport and termination of Telecommunications Traffic at the rates specified in Attachment 4: Pricing. ALLTEL shall compensate CMRS Provider for the transport and termination of Telecommunications Traffic originating on ALLTEL's network ; CMRS Provider shall compensate ALLTEL for the transport and termination of local and non-local Traffic originating on CMRS Provider's network. Compensation shall vary based on the method of interconnection used by the Parties.

**2.1.2 Exclusions**



Reciprocal Compensation shall apply solely to the transport and termination of Telecommunications Traffic, as defined in *Attachment : Definitions*, and shall not apply to any other traffic or services, including, without limitation:

2.1.2.1 InterMTA traffic;

2.1.2.2 Traffic which neither originates nor terminates on either Party's network by the Party's end user customers; or

2.1.2.3 Paging Traffic.

2.1.3 **Measuring Calls as Telecommunications Traffic**

In order to determine whether traffic is Telecommunications Traffic subject to Reciprocal Compensation, the Parties agree as follows: for ALLTEL, the origination or termination point of a call shall be the end office that serves, respectively, the calling or called party. For CMRS Provider, the origination or termination point of a call shall be the cell site that serves, respectively, the calling or called party at the beginning of the call.

2.1.4 **Conversation Time**

For purposes of billing compensation for the interchange of Telecommunications Traffic, billed minutes will be based upon conversation time. Conversation time will be determined from actual usage recordings. Conversation time begins when the originating Party's network receives answer supervision and ends when the originating Party's network receives disconnect supervision.

**3.0 Charges**

3.1 **Late Charges**

Late Charges will be applied as specified in Section 8.0: Payment of Rates and Late Payment Charges of this Agreement.

3.2 **Access Charges**

3.2.1 **When Applicable**

Charges for the transport and termination of InterMTA traffic shall be in accordance with the Parties' respective intrastate or interstate access tariffs, or other applicable rates as appropriate. The Parties will develop an initial factor representative of the share of traffic exempt from Reciprocal Compensation.

3.2.2 **InterMTA Factor**

The Parties have agreed upon the InterMTA factor specified in *Attachment 4: Pricing*, which represents the percent of total minutes to be billed access charges. The InterMTA factor identified in *Attachment 4: Pricing* shall be used until revised by mutual agreement. The Parties agree to review the percentage on a periodic basis no more than once per year, and, if warranted by the actual usage, revise the percentage appropriately on a prospective basis. This factor will be applied to both direct and indirect traffic originated by CMRS provider and terminated by ALLTEL

3.3 **Miscellaneous Charges**

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In addition to any other charges specified in this Agreement, the following charges may be applicable as specified in this Agreement at the rates listed in *Attachment 4: Pricing*. Charges listed are in addition to, and not exclusive of, any other charges that may be applicable under this Agreement.

**3.3.1 Facilities Charges**

Each Party shall compensate the other Party (on a proportionate usage basis, as set forth in *Attachment 4: Pricing*) for the use of the providing Party's direct interconnection facilities between the Parties' Interconnection Points, in either direction, as the case may be. Type 1, Type 2A and Type 2B facilities may be either one-way or two-way when both Parties agree to share the facility. For both one-way or two-way facilities, the terms, conditions, recurring and nonrecurring charges will apply as specified in *Attachment 3: Billing, Compensation and Charges*, and at the rates specified in *ALLTEL's applicable interstate or intrastate access tariff*. When both Parties agree to utilize two-way facilities, the Parties on a proportional (percentage) basis as specified in *Attachment 4: Pricing* will share such charges, including non-recurring charges {ALLTEL accepts language}. To the extent Telecommunications Traffic is transmitted over high capacity facilities (DS3s and SONET rings), the cost associated with the portion of such facilities used to carry Telecommunications Traffic (based on slot assignments) will be shared between ALLTEL and CMRS Provider based upon the Shared Facilities percentages specified in *Attachment 4: Pricing*. The Parties shall review actual billed minutes accrued on shared two-way facilities and modify, as needed, at a point six (6) months from the Effective Date of this Agreement and every twelve (12) months thereafter, the percentages specified in *Attachment 4: Pricing*.

**3.3.3 Maintenance of Service Charge**

When either Party reports trouble to the other Party for clearance and no trouble is found in the network of the Party to whom the trouble was reported, the reporting Party shall be responsible for payment of a Maintenance of Service Charge, as listed in ALLTEL's access tariff, for the period of time when the reported Party's personnel were dispatched. In the event of an intermittent service problem that is eventually found to be in the reported Party's network, the other Party shall receive a credit for any Maintenance of Service Charges applied in conjunction with this service problem.

If either Party reports trouble to the other Party for clearance and the reported Party's personnel are not allowed access to the reporting Party's premises, the Maintenance of Service Charge will apply for the time that the reported Party's personnel are dispatched, provided that the Parties have arranged a specific time for the service visit.

**3.3.4 Additional Engineering Charges**

Additional engineering charges, as listed in ALLTEL's access tariff, will be billed to CMRS Provider when ALLTEL incurs engineering time to customize CMRS Provider's service at CMRS Provider's request pursuant to Attachment II, Section 3.2.

**3.3.5 Additional Labor Charges**

Additional labor, as listed in ALLTEL's access tariff, will be charged when ALLTEL installs facilities outside of normally scheduled working hours at the customer's request. Additional labor also includes all time in excess of one-half (1/2) hour during which ALLTEL personnel stand by to make installation acceptance test or cooperative test with CMRS Provider to verify facility repair on a given service.

**3.3.6 Access Service Order Charge**

An Access Service Order charge, as listed in ALLTEL's access tariff, applies whenever CMRS Provider request installation, addition, rearrangement, change or move of the interconnection services associated with this Agreement.

3.3.7 **Design Change Charge**

A Design Change Charge, as listed in ALLTEL's access tariff, applies when ALLTEL personnel review CMRS Provider's interconnection service to determine what changes in the design of the service are required as a result of request(s) by CMRS Provider. ALLTEL will notify CMRS Provider when the Design Change Charge would apply prior to performing any work that would incur a Design Change Charge.

3.3.8 **Service Date Change Charge**

The Service Date Change Charge, as listed in ALLTEL's access tariff, applies when CMRS Provider requests a change in the previously scheduled date of installation or rearrangement of interconnection service. The customer may request changes provided that the new date is no more than forty-five (45) calendar days beyond the original service date, unless the requested changes are associated with an order which has been designated as a "special project." If a change or rearrangement of interconnection is necessary beyond forty-five (45) calendar days, then the order must be canceled and reordered.

3.3.9 **Access Customer Name and Address ("ACNA"), Billing Account Number ("BAN") and Circuit Identification Change Charges**

These charges, as listed in ALLTEL's access tariff, apply whenever CMRS Provider requests changes in its ACNA, its BAN number or its Circuit IDs, respectively.

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**ATTACHMENT 4: PRICING**

<b><u>Reciprocal Compensation Rate</u></b>	
Type 1 (per MOU)	\$.01263
Type 2A (per MOU)	\$.02505
Type 2B (per MOU)	\$.01263
<b><u>Indirect</u></b>	\$.02243
<b><u>Shared Facilities</u></b>	
CMRS Provider	70%
ALLTEL	30%
<b><u>CMRS InterMTA Factor</u></b>	5%
<b><u>Interstate Jurisdiction Factor</u></b>	
Interstate	30%
Intrastate	70%

~~NEEDS TRAFFIC FACOR FO MOBILE TO LAND TRAFFIC~~

InterMTA and inter/intrastate factors may vary by state

**ATTACHMENT 5: INTENTIONALLY LEFT BLANK**

**ATTACHMENT 6: INTENTIONALLY LEFT BLANK**

**ATTACHMENT 7: INTENTIONALLY LEFT BLANK**

**ATTACHMENT 8: DEFINITIONS**

Definitions of the terms used in this Agreement are listed below. The Parties agree that certain terms may be defined elsewhere in this Agreement as well. Terms not defined shall be construed in accordance with their customary meaning in the telecommunications industry as of the effective date of this Agreement.

"**Act**" means the Communications Act of 1934 (47 U.S.C. Section 151 *et seq.*), as amended, or as from time to time interpreted in the duly authorized rules and regulations of the FCC or the Commission having authority to interpret the Act within its state of jurisdiction.

"**Cell Site**" means the location of fixed radio transmitting and receiving facilities associated with the origination and termination of wireless traffic to a wireless end user and may be used as a point of interconnection to the landline network.

"**Commercial Mobile Radio Service**" or "**CMRS**" has the meaning given to the term in the Part 20, FCC Rules.

"**Commission**" means the state public utilities commission.

"**Direct Interconnection Facilities**" means dedicated facilities provided either under this or applicable ALLTEL tariff used to connect CMRS Provider's network and ALLTEL's interconnected network for the purposes of interchanging traffic.

"**Conversation Time**" means the time (in full second increments) that both Parties' equipment is used for a call, measured from the receipt of answer supervision to disconnect supervision.

"**Customer**" means, whether or not capitalized, any business, residential or governmental customer of services provided by either Party, and includes the term "End User." More specific meanings of either of such terms are dependent upon the context in which they appear in the Agreement and the provisions of the Act.

"**End Office**" means a local ALLTEL switching point where ALLTEL end user customer station loops are terminated for purposes of interconnection to each other and to the network.

"**End User**" means, whether or not capitalized, any business, residential or governmental customer of services provided by either Party and includes the term "Customer." More specific meanings of either of such terms are dependent upon the context in which they appear in the Agreement and the provisions of the Act.

"**Exchange Access**" has the meaning given the term in the Act.

"**FCC**" means the Federal Communications Commission.

"**Incumbent Local Exchange Carrier**" or "**ILEC**" has the meaning given the term in the Act.

"**Interconnection**" has the meaning given the term in the Act and refers to the physical connection of separate pieces of equipment, facilities, or platforms between or within networks for the purpose of transmission and routing of Telecommunications Traffic.

~~"**Interconnection Point**" or "**IP**" means the physical point on the network where the two Parties interconnect. The IP is the demarcation point between ownership of the transmission facility for the purposes of determining the Parties' transport costs for traffic exchanged between the Parties.~~

"**InterLATA**" has the meaning given the term in the Act.

"**InterMTA Traffic**" means all calls that originate in one MTA and terminate in another MTA.

"**Local Access and Transport Area**" or "**LATA**" has the meaning given to the term in the Act.



"**Local Exchange Carrier**" or "**LEC**" has the meaning given to the term in the Act.

"**Local Service Provider**" means a carrier licensed by the Commission with the appropriate certification (*e.g.*, a Certificate of Authorization or Service Provider Certificate of Authorization).

"**Mobile Switching Center**" or "**MSC**" means CMRS Provider's facilities and related equipment used to route, transport and switch commercial mobile radio service traffic to, from and among its end users and other telecommunications companies.

"**Major Trading Area**" or "**MTA**" has the meaning given to the term in 47 CFR §24.202(a).

"**NXX**" or "**NXX Code**" is the 3-digit switch indicator that is defined by the D, E and F digits of a 10-digit telephone number within the North America Numbering Plan. Each NXX Code contains 10,000 telephone numbers.

"**Party**" means either ALLTEL or CMRS Provider, as applicable.

"**Parties**" means ALLTEL and CMRS Provider.

"**Reciprocal Compensation**" means the arrangement for recovering, in accordance with §251(b)(5) of the Act, the FCC Internet Order and other applicable FCC orders and regulations, costs incurred for the transport and termination of Telecommunications Traffic originated on one Party's network and terminating on the other Party's network.

"**Service Area**" means the geographic area, *e.g.*, Major Trading Area, Basic Trading Area, Metropolitan Service Area, Geographic Service Area and Rural Service Area, served by the cellular system within which CMRS Provider is licensed to provide service.

"**Signaling System 7**" or "**SS7**" means a signaling protocol used by the CCS network.

"**Signaling Transfer Point**" or "**STP**" means the point where a Party interconnects, either directly or through facilities provided by ALLTEL, or a through a Third Party Provider, with the CCS/SS7 network.

"**Synchronous Optical Network**" or "**SONET**" means an optical interface standard that allows inter-networking of transmission products from multiple vendors.

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"**Tandem**" means the following:

"**Access Tandem**" means a switching system that provides a concentration and distribution function for originating or terminating traffic between ALLTEL end offices.

"**Telecommunications Traffic**," for purposes of the application of Reciprocal Compensation, means telecommunications traffic exchanged between a LEC and a CMRS provider that, at the beginning of the call, originates and terminates within the same Major Trading Area, as defined in 47 C.F.R. §24.202(a).

"**Telephone Exchange Service**" means wireline exchange connections amongst LEC end users.

"**Telecommunications**" has the meaning given in the Act.

"**Telecommunications Carrier**" has the meaning given in the Act.

"**Termination**" means the switching of Telecommunications Traffic at the terminating carrier's end office switch, or equivalent facility, and delivery of such traffic to the called party.

"**Third Party Provider**" shall mean any other facilities-based telecommunications carrier that transits indirect traffic between the Parties.

"**Transport**" means the transmission and any necessary tandem switching of Telecommunications Traffic subject to §251(b)(5) of the Act from the interconnection point between two carriers to the terminating carrier's end office switch that directly serves the called party, or equivalent facility provided by Third Party Provider.

"**Trunk Group**" means a set of trunks of common routing, origin and destinations, and which serve a like purpose or function.

"**Trunk Side**" means a Party's connection that is capable of and has been programmed to treat the circuit as connecting to another switching entity, for example another ALLTEL to CMRS Provider switch. Trunk Side connections offer those transmission and signaling features appropriate for the connections of switching entities.

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**ATTACHMENT 9: ACRONYMS**

AAA	American Arbitration Association
CMRS	Commercial Mobile Radio Service
FCC	Federal Communications Commission
ILEC	Incumbent Local Exchange Carrier
IXC	Interexchange Carrier
LATA	Local Access and Transport Area
LEC	Local Exchange Carrier
LERG	Local Exchange Routing Guide
MOU	Minute of Use
MSC	Mobile Switching Service
MTA	Major Trading Area
OCN	Operating Company Number
SONET	Synchronous Optical Network
SS7	Signaling System 7
STP	Signaling Transfer Point

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APPENDIX A – Billing Dispute Form

Billing Company Contact Information Section:				
1. Billing Company Name:		2. Billing Contact Name:		
3. Billing Contact Address:		4. Billing Contact Phone:		
		5. Billing Contact Fax #:		
		6. Billing Contact Email:		
Disputing Company Contact Information Section:				
7. Disputing Company Name:		8. Disputing Contact Name:		
9. Disputing Contact Address:		10. Disputing Contact Phone:		
		11. Disputing Contact Fax #:		
		12. Disputing Contact Email:		
General Dispute Section:				
13. Date of Claim: (yyyy-mm-dd):		14. Status:	15. Claim/Audit Number:	
16. Service Type:				
17. ACNA:	18. OCN:	19. CIC:	20. BAN:	21. Invoice Number(s):
22. Bill Date:		24. Dispute Reason Code:		25. Dispute Desc:
23. Billed Amount: \$ _____				
26. Disputed Amount: \$			29. Dispute Bill Date From:	
27. Disputed Amount Withheld: \$			Dispute Bill Date Thru:	
28. Disputed Amount Paid: \$				
Dispute Information Section:				
30. Rate Element/USOC:		31. Rate: Billed Correct		
<b>Factor Information:</b> 32. PIU: Billed Correct 33. PLU: Billed Correct 34. BIP: Billed Correct 35. Other Factors: Billed Correct		36: Jurisdiction <input type="checkbox"/> Non Jurisdictional <input type="checkbox"/> Inter/Interstate <input type="checkbox"/> Intra/Interstate <input type="checkbox"/> Intra/Intrastate <input type="checkbox"/> Inter/Intrastate <input type="checkbox"/> Local		37. Mileage: Billed Correct 38. Contract Name/#: 39. Business/Residence Indicator: 40: State: 41: LATA:
Facilities/Dedicated Circuit Dispute Information Section:				
42. PON: 43. SON: 44. EC Circuit ID: 45. Circuit Location: 46. IC Circuit ID: 47. CFA : <input type="text"/>		48. TN/All: 49. Point Code: 50. USOC Quantity: 51. Two-Six Code:		
52. Facilities From Date:		Thru Date:		

<b>Usage Dispute Information Section:</b>		
53. End Office CLLI:	54. TN/All:	
55. Usage Billed Units/Quantity:	56. Usage Billed Units/Quantity Disputed:	
57. Directionality: <input type="checkbox"/> N/A <input type="checkbox"/> Orig. <input type="checkbox"/> Term. <input type="checkbox"/> Combination	58. Query:	59. Query Type:
60. OC&C SON:	61 OC&C PON:	
62. Usage From Date:                      Thru Date:		
<b>Information Section:</b>		
63. Tax Dispute Amount:	64. Tax exemption form attached : <input type="checkbox"/>	
65. Invoice(s) LPC billed:		
66. LPC paid, date of payment:		
<b>OTHER</b>		
67. Other remarks		
<b>Resolution Information Section:</b>		
68. Resolution Date:		
69. Resolution Amount: \$	70. Resolution Reason:	
71. Adjustment Bill Date:	72. Adjustment Invoice Number:	
73. Adjustment Phrase Code(s):	74. Adjustment BAN/	75. Adjustment SON:
76. Disputed Amount: \$	77. Amount Credited: \$	
78. Bill Section Adjustment will appear on: OC&C _____ Adjustment _____		
79. Resolution remarks:		

# DrinkerBiddle&Reath LLP

Christopher M. Arfaa  
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January 26, 2004

*Via Federal Express - Overnight Delivery*

Patricia Armstrong, Esq.  
Thomas Thomas Armstrong & Niesen  
212 Locust Street  
Harrisburg, PA 17108-9500

ALLTEL Ex. No. 5  
Docket No. A-310489F7004  
February 10, 2004  
1665 jh

DOCUMENT

RE: Petition of Cellco Partnership d/b/a Verizon Wireless For Arbitration Pursuant to Section 252 of the Telecommunications Act of 1996, Docket No. A-310489F7004

Dear Ms. Armstrong:

I enclose the Responses of Cellco Partnership to First Set of Interrogatories of Alltel Pennsylvania, Inc. Directed to Verizon Wireless in the referenced matter.

Please do not hesitate to contact me if you have any questions regarding this matter.

Very truly yours,

  
Christopher M. Arfaa

CMA/cms  
Enclosure

cc: ALJ Wayne L. Weismandel (w/o encl.)  
James J. McNulty, Secretary (w/o encl.)  
Attached Certificate of Service (w/encl.)

DUCKETED  
FEB 23 2004

SECRETARY'S BUREAU

2004 FEB 13 PM 2:14

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Established  
1849

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Cellco Partnership d/b/a Verizon	:	
Wireless For Arbitration Pursuant to	:	
Section 252 Of the Telecommunications	:	A-310489F7004
Act of 1996 to Establish an Interconnection	:	
Agreement With ALLTEL Pennsylvania, Inc.	:	

**RESPONSES OF CELLCO PARTNERSHIP  
TO  
FIRST SET OF INTERROGATORIES OF  
ALLTEL PENNSYLVANIA, INC.  
DIRECTED TO VERIZON WIRELESS**

Pursuant to 52 Pa. Code § 5.342 and the Arbitration Order entered by Hon. Wayne L. Weisman on January 8, 2004, Petitioner, Cellco Partnership d/b/a Verizon Wireless ("Verizon Wireless") provides the following responses to the First Set of Interrogatories of ALLTEL Pennsylvania, Inc. ("ALLTEL") Directed to Verizon Wireless. These responses include objections previously served.

**Objections to All Interrogatories Based Upon Definitions and Instructions**

The following objections to the "Definitions and Instructions" set forth in ALLTEL's discovery request apply to each Interrogatory, unless the context of the interrogatory clearly shows that the objected-to instructions or definitions do not apply:

**General Objection 1.** Verizon Wireless objects to the definitions and instructions to the extent they purport to impose discovery obligations beyond those imposed by the Commission's rules.

**General Objection 2.** Verizon Wireless objects to the definitions of "communication," "communications," "concerning," "concern," "document," documents," "writing," "writings,"

"identify," "state the identity of," "Verizon Wireless," "Petitioner," "you" and "your" because, particularly in view of short discovery deadlines in this proceeding, they render the individual interrogatories and document requests overbroad, burdensome and harassing, and not reasonably calculated to lead to the discovery of admissible evidence.

**General Objection 3.** Verizon Wireless objects to the definition of "relevant geographic area" as the "United States" because, particularly in view of short discovery deadlines in this proceeding, it renders the individual interrogatories and document requests overbroad, burdensome and harassing, and not reasonably calculated to lead to the discovery of admissible evidence.

**Objections to Individual Interrogatories and Document Requests**

I-1. Please identify each and every local exchange carrier with whom you have exchanged telecommunications traffic either directly or indirectly during any of the past 24 months.

**Objection.** See General Objections 1, 2 and 3, which are incorporated by reference as if set forth at length. Verizon Wireless specifically objects to this request to the extent it seeks information relating to interconnection or other events occurring outside of Pennsylvania, on the ground that, to that extent, it is overbroad, burdensome and harassing, and not reasonably calculated to lead to the discovery of admissible evidence.



**Response.** Subject to the foregoing objections, and without waiver thereof, Verizon Wireless responds as follows: Verizon Wireless has sought interconnection with all LECs in Pennsylvania with whom it terminates traffic directly and indirectly. Verizon Wireless has negotiated and entered voluntary interconnection arrangements pursuant to 47 U.S.C. § 252(a)(1) with the following carriers: North Pittsburgh Telephone, Commonwealth Telephone Company ("CTCO"), and its CLEC affiliate CTSI, LLC, United Telephone Company of Pennsylvania ("Sprint United"), Verizon Pennsylvania, Inc and Verizon North (formerly GTE). Verizon Wireless has sought interconnection with the following small/ or rural ILECs in Pennsylvania, but has not yet come to agreements through voluntary negotiations or arbitration: Bentleyville Communications Corporation d/b/a the Bentleyville Telephone Company, Yukon-Waltz Telephone Company, Laurel Highland Telephone Company, Palmerton Telephone Company, Marianna & Scenery Hill Telephone Company, Citizens Telephone Company of Kecksburg, The North-Eastern Pennsylvania Telephone Company, Denver & Ephrata Telephone & Telegraph Company d/b/a D&E Telephone Company, Buffalo Valley Telephone Company, Conestoga Telephone & Telegraph Company, Hickory Telephone Company, Ironton Telephone Company, Lackawaxen Telephone Company, Armstrong Telephone Company, Frontier Communication of Pennsylvania, Inc., Frontier Communication of Lakewood, Inc., Frontier Communication of Oswayo River, Inc., South Canaan Telephone Company, Pymatuning Independent Telephone Company, Pennsylvania Telephone Company.

I-2. Please identify, and list and provide a copy of each interconnection agreement you have with a local exchange carrier pursuant to which you are exchanging telecommunications traffic directly or indirectly.

**Objection.** See General Objections 1, 2 and 3, which are incorporated by reference as if set forth at length. Verizon Wireless specifically objects to this request to the extent it seeks agreements relating to interconnection or other events occurring outside of Pennsylvania, on the ground that, to that extent, it is overbroad, burdensome and harassing, and not reasonably calculated to lead to the discovery of admissible evidence.

**Response.** Subject to the foregoing objections, and without waiver thereof, Verizon Wireless responds as follows: Verizon Wireless will provide paper copies of interconnection agreements with the following ILECs in Pennsylvania: Sprint United, Verizon Pennsylvania, Verizon North (formerly doing business as GTE North), North Pittsburgh Telephone, and Commonwealth Telephone Company.

I-3. With respect to each local exchange carrier with which you have exchanged traffic as identified in response to Interrogatory I-1, please identify how and pursuant to what terms and conditions or paragraph or section of any applicable agreement, transport and other costs associated with transport of Verizon Wireless originated telecommunications traffic or local exchange carrier originated traffic through a third party are billed, processed and paid.

**Objection.** See General Objections 1, 2 and 3, which are incorporated by reference as if set forth at length. Verizon Wireless specifically objects to this request to the extent it seeks information relating to interconnection or other events occurring outside of Pennsylvania, on the ground that, to that extent, it is overbroad, burdensome and harassing, and not reasonably calculated to lead to the discovery of admissible evidence.

**Response.** Subject to the foregoing objections, and without waiver thereof, Verizon Wireless responds as follows: Verizon Pennsylvania: Section 6.1 sets forth the rates, terms and conditions for billing and collection of traffic exchanged with third party carriers, which transits Verizon Pennsylvania's tandems. Verizon North: Part IV, Section 5 sets forth the rates, terms and conditions for indirect interconnection arrangements, the rates terms and conditions for direct interconnection are set forth in Part IV, Sections 3.1, and 3.2. North Pittsburgh: Section 4.4.3, sets for the rates, terms and conditions for traffic, which is directly and indirectly exchanged with North Pittsburgh. Sprint United: Sections 4.2-4.2.4 of the agreement sets forth the rates, terms and conditions for traffic, which is directly and indirectly exchanged with Sprint United. Commonwealth Telephone ("CTCO"): Sections 2.1, and 2.2 sets forth the rates, terms and conditions for traffic, which is directly and indirectly exchanged with CTCO.

I-4. With respect to each local exchange carrier with which Verizon Wireless has exchanged traffic, as identified in response to Interrogatory I-1, please identify whether the applicable terms and conditions or agreement between Verizon Wireless and the local exchange carrier was negotiated or arbitrated, and whether the specific paragraph or section concerning indirect traffic to or through a third party transport were negotiated or arbitrated.

**Objection.** See General Objections 1, 2 and 3, which are incorporated by reference as if set forth at length. Verizon Wireless specifically objects to this request to the extent it seeks information relating to interconnection or other events occurring outside of Pennsylvania, on the ground that, to that extent, it is overbroad, burdensome and harassing, and not reasonably calculated to lead to the discovery of admissible evidence.

**Response.** Subject to the foregoing objections, and without waiver thereof, Verizon Wireless responds as follows: All of the interconnection agreements entered with Verizon Wireless and the carriers set forth in response to I-3, are all negotiated. None of the rates, terms or conditions in these agreements was arbitrated.

I-5. With respect to each local exchange carrier with which you have exchanged traffic, as identified in response to Interrogatory I-1, in which the specific paragraph or section concerning indirect traffic to or through a third party transport was arbitrated, please provide a copy of the applicable jurisdictional regulatory commission decision that arbitrated the agreement.

**Objection.** See General Objections 1, 2 and 3, which are incorporated by reference as if set forth at length. Verizon Wireless specifically objects to this request to the extent it seeks documents relating to interconnection or other events occurring outside of Pennsylvania, on the ground that, to that extent, it is overbroad, burdensome and harassing, and not reasonably calculated to lead to the discovery of admissible evidence.

**Response.** Subject to the foregoing objections, and without waiver thereof, Verizon Wireless responds as follows: Verizon Wireless has not arbitrated any of the agreements set forth in the response to I-1.

I-6. For each interconnection agreement identified in response to Interrogatory I-2, what are the rates charged by you, the local exchange carrier and both such parties for transport and termination of (a) telecommunications traffic exchanged on a direct basis with the local exchange carrier and (b) telecommunications traffic exchanged on an indirect basis with the local exchange carrier?

**Objection.** See General Objections 1, 2 and 3, which are incorporated by reference as if set forth at length. Verizon Wireless specifically objects to this request to the extent it seeks information relating to interconnection or other events occurring outside of Pennsylvania, on the ground that, to that extent, it is overbroad, burdensome and harassing, and not reasonably calculated to lead to the discovery of admissible evidence.

**Response.** Subject to the foregoing objections, and without waiver thereof, Verizon Wireless responds as follows: Prior to the passage of the FCC's ISP order, the Sprint United agreement had an end office rate of \$.005951, an indirect rate of \$.007784, and a tandem rate of \$.010834. Similarly, the Verizon North agreement had an end office rate of \$.0052, and tandem of \$.0079, in the mobile to land direction, and termination in the land to mobile direction at the switch was at the tandem rate. The Verizon PA rates were \$.003, and \$.005 in the mobile to land direction for traffic terminated at Verizon PA's end offices, and tandems, respectively. In the land to mobile direction, Verizon PA paid the tandem rate of \$.005. In accordance with the FCC's ISP Order<sup>1</sup>, the rates for Sprint United, Verizon PA, and Verizon North were all amended to \$.0007 per MOU. The ISP rate applies reciprocally for end office, indirect, and tandem termination.

The rate in the CTCO agreement is a reciprocal blended rate of \$.030 for direct and indirect traffic. The rate in the North Pittsburgh agreement is reciprocal blended rate \$.019 for direct traffic. The North Pittsburgh agreement provides for multiple direct connections at tandem switches, and specific end offices, indirect traffic exchanged is subject to ITORP rate.

I-7. For each rate provided in response to Interrogatory I-6 (relating to transport and termination rates charged to or by local exchange carriers), please describe how the rate, and each of its elements, was determined.

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<sup>1</sup> See *In the Matter of the Local Competition Provisions in the Telecommunications Act of 1996, Intercarrier Competition Provisions for ISP-Bound Traffic*, FCC Docket 01-131, CC Docket Nos. 96-98 and 99-68 (April 2001) (the "ISP Order").

**Objection.** See General Objections 1, 2 and 3, which are incorporated by reference as if set forth at length. Verizon Wireless specifically objects to this request to the extent it seeks information relating to interconnection or other events occurring outside of Pennsylvania, on the ground that, to that extent, it is overbroad, burdensome and harassing, and not reasonably calculated to lead to the discovery of admissible evidence.

**Response.** Subject to the foregoing objections, and without waiver thereof, Verizon Wireless responds as follows: Verizon North, Verizon PA and Sprint United: The rates in the Verizon Pennsylvania, Verizon North, and Sprint United Agreements are equivalent to the rate Verizon Pennsylvania pays other CLECs for termination of traffic to Internet Service Providers. This rate is based upon an Order by the FCC, and these rates are not based upon forward-looking costs. *See In the Matter of the Local Competition Provisions in the Telecommunications Act of 1996, Intercarrier Competition Provisions for ISP-Bound Traffic, FCC Docket 01-131, CC Docket Nos. 96-98 and 99-68 (April 2001).* Prior to the adoption of the ISP rates, the rates charged by Sprint United, Verizon North and Verizon PA were all based upon forward-looking costs. Verizon Wireless has never reviewed any costs studies for these rates, but accepted the rates as part of a negotiated contract.

Commonwealth and North Pittsburgh: The rate in the Commonwealth Telephone agreements, was negotiated, and not based upon forward-looking costs. The rate with North Pittsburgh was a negotiated rate, not based upon costs. The indirect rate in the North Pittsburgh agreement is also part of a negotiated agreement, however this rate is based upon the ITORP settlement process rather than forward- looking costs. Verizon Wireless has terminated the North Pittsburgh agreement and seeks to renegotiate an agreement to supersede this agreement. The term of the North Pittsburgh agreement is set to expire on April 25, 2004.

I-8. For each rate provided in response to Interrogatory I-6 (relating to transport and termination rates charged to or by local exchange carriers under existing interconnection agreements), please state whether that rate is based on the forward-looking economic cost of transport and termination and provide a copy of each and every cost study, including backup, relating to the rate.

**Objection.** See General Objections 1, 2 and 3, which are incorporated by reference as if set forth at length. Verizon Wireless specifically objects to this request to the extent it seeks information and documents relating to interconnection or other events occurring outside of Pennsylvania, on the ground that, to that extent, it is overbroad, burdensome and harassing, and not reasonably calculated to lead to the discovery of admissible evidence.

**Response.** Subject to the foregoing objections, and without waiver thereof, Verizon Wireless responds as follows: See Response to I-7. Verizon Wireless does not have any cost studies for these negotiated agreements. Based upon the reasonableness of the proposed rates, Verizon Wireless did not request cost studies from Verizon PA, Verizon North or Sprint United. Verizon Wireless did not request cost studies from CTCO or North Pittsburg, because these agreements were negotiated.

I-9. What are the rates that Verizon Wireless proposes for transport and termination of (a) telecommunications traffic exchanged on a direct basis with ALLTEL and (b) telecommunications traffic exchanged on an indirect basis with ALLTEL?

**Response.** Verizon Wireless is proposing a single blended rate for the exchange of traffic for direct and indirect interconnection. This rates is \$.0078 for Type 2A, Type 2B, and Indirect Connection.

I-10. For each rate provided in response to Interrogatory I-9 (regarding rates proposed for the transportation and termination of telecommunications traffic exchanged with ALLTEL), please describe how the rate, and each of its elements, was determined. Please include in your answer identification of each network functionality that Verizon Wireless contends is required to provide each termination arrangement.

**Response.** The results of the ALLTEL cost study do not represent information that can be relied upon to calculate an alternative cost proposal, and therefore a best in class approach was followed to determine the rate set forth in response to I-9. Verizon Wireless's reciprocal compensation rate is based upon the rates of other similar ILECs in Pennsylvania. Relevant cost information that is specific to Pennsylvania is available from at least three (3) other sources. All of this information is attached to the testimony of Don J. Wood, filed on January 23, 2004 in this proceeding. First, Verizon Pennsylvania Inc. ("Verizon PA") has tariffed rates for unbundled services, including the network elements at issue in this proceeding. United Telephone Company of Pennsylvania ("Sprint") and Frontier Communications of Pennsylvania ("Frontier") have switched access tariff containing the same functionality. While switched access is not limited by the §252 pricing constraints, it can serve as an upper bound of reasonableness for these network elements. Third, Verizon Wireless currently has agreed-upon rates for intercarrier compensation with Verizon North and Sprint. These rates, were used as the basis for the rate proposed by Verizon Wireless.

I-11. For each rate provided in response to Interrogatory I-9 (regarding rates proposed for the transportation and termination of telecommunications traffic exchanged with ALLTEL), please identify and provide copies of all cost models, cost inputs, and cost assumptions relating to the rate or its determination, including all supporting documentation of any network functionality that Verizon Wireless uses to terminate a call originated by Verizon Wireless. Please include in your response electronic copies of the cost models, populated with the itemized inputs, assumptions and formulas used by Verizon Wireless. The model should be provided in a format that will enable ALLTEL to review, analyze and change any aspect of model, assumptions and inputs.

**Objection.** See General Objections 1 and 2, which are incorporated by reference as if set forth at length.



**Response.** Subject to the foregoing objections, and without waiver thereof, Verizon Wireless responds as follows: It is unclear what is sought by the question as posed, because Verizon Wireless does not use its network to terminate calls "originated by Verizon Wireless." Verizon Wireless is seeking reciprocal compensation rates in accordance with Section 252(d)(2) of the act, not asymmetrical rates, and therefore Verizon Wireless has not relied on a cost model to provide its proposed rate in I-9.

I-12. What is the approximate ratio of telecommunications traffic that ALLTEL originates to Verizon Wireless (mobile-to-land) to telecommunications traffic that Verizon Wireless originates to ALLTEL (land-to-mobile)? (Recall that "telecommunications traffic" is defined as "telecommunications traffic exchanged between a local exchange carrier and a commercial mobile service provider that, at the beginning of the call, originates and terminates in the same Major Trading Area, as defined in [47 CFR] § 24.202(a).") Please describe in detail the basis for your answer.

**Response.** Verizon Wireless is in the process of analyzing traffic collected at its switch. After preliminary analysis, it appears that the percentage of land- originated calling is increasing to 60 percent of the total traffic exchanged between the parties. Verizon Wireless is preparing data for disclosure and will supplement this interrogatory as soon as the information is compiled.

I-13. With respect to the traffic ratio set forth in response to Interrogatory I-12, please provide all supporting data, including but not limited to traffic studies, traffic reports, and any other documentation which supports the traffic ratio asserted by Verizon Wireless.

**Objection.** See General Objections 1 and 2, which are incorporated by reference as if set forth at length.

**Response.** Subject to the foregoing objections, and without waiver thereof, Verizon Wireless responds as follows: Once the above- discussed analysis is complete, Verizon Wireless will provide the requested information.

I-14. Is Verizon Wireless currently originating and transmitting any telecommunications traffic to ALLTEL through trunk groups, which connect Verizon Wireless to Verizon Communications tandem facilities? If so, please state the monthly volume of that telecommunications traffic.

**Response.** Yes. Verizon Wireless sends approximately 4,600,000 minutes of traffic indirectly to ALLTEL each month.

I-15. If Verizon Wireless is currently originating and transmitting any telecommunications traffic to ALLTEL through trunk groups which connect Verizon Wireless to Verizon Communications tandem facilities, to what extent is that traffic dialed by Verizon Wireless customers on a local basis?

**Response.** The number of digits dialed by a Verizon Wireless customer to complete a call to ALLTEL's customers in Pennsylvania do not affect whether the call is billed as a toll or local call. Verizon Wireless offers flat rate service plans to its customers.

I-16. For purposes of determining the applicability of reciprocal compensation rates, how does Verizon Wireless propose to define telecommunications traffic originated by Verizon Wireless subscribers, indirectly transported to ALLTEL, and then terminated by ALLTEL to its customers? Please describe the basis for your proposed definition in detail.

**Objection.** See General Objection 1, which is incorporated by reference as if set forth at length. Verizon Wireless also specifically objects to this interrogatory to the extent it requests legal conclusions on the ground that, to that extent, the interrogatory is not reasonably calculated to lead to the discovery of admissible evidence.

**Response.** Subject to the foregoing objections, and without waiver thereof, Verizon Wireless responds as follows: Verizon Wireless proposes to define local telecommunications traffic for the purposes of reciprocal compensation in accordance with Sections 51.100, 51.701, and 51.703 of the FCC's Rules. See 47 C.F.R. §§ 51.100, 51.701, 51.703.

I-17. For purposes of determining the applicability of reciprocal compensation rates, how does Verizon Wireless propose to define telecommunications traffic originated by ALLTEL's subscribers, indirectly transported to Verizon Wireless, and then terminated by Verizon Wireless to its customers? Please describe the basis for your proposed definition in detail.

**Objection.** See General Objection 1, which is incorporated by reference as if set forth at length. Verizon Wireless also specifically objects to this interrogatory to the extent it requests

legal conclusions on the ground that, to that extent, the interrogatory is not reasonably calculated to lead to the discovery of admissible evidence.

**Response.** Subject to the foregoing objections, and without waiver thereof, Verizon Wireless responds as follows: Verizon Wireless proposes to define local telecommunications traffic for the purposes of reciprocal compensation in accordance with Sections 51.100, 51.701, and 51.703 of the FCC's Rules. See 47 C.F.R. §§ 51.100, 51.701, 51.703.

I-18. Please identify the geographic area comprising Verizon Wireless's Major Trading Area in comparison to the ALLTEL tandems in Pennsylvania.

**Response.** Verizon Wireless is unclear what information is being sought by this question. Verizon Wireless provides service to all regions of Pennsylvania. ALLTEL provides telecommunications service to specific geographic areas within Pennsylvania.

I-19. Is it Verizon Wireless' position that ALLTEL is required to meet Verizon Wireless at any point in Verizon Wireless's MTA and share in the payment for the costs of the facilities for both direct and indirect traffic. If the answer is in the affirmative, please explain the basis of your answer.

**Objection.** See General Objection I, which is incorporated by reference as if set forth at length. Verizon Wireless also specifically objects to this interrogatory to the extent it requests legal conclusions on the ground that, to that extent, the interrogatory is not reasonably calculated to lead to the discovery of admissible evidence.

**Response.** Subject to the foregoing objections, and without waiver thereof, Verizon Wireless responds as follows: Yes. See Sections 51.100, 51.701, and 51.703 of the FCC's Rules. See 47 C.F.R. §§ 51.100, 51.701, and 51.703.

I-20. Please list and identify all local exchange carriers with which Verizon Wireless has been negotiating, arbitrating or mediating during the last 18 months any interconnection terms and conditions with respect to any of the unresolved issues that have been identified in this proceeding.

**Objection.** See General Objections 1, 2 and 3, which are incorporated by reference as if set forth at length. Verizon Wireless specifically objects to this request to the extent it seeks information relating to interconnection or other events occurring outside of Pennsylvania, on the ground that, to that extent, it is overbroad, burdensome and harassing, and not reasonably calculated to lead to the discovery of admissible evidence.

**Response.** Subject to the foregoing objections, and without waiver thereof, Verizon Wireless responds as follows: See Response to I-1. With respect to Pennsylvania, Verizon Wireless has been unable to arbitrate due to pending dispute concerning the scope of the rural LECs' exemptions from the Section 252 arbitration process. The substantive disputes over indirect interconnection are virtually identical to this proceeding.

I-21. Identify all local exchange carriers with which you exchange traffic and the parties use any asymmetric reciprocal compensation rates.

**Objection.** See General Objections 1, 2 and 3, which are incorporated by reference as if set forth at length. Verizon Wireless specifically objects to this request to the extent it seeks information relating to interconnection or other events occurring outside of Pennsylvania, on the ground that, to that extent, it is overbroad, burdensome and harassing, and not reasonably calculated to lead to the discovery of admissible evidence.

**Response.** Subject to the foregoing objections, and without waiver thereof, Verizon Wireless responds as follows: None. Verizon Wireless is not proposing asymmetrical rates with ALLTEL. Verizon Wireless asserts it is entitled to bill ALLTEL at the tandem rate based upon the FCC's rules and the geographic area served by its switch.

I-22. Identify all local exchange carriers and all locations with respect to which you are billing tandem switching even though the local exchange carrier is not billing you tandem switching.

**Objection.** See General Objections 1, 2 and 3, which are incorporated by reference as if set forth at length. Verizon Wireless specifically objects to this request to the extent it seeks information relating to interconnection or other events occurring outside of Pennsylvania, on the ground that, to that extent, it is overbroad, burdensome and harassing, and not reasonably calculated to lead to the discovery of admissible evidence.

**Response.** Subject to the foregoing objections, and without waiver thereof, Verizon Wireless responds as follows: None. Where Verizon Wireless uses a blended rate for reciprocal compensation, the tandem and end office termination rates are the same, and applied reciprocally.

I-23. Identify all local exchange carriers that have agreed or have been required to provide facilities or bear the cost of transport or facilities that are located outside the local exchange carriers service territory.


**Objection.** See General Objections 1, 2 and 3, which are incorporated by reference as if set forth at length. Verizon Wireless specifically objects to this request to the extent it seeks information relating to interconnection or other events occurring outside of Pennsylvania, on the ground that, to that extent, it is overbroad, burdensome and harassing, and not reasonably calculated to lead to the discovery of admissible evidence.

**Response.** Subject to the foregoing objections, and without waiver thereof, Verizon Wireless responds as follows: None. As discussed above all of the agreements provided were voluntarily negotiated under Section 252(a)(1) of the Act. See 47 U.S.C. §252(a)(1).

I-24. Please identify all local exchange carriers that have agreed to let Verizon Wireless establish NPA-NXX in its local rate center, regardless of the actual delivery point of the associated calls, and have agreed to bear all transport costs to the point of delivery.

**Objection.** See General Objections 1, 2 and 3, which are incorporated by reference as if set forth at length. Verizon Wireless specifically objects to this request to the extent it seeks information relating to interconnection or other events occurring outside of Pennsylvania, on the ground that, to that extent, it is overbroad, burdensome and harassing, and not reasonably calculated to lead to the discovery of admissible evidence.

**Response.** Subject to the foregoing objections, and without waiver thereof, Verizon Wireless responds as follows: Verizon Pennsylvania, Verizon North, and Sprint United.



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Counsel for Cellco Partnership d/b/a  
Verizon Wireless

DATED: January 26, 2004

## CERTIFICATE OF SERVICE

I hereby certify that I have this day caused to be served a copy of the foregoing document upon the persons listed below by the means indicated in accordance with the requirements of 52 Pa. Code § 1.54:

### Via Federal Express – Over Night Delivery and E-mail

D. Mark Thomas, Esq.  
Patricia Armstrong, Esq.  
Thomas Thomas Armstrong & Niesen  
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Harrisburg, PA 17108-9500

dmthomas@ttanlaw.com  
parmstrong@ttanlaw.com

### Via First Class Mail

Charles F. Hoffman, Esq. Office of Trial Staff Pennsylvania Public Utility Commission Commonwealth Keystone Building 400 North Street Harrisburg, PA 17105	Irwin A. Popowsky, Esq. Office of Consumer Advocate 555 Walnut Street, 5th Floor Forum Place Harrisburg, PA 17101-1923
Carol Pennington, Esq. Office of Small Business Advocate 1102 Commerce Building 300 North Second Street Harrisburg, PA 17101	

Dated: January 26, 2004



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(215) 988-2700

Counsel for  
Cellco Partnership d/b/a Verizon Wireless

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Cellco Partnership d/b/a Verizon :  
Wireless For Arbitration Pursuant to :  
Section 252 Of the Telecommunications : A-310489F7004  
Act of 1996 to Establish an Interconnection :  
Agreement With ALLTEL Pennsylvania, Inc. :

**AMENDED  
SECOND SUPPLEMENT  
To  
Responses Of Cellco Partnership  
To  
First Set Of Interrogatories Of  
Alltel Pennsylvania, Inc.  
Directed To Verizon Wireless**

Pursuant to 52 Pa. Code § 5.332(2) and the Order entered by Hon. Wayne L. Weismandel on February 2, 2004, Petitioner, Cellco Partnership d/b/a Verizon Wireless ("Verizon Wireless") hereby supplements its responses to Interrogatories I-1 through I-8 and I-20 through I-24 of the First Set of Interrogatories of ALLTEL Pennsylvania, Inc. ("ALLTEL") Directed to Verizon Wireless, as follows. These answers are in addition to the responses previously provided.

I-1. Please identify each and every local exchange carrier with whom you have exchanged telecommunications traffic either directly or indirectly during any of the past 24 months [in Pennsylvania, California, Oklahoma, New York, New Jersey, Ohio, Delaware, Virginia and West Virginia].

**Supplemental Response.** Verizon Wireless has sought interconnection with all LECs with whom it terminates traffic directly and indirectly. Verizon Wireless has negotiated and entered voluntary interconnection arrangements pursuant to 47 U.S.C. § 252(a)(1) with the carriers set forth in the attached Exhibit I.

I-2. Please identify, and list and provide a copy of each interconnection agreement you have with a local exchange carrier pursuant to which you are exchanging telecommunications traffic directly or indirectly [in Pennsylvania, California, Oklahoma, New York, New Jersey, Ohio, Delaware, Virginia and West Virginia].



**Supplemental Response.** Verizon Wireless has provided paper copies of all the interconnection agreements with incumbent local exchange carriers in its custody for the following states: Pennsylvania, California, Oklahoma, New York, New Jersey, Ohio, Delaware, Virginia and West Virginia.

I-3. With respect to each local exchange carrier with which you have exchanged traffic as identified in response to Interrogatory I-1, please identify how and pursuant to what terms and conditions or paragraph or section of any applicable agreement, transport and other costs associated with transport of Verizon Wireless originated telecommunications traffic or local exchange carrier originated traffic through a third party are billed, processed and paid.

**Supplemental Response.** Exhibit II hereto provides the requested information with respect to all the interconnection agreements with incumbent local exchange carriers in Verizon Wireless's custody for the following states: Pennsylvania, California, Oklahoma, New York, New Jersey, Ohio, Delaware, Virginia and West Virginia.

I-4. With respect to each local exchange carrier with which Verizon Wireless has exchanged traffic, as identified in response to Interrogatory I-1, please identify whether the applicable terms and conditions or agreement between Verizon Wireless and the local exchange carrier was negotiated or arbitrated, and whether the specific paragraph or section concerning indirect traffic to or through a third party transport were negotiated or arbitrated.

**Supplemental Response.** All of the interconnection agreements provided in response to I-2, were negotiated, with the exception of the interconnection agreement with SBC in Ohio, which was arbitrated.

I-5. With respect to each local exchange carrier with which you have exchanged traffic, as identified in response to Interrogatory I-1, in which the specific paragraph or section concerning indirect traffic to or through a third party transport was arbitrated, please provide a copy of the applicable jurisdictional regulatory commission decision that arbitrated the agreement.

**Supplemental Response.** The rates, terms and conditions governing indirect interconnection in the SBC agreement in Ohio were negotiated and not a result of the arbitration. The only terms which were the result of arbitration pertained to collocation, and the ability to port the provisions of an interconnection agreement from another state, pursuant to the merger conditions of the SBC- Ameritech merger.

I-6. For each interconnection agreement identified in response to Interrogatory I-2, what are the rates charged by you, the local exchange carrier and both such parties for transport and termination of (a) telecommunications traffic exchanged on a direct basis with the local exchange carrier and (b) telecommunications traffic exchanged on an indirect basis with the local exchange carrier?

**Supplemental Response.** Exhibit II hereto provides the requested information with respect to all the interconnection agreements with incumbent local exchange carriers in Verizon Wireless's custody for the following states: Pennsylvania, California, Oklahoma, New York, New Jersey, Ohio, Delaware, Virginia and West Virginia.

I-7. For each rate provided in response to Interrogatory I-6 (relating to transport and termination rates charged to or by local exchange carriers), please describe how the rate, and each of its elements, was determined.

**Supplemental Response.** The rates in the SBC, Sprint and Verizon Communications agreements are all equivalent to the rate these ILECs pay other CLECs for termination of traffic to Internet Service Providers. This rate is based upon an Order by the FCC, and these rates are not based upon forward-looking costs. *See In the Matter of the Local Competition Provisions in the Telecommunications Act of 1996, Intercarrier Competition Provisions for ISP-Bound Traffic*, FCC Docket 01-131, CC Docket Nos. 96-98 and 99-68 (April 2001). Prior to the adoption of the ISP rates, the rates charged by Sprint United, Verizon, and SBC were all based upon forward-looking costs. Verizon Wireless has never reviewed any costs studies for these rates, but accepted the rates as part of a negotiated contract.

The rates for all of the other agreement, which were provided in response to I-2, were all the product of negotiations pursuant to Section 252(a)(1) of the Act. The rates are not based upon Section 252(d)(2) standards.

I-8. For each rate provided in response to Interrogatory I-6 (relating to transport and termination rates charged to or by local exchange carriers under existing interconnection agreements), please state whether that rate is based on the forward-looking economic cost of transport and termination and provide a copy of each and every cost study, including backup, relating to the rate.

**Supplemental Response.** See Response to I-7. Verizon Wireless does not have any cost studies for these negotiated agreements.

I-20 Please list and identify all local exchange carriers [in Pennsylvania, California, Oklahoma, New York, New Jersey, Ohio, Delaware, Virginia and West Virginia] with which Verizon Wireless has been negotiating, arbitrating or mediating during the last 18 months any interconnection terms and conditions with respect to any of the unresolved issues that have been identified in this proceeding.

**Supplemental Response.**

California

1. SBC, Pacific Bell
2. Telescape

Ohio

1. SBC/ Ameritech
2. Telephone Service Company
3. Buckeye Telesystems
4. Champaign Telephone

Pennsylvania

1. Pennsylvania Telephone Company
2. Marianna Scenery Hill Telephone Company
3. Ironton Telephone Company
4. Bentleyville Telephone Company
5. Sugar Valley Telephone Company
6. Mahanoy & Mahantongo Telephone Company
7. Armstrong Telephone Company
8. Buffalo Valley Telephone Company
9. Citizens Telephone Co. of Keeksburg
10. Commonwealth Telephone Company

11. CTSI, LLC
12. Conestoga Telephone & Telegraph Co.
13. Denver & Ephrata Telephone & Telegraph Co.
14. Frontier Communications of Oswayo River
15. Frontier Communications of Pennsylvania
16. Frontier Communications of Lakewood, Inc.
17. Frontier Communications of Canton, Inc.
18. Frontier Communications of Breezewood, Inc.
19. Hickory Telephone Co.
20. Lackawaxen Telephone Co.
21. Laurel Highland Telephone Co.
22. Northeastern Pennsylvania Telephone
23. Palmerton Telephone Co.
24. Pymatuning Independent Telephone Co.
25. South Canaan Telephone Co.
26. Yukon Waltz Telephone Co.
27. North Pittsburgh Telephone Co.

#### New York

1. Armstrong Telephone Co.
2. Berkshire Telephone Co.
3. Cassadaga Telephone Co.
4. Champlain Telephone Co.
5. Chautauqua & Erie Tel.
6. Chazy & Westport Tel. Corp
7. Citizens Communications
8. Citizens Telephone
9. Crown Point Telephone
10. Delhi Telephone Company
11. Dunkirk & Fredonia Telephone Co.
12. Empire Telephone Corp.
13. Frontier Communications of Ausable Valley
14. Frontier Communications of NY
15. Frontier Communications of Sylvan Lake
16. Germantown Telephone
17. Hancock Telephone Co.
18. Margaretville Telephone Co.
19. Middleburgh Telephone Co.
20. Newport Telephone Co.
21. Nicholville Telephone Co.
22. Oneida County Rural Telephone
23. Ontario Telephone Company
24. Pattersonville Telephone Co.
25. State Telephone Company

26. Taconic Telephone Corp.
27. Deposit Telephone Co.
28. Edwards Telephone Co.
29. Oriskany Falls Telephone Corp.
30. Port Byron Telephone Co.
31. Township Telephone Co.
32. Vernon Telephone Co.
33. Trumansburg Home Telephone Co.
34. Warwick Valley Telephone

Massachusetts

1. Richmond Telephone Co.
2. Granby Telephone
3. Richmond Network

CLECS

1. RNK, Inc.
2. Winstar Communications, LLC
3. Conversent Communications, LLC
4. Cox Communications
5. Eagle Communications
6. American Networks

Others

1. West Side Tel
2. Fairpoint
3. Verizon California – for the State of Nevada

I-21 Identify all local exchange carriers [in Pennsylvania, California, Oklahoma, New York, New Jersey, Ohio, Delaware, Virginia and West Virginia] with which you exchange traffic and the parties use any asymmetric reciprocal compensation rates.

**Supplemental Response.** Verizon Wireless does not have any agreements with asymmetrical rates.

I-22. Identify all local exchange carriers and all locations [in Pennsylvania, California, Oklahoma, New York, New Jersey, Ohio, Delaware, Virginia and West Virginia] with respect to which you are billing tandem switching even though the local exchange carrier is not billing you tandem switching.

**Supplemental Response.** Pacific Bell (now known as SBC) routes all traffic over a 2A and VZW bills the 2A rate – VZW routes some traffic using a 2B and this traffic is billed at the 2B rate. The traffic VZW routes using a 2A connection, is billed at the 2A rate. SBC-

Ameritech agreement for Ohio has similar provisions. However, Verizon, SBC and Sprint have amended their agreements to offer the ISP rates. The ISP rate is a single blended rate which applies to end office and tandem switching. The ISP rates, are not cost-based and are lower than the previous 2A or 2B rates.

I-23. Identify all local exchange carriers [in Pennsylvania, California, Oklahoma, New York, New Jersey, Ohio, Delaware, Virginia and West Virginia] that have agreed or have been required to provide facilities or bear the cost of transport or facilities that are located outside the local exchange carriers service territory.

**Supplemental Response.** None.

I-24. Please identify all local exchange carriers [in Pennsylvania, California, Oklahoma, New York, New Jersey, Ohio, Delaware, Virginia and West Virginia] that have agreed to let Verizon Wireless establish NPA-NXX in its local rate center, regardless of the actual delivery point of the associated calls, and have agreed to bear all transport costs to the point of delivery.

**Supplemental Response.** None other than Verizon Pennsylvania, Verizon North, and Sprint United.

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(215) 988-2700

Counsel for Cellco Partnership d/b/a  
Verizon Wireless

DATED: February 5, 2004

## CERTIFICATE OF SERVICE

I, Christopher M. Arfaa, hereby certify that I have this day caused to be served a copy of: Second Supplement To Responses Of Cellco Partnership To First Set Of Interrogatories Of Alltel Pennsylvania, Inc. Directed To Verizon Wireless in Docket No. A-310489F7004 upon the persons listed below by the means indicated in accordance with the requirements of 52 Pa. Code § 1:54:

### *Via Federal Express - Overnight Delivery and E-mail*

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Dated: February 9, 2004

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Counsel for  
Cellco Partnership d/b/a Verizon Wireless

**EXHIBIT II  
TO  
SECOND SUPPLEMENT TO  
RESPONSES OF CELLCO PARTNERSHIP d/b/a VERIZON WIRELESS  
TO FIRST SET OF INTERROGATORIES OF ALLTEL, PENNSYLVANIA, INC.  
(INTERROGATORIES I-3 and I-6)**



**CELLCO PARTNERSHIP'S SUPPLEMENTAL RESPONSES TO  
INTERROGATORIES I-3 and I-6**

**Pennsylvania**

<b>LEC</b>	<b>Date</b>	<b>I-3 [Contract Section(s)]</b>	<b>I-6 [Rate]</b>
Verizon Pennsylvania	04/10/97	Section 6.1 Amendment No. 2, Section 1.1.1 and Attachment 1, Section A	.0007 per MOU (end office, indirect, and tandem)
Verizon Pennsylvania	5/27/97	Amendment No. 1, Section 1.1.1 and Attachment 1, Section A	.0007 per MOU (end office, indirect, and tandem)
Verizon North	10/24/97	Part IV, Section 5 (direct); Part IV, Sections 3.1 & 3.2 (indirect) Amendment No. 2, Section 1.1.1	.0007 per MOU (end office, indirect, and tandem)
Verizon North	1/29/99	Part IV, Section 5 (direct); Part IV, Sections 3.1 & 3.2 (indirect) Amendment No. 2, Section 1.1.1	.0007 per MOU (end office, indirect, and tandem)
North Pittsburgh		Section 4.4.3	ITORP rate
Sprint United		Section 4.2-4.2.2	.0007 per MOU (end office, indirect, and tandem)
Commonwealth Telephone		Sections 2.1 and 2.2	Direct and indirect: \$.030
GTE North	09/02/97	Appendix C	\$.0078 per terminated MOU

**CELLCO PARTNERSHIP'S SUPPLEMENTAL RESPONSES TO  
INTERROGATORIES I-3 and I-6**

**California**

<b>LEC</b>	<b>Date</b>	<b>I-3 [Contract Section(s)]</b>	<b>I-6 [Rate]</b>
Allegiance Telecom of California, Inc.	5/02/02	Section 4.1	Bill and keep
GTE Wireless of the Pacific	11/11/99	Attachment 3, Article 3	See attached (pp. 17-20).
Roseville Telephone Company	10/21/01	Section 4.2	\$.0007 per MOU
Telescope Communications	11/13/03	Section IV	Indirect: \$.025
XO Communications	12/31/02	Article III, Section A	\$.003
Verizon California, Inc. f/k/a GTE California	05/04/00	Amendment No. 1, Section 1.1.1	\$.0007 per MOU
Verizon California, Inc. f/k/a GTE California	12/13/97	Amendment No. 1, Section 1.1.1	\$.0007 per MOU
Pacific Bell	11/03/99	Sections 3.1.2.1 & 3.1.2.2	TYPE 2A (LATA-Wide Termination): \$.008279 set-up per completed call; \$.004467 per conversation MOU TYPE 2A (NON LATA-Wide Termination): \$.008130 set-up per completed call; \$.004164 per conversation MOU Type 2B: \$.007000 set-up per completed call; \$.001870 per Conversation MOU
Pacific Bell	11/11/99	Sections 3.1.2.1 & 3.1.2.2	TYPE 2A (LATA-Wide Termination): \$.008279 set-up per completed call; \$.004467 per conversation MOU TYPE 2A (NON LATA-Wide Termination): \$.008130 set-up per completed call; \$.004164 per conversation MOU Type 2B: \$.007000 set-up per completed call; \$.001870 per Conversation MOU

**CELLCO PARTNERSHIP'S SUPPLEMENTAL RESPONSES TO  
INTERROGATORIES I-3 and I-6**

**Delaware**

<b>LEC</b>	<b>Date</b>	<b>I-3 [Contract Section(s)]</b>	<b>I-6 [Rate]</b>
Bell Atlantic (Verizon Delaware, Inc. fka Bell Atlantic – Delaware, Inc.)	04/29/97 + amendment dated 6/14/01	Amendment No. 1, Attachment 1	Direct: 6/14/01-12/13/01: \$.0015 12/14/01-6/13/03: \$.0010 6/14/03 onward: \$.0007

**CELLCO PARTNERSHIP'S SUPPLEMENTAL RESPONSES TO  
INTERROGATORIES I-3 and I-6**

**New York**

<b>LEC</b>	<b>Date</b>	<b>I-3 [Contract Section(s)]</b>	<b>I-6 [Rate]</b>
RNK Inc. dba RNK Telecom	08/01/03	Article 5 Attachment A	Local: \$0.006  Non-local: switched access rate
Allegiance Telecom of New York	05/06/02	4.1	Bill and keep
Berkshire Telephone Corporation	11/10/03	Sections 4 & 5, Attachment I	Indirect: \$.02 InterMTA Percentage: 2%
Cassadaga Telephone Corporation	11/10/03	Sections 4 & 5, Attachment I	Indirect: \$.02 InterMTA Percentage: 1%
Chautauqua & Erie Telephone Corp.	11/10/03	Sections 4 & 5, Attachment I	Indirect: \$.02 InterMTA Percentage: 1%
Chazy & Westport Telephone Corp.	11/10/03	Sections 4 & 5, Attachment I	Indirect: \$.02 InterMTA Percentage: 1%
Citizens Telephone Company of Hannond, New York	11/10/03	Sections 4 & 5, Attachment I	Indirect: \$.02 InterMTA Percentage: 1%
Crown Point Telephone Corporation	11/10/03	Sections 4 & 5, Attachment I	Indirect: \$.02 InterMTA Percentage: 1%
Delhi Telephone Corporation	11/10/03	Sections 4 & 5, Attachment I	Indirect: \$.02 InterMTA Percentage: 1%
Deposit Telephone Company	11/10/03	Sections 4 & 5, Attachment I	Indirect: \$.02 InterMTA Percentage: 1%
Dunkirk & Fredonia Telephone Corp.	11/10/03	Sections 4 & 5, Attachment I	Indirect: \$.02 InterMTA Percentage: 1%
Edwards Telephone Company	11/10/03	Sections 4 & 5, Attachment I	Indirect: \$.02 InterMTA Percentage: 1%
Empire Telephone Corp.	11/10/03	Sections 4 & 5, Attachment I	Indirect: \$.02 InterMTA Percentage: 5%
Fishers Island Telephone Corp.	11/10/03	Sections 4 & 5, Attachment I	Indirect: \$.02 InterMTA Percentage: 1%
Frontier Communications of New York	01/16/02	Part A, Section 7, Attachment I, Section 2 Attachment II Attachment III	12/14/01-6/13/03: \$.0010 6/14/03 onward: \$.0007  Transit service: \$.0056
Frontier Telephone of Rochester	2/12/02	Part A, Section 7, Attachment I, Section 2 Attachment II Attachment III	12/14/01-6/13/03: \$.0010 6/14/03 onward: \$.0007  Transit service: \$.0056

**CELLCO PARTNERSHIP'S SUPPLEMENTAL RESPONSES TO  
INTERROGATORIES I-3 and I-6**

Germantown Telephone Company, Inc.	11/10/03	Sections 4 & 5, Attachment I	Indirect: \$.02 InterMTA Percentage: 1%
Hancock Telephone Company	11/10/03	Sections 4 & 5, Attachment I	Indirect: \$.02 InterMTA Percentage: 1%
Margaretville Telephone Company	11/10/03	Sections 4 & 5, Attachment I	Indirect: \$.02 InterMTA Percentage: 1%
Middleburgh Telephone Company	11/10/03	Sections 4 & 5, Attachment I	Indirect: \$.02 InterMTA Percentage: 1%
Newport Telephone Co.	11/10/03	Sections 4 & 5, Attachment I	Indirect: \$.02 InterMTA Percentage: 1%
Nicholville Telephone Company	11/10/03	Sections 4 & 5, Attachment I	Indirect: \$.02 InterMTA Percentage: 1%
NYNEX	01/20/97	Section 5 Amendment No. 2, Section 1.1.1.1 & Section 1.1.1.4	Local Traffic: 6/14/01-12/13/01: \$.0015 12/14/01-6/13/03: \$.0010 6/14/03 onward: \$.0007  Indirect: \$.02
NYNEX	2/20/97	Section 5 Amendment No. 1, Section 1.1.1.1 & Section 1.1.1.4	Local Traffic: 6/14/01-12/13/01: \$.0015 12/14/01-6/13/03: \$.0010 6/14/03 onward: \$.0007
Oneida County Rural Telephone Co.	11/10/03	Sections 4 & 5, Attachment I	Indirect: \$.02 InterMTA Percentage: 1%
Ontario Telephone Company	11/10/03	Sections 4 & 5, Attachment I	Indirect: \$.02 InterMTA Percentage: 1%
Oriskany Falls Telephone Corp.	11/10/03	Sections 4 & 5, Attachment I	Indirect: \$.02 InterMTA Percentage: 1%
Pattersonville Telephone Co.	11/10/03	Sections 4 & 5, Attachment I	Indirect: \$.02 InterMTA Percentage: 1%
Port Byron Telephone Company	11/10/03	Sections 4 & 5, Attachment I	Indirect: \$.02 InterMTA Percentage: 2%
State Telephone Company	11/10/03	Sections 4 & 5, Attachment I	Indirect: \$.02 InterMTA Percentage: 1%
Taconic Telephone Corp.	11/10/03	Sections 4 & 5, Attachment I	Indirect: \$.02 InterMTA Percentage: 2%
The Champlain Telephone Co.	11/10/03	Sections 4 & 5, Attachment I	Indirect: \$.02 InterMTA Percentage: 1%
Township Telephone Co.	11/10/03	Sections 4 & 5, Attachment I	Indirect: \$.02 InterMTA Percentage: 1%
Trumansburg Telephone Co., Inc.	11/10/03	Sections 4 & 5, Attachment I	Indirect: \$.02 InterMTA Percentage: 5%
Vernon Telephone Co.	11/10/03	Sections 4 & 5, Attachment I	Indirect: \$.02 InterMTA Percentage: 1%
Warwick Valley Telephone Co.	11/10/03	Sections 4 & 5, Attachment I	Indirect: \$.02 InterMTA Percentage: 1%
XO Communications	08/06/03	Article III, Section A	\$.003

**CELLCO PARTNERSHIP'S SUPPLEMENTAL RESPONSES TO  
INTERROGATORIES I-3 and I-6**

**Ohio**

<b>LEC</b>	<b>Date</b>	<b>I-3 [Contract Section(s)]</b>	<b>I-6 [Rate]</b>
Allegiance Telecom of Ohio	05/06/02	4.1	Bill and keep
ALLTEL Ohio	February 1997	Article IV, Sections 2.1 & 2.2  Appendix C	\$0.0100
Buckeye TeleSystem	07/18/02	Paragraph 7	Local: \$.005
CenturyTel of Ohio	01/01/01	Article 5 Attachment 1	Local: \$.018
Champaign Telephone Company	10/09/02	Section 3 Appendix A	Local: \$.01856
Cincinnati Bell Telephone Co.	01/23/02	Attachment VI	Tandem Switching: \$.0025 per MOU  Tandem Switched Transport: \$.0006 per MOU, \$.0001 Per MOU Per Mile
GTE North	06/16/99 amended 02/08/02 & 06/14/01	Amendment No. 2, Section 1.1.1.1	Local:  6/14/01-12/13/01: \$.0015 12/14/01-6/13/03: \$.0010 6/14/03 onward: \$.0007
Orwell Telephone Co.	05/15/02	2.1	Indirect: \$.026
TDS Telecommunications Corp.	01/01/01	Appendix A	\$.014561 (Arcadia) \$.012645 (Continental) \$.015298 (Little Miami) \$.017825 (Oakwood) \$.015151 (Vanlue)
United Telephone Company of Ohio	05/01/01	Part C, Section 6 Attachment I (Terminating Compensation)	End office switching (per MOU): \$.003354 Tandem Switching (per MOU): \$.001102 Common Transport: (per MOU): \$.004027 Common Transport Remote Factor: .548899 Common Transports to Remotes (per MOU): \$.002210

**CELLCO PARTNERSHIP'S SUPPLEMENTAL RESPONSES TO  
INTERROGATORIES I-3 and I-6**

United Telephone Company of Ohio	01/01/99	Part C, Section 6 Attachment I	End Office: \$.003354 Tandem Switching: \$.001102 Common Transport: \$.004027
XO Communications, Inc.	12/31/02	Article III, Section A	\$.003
GTE North	06/30/97	Article IV, Section 2.1, Appendix C	Transport and termination rate per terminated MOU: \$.0064
Ameritech OHIO <sup>1</sup>  Ported from (Michigan)	10/28/01	Attachment A	End office switching: \$.0036 per MOU  Tandem Switching: \$.000623 per MOU  Tandem Transport: \$.000146  Tandem Transport Facility Mileage: .000006 per minute/per mile  Land to Mobile 2A Rate: .004369 plus actual mileage billed for mobile to land  InterMTA traffic Rate: \$.004853
Columbus Grove	6/25/03	Section 2.1	\$.026 per minute

<sup>1</sup> This is the only arbitrated agreement in this chart. The rate was not arbitrated.

**CELLCO PARTNERSHIP'S SUPPLEMENTAL RESPONSES TO  
INTERROGATORIES I-3 and I-6**

**Oklahoma**

<b>LEC</b>	<b>Date</b>	<b>I-3 [Contract Section(s)]</b>	<b>I-6 [Rate]</b>
Southwestern Bell Telephone Co.	04/12/02	Section 3.2 Appendix—Pricing (Wireless), Section 1	(All Per Conservation MOU) Type 2A: \$.003551 Type 2B: \$.002297 Type 1: \$.003551 Transiting: \$.001254



**CELLCO PARTNERSHIP'S SUPPLEMENTAL RESPONSES TO  
INTERROGATORIES I-3 and I-6**

**Virginia**

<b>LEC</b>	<b>Date</b>	<b>I-3 [Contract Section(s)]</b>	<b>I-6 [Rate]</b>
Allegiance Telecom of Virginia	06/05/02	4.1	Bill and keep
Verizon Virginia, Inc. (f/k/a Bell Atlantic)	5/28/97, as amended 6/14/01 (Contract No. 13705)	Amendment No. 1, Section 1.1.1 & Attachment 1	Local Traffic (per MOU): 6/14/01-12/13/01: \$.0015 12/14/01-6/13/03: \$.0010 6/14/03 onward: \$.0007
Verizon Virginia, Inc. (f/k/a Bell Atlantic)	5/28/97, as amended 6/14/01 (Contract No. 13704)	Amendment No. 1, Section 1.1.1 & Attachment 1	Local Traffic (per MOU): 6/14/01-12/13/01: \$.0015 12/14/01-6/13/03: \$.0010 6/14/03 onward: \$.0007
Verizon Virginia, Inc. (f/k/a Bell Atlantic)	5/28/97, as amended 6/14/01 (Contract No. 12350)	Amendment No. 1, Section 1.1.1 & Attachment 1	Local Traffic (per MOU): 6/14/01-12/13/01: \$.0015 12/14/01-6/13/03: \$.0010 6/14/03 onward: \$.0007
Verizon Virginia, Inc. (f/k/a Bell Atlantic)	5/28/97, as amended 6/14/01 (Contract No. 13703)	Amendment No. 1, Section 1.1.1 & Attachment 1	Local Traffic (per MOU): 6/14/01-12/13/01: \$.0015 12/14/01-6/13/03: \$.0010 6/14/03 onward: \$.0007
Verizon South, Inc. f/k/a/ GTE South Inc.	10/28/97, as amended 6/14/01	Amendment No. 2, Section 1.1.1	Local Traffic (per MOU): 6/14/01-12/13/01: \$.0015 12/14/01-6/13/03: \$.0010 6/14/03 onward: \$.0007
Verizon Virginia, Inc. (f/k/a Bell Atlantic)	5/27/97, as amended 6/14/01 (No. 10302)	Amendment No. 2, Section 1.1.1 & Attachment 1	Local Traffic (per MOU): 6/14/01-12/13/01: \$.0015 12/14/01-6/13/03: \$.0010 6/14/03 onward: \$.0007
Verizon Virginia, Inc. (f/k/a Bell Atlantic)	5/28/97, as amended 6/14/01 (Contract No. 13706)	Amendment No. 1, Section 1.1.1 & Attachment 1	Local Traffic (per MOU): 6/14/01-12/13/01: \$.0015 12/14/01-6/13/03: \$.0010 6/14/03 onward: \$.0007
Verizon Virginia, Inc. (f/k/a Bell Atlantic)	5/28/97, as amended 6/14/01 (Contract No. 10973)	Amendment No. 1, Section 1.1.1 & Attachment 1	Local Traffic (per MOU): 6/14/01-12/13/01: \$.0015 12/14/01-6/13/03: \$.0010 6/14/03 onward: \$.0007
Pembroke Telephone Cooperative	10/01/02	Section 2.1	Indirect: \$.021

**CELLCO PARTNERSHIP'S SUPPLEMENTAL RESPONSES TO  
INTERROGATORIES I-3 and I-6**

People's Mutual Telephone Company	01/01/02	Section 2.1	Indirect: \$.021 per minute
TDS Telecommunications Corp.	01/01/01	Appendix A	\$.01611 (Amelia) \$.00994 (New Castle) \$.01258 (Virginia Telephone Co.)
United Telephone Co. Southeast	06/14/01	Part C, Sections 5 & 6 Attachment I	<p><i>For VA C:</i> End office switching (per MOU): \$.004164; Tandem Switching (per MOU): \$.001775; Common Transport: (per MOU): \$.001279; Common Transport Remote Factor: .408467; Common Transports to Remotes (per MOU): \$.000522</p> <p><i>For VA U:</i> End office switching (per MOU): \$.004959; Tandem Switching (per MOU): \$.002548; Common Transport: (per MOU): \$.001456; Common Transport Remote Factor: .327758; Common Transports to Remotes (per MOU): \$.000477</p>
Sprint	01/16/98	Cover page	<p>Indirect: <i>For VA C:</i> Tandem (per MOU): \$.001775; End Office/TDM Switching/Transport: \$.004164; Transport: \$.001279</p> <p><i>For VA U:</i> Tandem (per MOU): \$.002548; End Office/TDM Switching/Transport: \$.004959; Transport: \$.001456</p>

**CELLCO PARTNERSHIP'S SUPPLEMENTAL RESPONSES TO  
INTERROGATORIES I-3 and I-6**

**West Virginia**

<b>LEC</b>	<b>Date</b>	<b>I-3 [Contract Section(s)]</b>	<b>I-6 [Rate]</b>
Bell Atlantic (Verizon West Virginia, Inc. fka Bell Atlantic)	5/27/97 as amended 6/14/01	Amendment No. 1, Attachment I, Section A	Local Traffic Termination (per MOU):  6/14/01-12/13/01: \$.0015 12/14/01-6/13/03: \$.0010 6/14/03 onward: \$.0007

# AGREEMENT

# DOCUMENT

**DOCKETED**  
FEB 23 2004

By and Between

The Signatory Independent Local Exchange Carrier  
Operating in the State of New York

and

Cellco Partnership d/b/a Verizon Wireless

**RECEIVED**  
2004 FEB 13 PM 2:14  
SECRETARY'S BUREAU

**THIS AGREEMENT** ("Agreement"), is entered into by and between the signatory Independent local exchange carrier identified in Attachment II ("Signatory ILEC") and Cellco Partnership d/b/a Verizon Wireless ("Wireless Carrier"), on behalf of itself and the licensees listed in Attachment III, with offices at 180 Washington Valley Road, Bedminister, NJ 07921 (each referred to as a "Party" and collectively as "Parties"). This Agreement will be deemed effective as of the date it is signed by both Parties (the "Effective Date").

WHEREAS, Wireless Carrier is a Commercial Mobile Radio Service provider licensed by the FCC; and,

WHEREAS, the Signatory ILEC is an incumbent Local Exchange Carrier operating in the State of New York; and,

WHEREAS, the Parties exchange Wireless Local Traffic between their networks and wish to establish Reciprocal Compensation and Indirect or Direct Interconnection arrangements regarding such traffic; and,

WHEREAS, the Parties agree that this Agreement will be filed with the State Commission and will be deemed approved unless the State Commission rules otherwise; and,

NOW, THEREFORE, IN CONSIDERATION of the covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

## **1. DEFINITIONS**

Any term used in this Agreement that is not specifically defined herein will have the definitions assigned to it (if any) in the Telecommunications Act of 1996 ("Act"). Any term used in this Agreement that is not defined herein or in the Act will be interpreted in light of its ordinary meaning and usage, including any special or technical meaning or usage which such term may have within the telecommunications industry.

1.1. "Act" means the Communications Act of 1934 (47 U.S.C. 151 et. seq.), as amended, including the Telecommunications Act of 1996, and as interpreted by the rules and regulations of the FCC.

1.2. "Commercial Mobile Radio Service" ("CMRS") is defined as a mobile service that is provided for profit (*i.e.*, with the intent of receiving compensation or monetary gain), is an interconnected service, and is available to the public, or to such classes of eligible users as to be effectively available to a substantial portion of the public, or the functional equivalent of such a mobile service.

1.3. "Confidential Information" will have the meaning ascribed in Section 20.

1.4. "End Office Switch" or "End Office" means the Signatory ILEC's switch to which a telephone subscriber is connected that actually delivers dial tone to that subscriber, and also establishes line to line, line to trunk, and trunk to line connections.

1.5. "FCC" means the Federal Communications Commission.

1.6. "Interconnection" is direct or indirect connection through automatic or manual means (by wire, microwave, or other technologies such as store and forward) to permit the transmission or reception of messages or signals to or from points in the public switched network.

1.7. "Indirect Interconnection Point" ("IIP"), as agreed to for purposes of this Agreement, means the physical point of interconnection maintained by the Signatory ILEC for the exchange of traffic with other carriers. The financial obligations of the Parties associated with the IIP is as provided in Section 4.4.

1.8. "Local Exchange Carrier" or "LEC" means any entity that is engaged in the provision of telephone exchange service or exchange access. Such term does not include an entity insofar as such entity is engaged in the provision of a commercial mobile service under Section 332(c), except to the extent that the FCC finds that such service should be included in the definition of such term. 47 U.S.C. §153 (26).

1.9. "Major Trading Area" or "MTA" means the service areas based on the Rand McNally 1992 Commercial Atlas & Marketing Guide, 123rd edition, at pages 38-39. 47 C.F.R. §24.202(a).

1.10. "Mobile Switching Center" or "MSC" is a switching facility that is an essential element of the CMRS network which performs the switching for the routing of calls between and among its mobile subscribers and subscribers in other mobile or landline networks. The MSC is used to interconnect trunk circuits between and among End Office Switches, Tandem Switches, and other MSCs, as well as aggregation points, points of termination, or points of presence. It also coordinates inter-cell and inter-system call hand-offs, and records all system traffic for analysis and billing.

1.11. "Reciprocal Compensation" means a compensation arrangement between two carriers in which each carrier receives compensation from the other carrier for the Transport and Termination on each carrier's network facilities of Wireless Local Traffic that originates on the network facilities of the other carrier.

1.12. "State Commission" refers to the New York State Public Service Commission.

1.13. "Tandem Switch" or "Tandem Office" is a switching facility that is used to interconnect trunk circuits between and among End Office Switches, aggregation points, points of termination, or points of presence. The Tandem Switch or Tandem Office may be operated by a third-party.

1.14. "Termination" means the switching of Wireless Local Traffic at the terminating Party's End Office Switch, MSC, or equivalent facility, and delivery of such traffic to the called party.

1.15. "Transport" for the exchange of indirect traffic means the transmission and any necessary tandem switching by a third party of Wireless Local Traffic to or from the Indirect Interconnection Point to or from the Wireless Carrier's MSC that directly serves the called or calling party. The Indirect Interconnection Point may be reached via transit services provided by another carrier. Transport for the exchange of direct traffic means the transmission from one Party's point of presence to the other Party's point of presence as established pursuant to Section 3.6.

1.16. "Wireless Local Traffic" is traffic exchanged between the Parties that originates on one Party's network and terminates on the other Party's network within the same MTA in which the Signatory ILEC is located. For traffic originated by the Signatory ILEC, Wireless Local Traffic is traffic from a Signatory ILEC-provided local exchange service to a Wireless Carrier-provided CMRS service, where the NPA NXX designation of the two services are associated with rate centers within the same local or EAS calling area as defined by the Signatory ILEC's local tariff. The Parties agree to use an InterMTA Percentage usage factor, as described in Section 3.2.6 below, to determine the amount of Wireless Local Traffic subject to Reciprocal Compensation.

## **2. INTERPRETATION AND CONSTRUCTION**

2.1. The terms and conditions of this Agreement are subject to any and all applicable laws, rules, regulations, or guidelines that subsequently may be prescribed by any federal or state government authority. To the extent required by any such subsequently prescribed law, rule, regulation, or guideline, the Parties agree to negotiate in good faith to reach agreement and to modify, in writing, any affected term and condition of this Agreement to bring them into compliance with any such law, rule, regulation, or guideline. The Parties agree to renegotiate the terms of this Agreement if the State Commission establishes rates for transport and termination that are different from those contained in this Agreement.

2.2. The headings of the sections of this Agreement are inserted for the convenience of reference only and are not intended to be a part of or to affect the meaning of the Agreement.

2.3. The Parties enter this Agreement without prejudice to any position they may take with respect to similar future agreements between the Parties or with respect to positions they may have taken previously, or may take in the future in any legislative, regulatory, or other public forum addressing any matters including matters related to the rates to be charged for transport and termination of Wireless Local Traffic or the types of arrangements prescribed by this Agreement.

### 3. INDIRECT INTERCONNECTION

This Agreement sets forth the rights and obligations of each Party to establish Indirect Interconnection to enable the exchange of Wireless Local Traffic between the networks of both Parties and the Reciprocal Compensation rates to be charged for the exchange of such traffic.

#### 3.1. Indirect Interconnection Point Location

The Indirect Interconnection Point is defined in Section 1.7 above. Either Party will be allowed to establish different points of interconnection for the traffic that Party originates or terminates, provided that the new points of interconnection do not increase the cost of transporting or terminating traffic for the other Party.

#### 3.2. Scope of Agreement

3.2.1. The scope of the traffic subject to this Agreement will be limited to that Wireless Local Traffic as defined in Section 1.16 that originates from a subscriber on the network of one Party and is delivered to a subscriber on the network of the other Party within the same MTA including, but not limited to, Wireless Local Traffic that is delivered via a third-party Tandem Switch.

3.2.2. Compensation for the transport and termination of Wireless Local Traffic applies to the traffic as provided for in Section 1.16. Traffic associated with fixed wireless services of Wireless Carrier is specifically excluded from this Agreement. Traffic associated with any service that Wireless Carrier may provide to ISPs is excluded from this Agreement.

3.2.3 The parties agree that the ratio of traffic between the Parties is 70 (seventy) percent wireless to landline and 30 (thirty) percent landline to wireless.

3.2.4 The Parties agree that the exchange of traffic on the Signatory ILEC's extended area calling service (EAS) routes will be considered Wireless Local Traffic and compensation for the Termination of such traffic will be paid pursuant to the terms of this Agreement. EAS routes are those exchanges within a telephone carrier's local calling area, as defined in Signatory ILEC's local service tariff.

3.2.5 To ensure proper implementation of this Agreement, the Party delivering traffic to the Indirect Interconnection Point will provide the Automatic Number Identification ("ANI") or Calling Party Number ("CPN") (or similar industry standard traffic elements) for all traffic (the "Traffic Identifiers") in order that the terminating Party can properly identify the telephone number associated with the End User placing the call. If ANI is not passed on at least fifty (50) percent of the traffic, measured on a monthly basis, then the terminating carrier will notify the originating carrier of the deficiency.

#### 3.2.6 InterMTA Traffic

As of the effective date of this Agreement, the Parties may be unable to measure the amount of InterMTA traffic exchanged between the Parties. For the purposes of this



Agreement, the Parties agree to use the percentage referenced in Attachment I as a fair estimate of the amount of InterMTA traffic exchanged between the Parties. InterMTA interswitching may only occur between the New York, NY and Buffalo, NY MTAs, and will be limited to Verizon Wireless's Buffalo Switch and Verizon Wireless's Syracuse Switch and Verizon Wireless's Rochester Switch and Verizon Wireless's Syracuse Switch. This percentage will remain in effect until amended as provided herein. Notwithstanding the foregoing, if either Party provides to the other a valid InterMTA traffic study or otherwise requests a reexamination of the network configuration of either Parties' network, the Parties will use such InterMTA traffic study or reexamination to negotiate in good faith a mutually acceptable revised InterMTA percentage. The Parties agree to cooperate in good faith to amend this Agreement to reflect this revised InterMTA percentage and such revised percentage will be effective upon amendment of this Agreement, including any State Commission approval, if required. Such studies or reexaminations will be conducted no more frequently than once annually.

### 3.3. General Provisions

Each Party will construct, equip, maintain, and operate its network in accordance with generally accepted engineering practices for telephone systems and in compliance with all applicable rules and regulations, as amended from time-to-time, of any regulatory body empowered to regulate any aspect of the facilities contemplated herein. It is not intended that the enactment of this Agreement will alter the current routing of calls addressed herein. If a Party makes a change in its network that may materially affect the inter-operability of its network with the other Party, the Party making the change must provide at least ninety (90) days advance written notice of the nature of the changes and when the change will occur.

### 3.4. LERG Updates

It will be the responsibility of each Party to program and update its own switches and network systems according to the Local Exchange Routing Guide ("LERG") and industry guidelines to recognize and route traffic to the other Party's assigned NXX codes. Neither Party will impose any fees or charges whatsoever on the other Party for such activities. It is not intended that the enactment of this Agreement will alter the current routing of calls addressed herein. For purposes of appropriately applying LEC toll charges to its end user customers, Signatory ILEC will utilize Rate Centers published in the LERG for Wireless Carrier NPA-NXX codes. Calls to such NPA-NXXs will be rated no less favorably than calls by ILEC customers to other NPA-NXXs with the same rate center LERG designation.

### 3.5. SS7

SS7 Out of Band Signaling (CCS/SS7) will be the signaling of choice where technically feasible for both Parties.

### 3.6 Direct Interconnection

Where the Wireless Local Traffic exchanged between Wireless Carrier and Signatory ILEC's specific tandem switch or specific end office switch exceeds 500,000 minutes

per month for three consecutive months, Wireless Carrier and Signatory ILEC will explore the feasibility of direct trunks to the specific tandem switch, the specific end office switch, or a technically feasible point on the Signatory ILEC's service area boundary according to mutually agreed upon technical specifications. If these discussions do not result in agreement within a reasonable period of time, the Dispute Resolution procedures in Section 19 will govern.

#### **4. RATES AND CHARGES**

##### **4.1 General Provisions**

The Parties agree to compensate one another at the Indirect Interconnection Termination Rate set forth in Attachment I, and at the Signatory ILEC's access tariff rates as applicable, for the services provided pursuant to this Agreement. The Parties agree the rates will become effective as of the Agreement's Effective Date.

##### **4.2. Network Usage**

The Parties agree to compensate each other for Wireless Local Traffic terminating on the network of one Party that originates on the other Party's network. As per the State Commission's position in its Comp II decision, the Signatory ILEC retains the right to convert the compensation mechanism from Reciprocal Compensation to bill and keep upon adequate notice to the Wireless Carrier. Under such an arrangement, the Parties would not bill each other for the termination of the traffic between their networks.

##### **4.3. Compensation Rate Application**

Signatory ILEC will obtain usage records or a monthly traffic distribution report either from the tandem operator or the Signatory ILEC's own equipment summarizing all Wireless Local Traffic originated by Wireless Carrier and terminating to Signatory ILEC ("Total Wireless Terminating Traffic"). This usage information will be used by Signatory ILEC for billing Wireless Carrier for traffic terminating to Signatory ILEC. Total Wireless Terminating Traffic excludes traffic originating on the Wireless Carrier's network and sent to the terminating Signatory ILEC using an Interexchange Carrier. The Parties agree to the following principles for billing terminating usage:

4.3.1. Signatory ILEC will bill for one hundred (100) percent of the traffic originated by Wireless Carrier and terminated to Signatory ILEC: The Parties agree that Wireless Local Traffic is subject to the Indirect Interconnection Termination Rate as described in Section 4 and Attachment I. The Parties further agree that InterMTA traffic (i.e., non-Wireless Local Traffic) will be subject to the Signatory ILEC's tariffed intrastate or interstate access rates, as appropriate. InterMTA traffic will be calculated by applying the InterMTA Percentage shown in Attachment 1 and discussed in Section 3.2.6 to Total Wireless Terminating Traffic. Where detailed billing records are absent, the Parties agree that fifty (50) percent of InterMTA traffic will be assigned to each jurisdiction, intrastate and interstate, as appropriate. Wireless Local Traffic subject to the Indirect Interconnection Termination Rate will be calculated by subtracting InterMTA traffic from Total Wireless Terminating Traffic.

4.3.2 The Parties agree to use the InterMTA Percentage referenced in Attachment I as a fair estimate of the amount of InterMTA traffic exchanged between the Parties. The Parties explicitly recognize that the InterMTA Percentage provided in this Agreement is based on the specific network configurations of the two Parties. Notwithstanding the foregoing, if technically feasible, the Parties may measure the amount of InterMTA traffic that the Parties exchange and compensate each other based on the actual level of traffic, rather than the InterMTA Percentage.

4.3.3 Wireless Carrier will bill Signatory ILEC for Wireless Local Traffic that originates on the network of Signatory ILEC and terminates on the network of Wireless Carrier. The Signatory ILEC's Wireless Local Traffic terminated to Wireless Carrier will be calculated based on the following formula: Wireless Local Traffic, as identified in 4.3.1. above, divided 70 (seventy) percent and then multiplied by 30 (thirty) percent. Signatory ILEC's Wireless Local Traffic is subject to the Indirect Interconnection Termination Rate as described in Section 4 and Attachment 1. Alternatively, the Wireless Carrier may bill the Signatory ILEC based on the Wireless Carrier's own equipment.

#### 4.4. Third Party Tandem Switching and Tandem Transport

It is Signatory ILEC's position that pursuant to New York law and otherwise, Wireless Carrier is responsible for all tandem switching and tandem transport charges beyond the Signatory ILEC's service boundary and it is Wireless Carrier's position that Wireless Carrier is only responsible for the tandem switching and tandem transport charges for traffic originated on Wireless Carrier's network. Notwithstanding, in an effort to reach an agreement, the Parties have reached the following compromise in the context of this agreement, which will in no way prejudice any position either Party may take on this matter with respect to future agreements or regulatory or legislative proceedings: Wireless Carrier agrees to pay any third party tandem switching and tandem transport charges that may be assessed by the tandem operator to deliver mobile-originated traffic to the Signatory ILEC exchange boundary. Wireless Carrier agrees to pay any third party tandem switching and tandem transport charges that may be assessed by the tandem operator to deliver land-originated traffic from the Signatory ILEC exchange boundary to the Wireless Carrier. Signatory ILEC agrees to compensate Wireless Carrier for all of the costs Wireless Carrier incurs associated with transporting and terminating "Land to Mobile" traffic through the rates and terms agreed to in this Agreement. The Parties agree to renegotiate this provision of the Agreement if there is further clarification by a regulatory agency with jurisdiction over the Parties or change of law governing obligations of the Parties with respect to traffic exchanged through a third party Tandem Switch.

4.4.1. The compensation arrangement for indirect Interconnection will be subject to renegotiation if a transiting telecommunications provider whose facilities or services are used to transport Wireless Local Traffic, changes the applicable rates, terms, or conditions of those intermediary services, or if by change of law or for any other reason the transiting telecommunications provider no longer offers the transiting service.

## **5. BILLING AND PAYMENT OF CHARGES**

### **5.1. Bill Exchange**

#### **5.1.1. Format**

Signatory ILEC and Wireless Carrier will prepare bills in a mutually agreeable format based on the usage or traffic records designated in Section 4.3 herein. The Parties agree that these records are an accurate representation of the traffic exchanged between the Parties. In the case of data loss or errors in the records provided, the Parties agree that the Signatory ILEC will bill based on estimated usage calculated as an average of the preceding three months' bills where actual billing data was available.

#### **5.1.2. Timing**

The Parties will render bills monthly. Non-recurring charges will be billed upon completion of the work activity for which the charge applies; monthly recurring charges will be billed in advance; and Network Usage will be billed in arrears. All bills will be due when rendered and will be considered past due thirty (30) days after the bill date.

### **5.2. Billing Disputes**

The Parties agree that they will each make a good faith effort to resolve any billing dispute. If any portion of an amount due to either Party under this Agreement is subject to a dispute between the Parties, the Party that disputes the amount will, within thirty (30) days of its receipt of the invoice containing such disputed amount, give notice to the other Party of the amount it disputes ("Disputed Amount") and include in such notice the specific details and reasons for disputing each item. The disputing Party will pay when due all undisputed amounts to the other Party. If the Disputed Amount is resolved in favor of the Party that did not dispute the charges, the disputing Party will thereafter pay the Disputed Amount with appropriate late charges (See Section 6 of this Agreement), if applicable, upon final determination of such dispute, pursuant to Section 19 herein.

### **5.3. Taxes**

The billing Party will charge and collect from the billed Party, and the billed Party agrees to pay to the billing Party, appropriate federal, state, and local taxes where applicable, except to the extent that the billed Party notifies the billing Party and provides appropriate documentation that it qualifies for a full or partial exemption.

### **5.4 De Minimis Traffic**

Where the Wireless Local Traffic exchanged between the Parties is less than five thousand (5,000) minutes per month, the Parties may agree to bill each other on a quarterly, rather than monthly, basis. Any Party making such an election must notify the other Party at least thirty (30) days in advance of the first billing statement reflecting quarterly billing.

## **6. LATE PAYMENT CHARGES**

If any undisputed amount due on a billing statement is not received on the payment due

date, then the billing Party may charge, and the billed Party agrees to pay interest on the past due balance at a rate equal to one and one-half percent (1½%) per month or the maximum non-usurious rate of interest under applicable law. Late payment charges will be included on the next statement.

## **7. AUDITS**

Either Party may conduct an audit of the other Party's books and records pertaining to the services provided under this Agreement no more than once per twelve (12) month period to evaluate the other Party's accuracy of billing, data, and invoicing in accordance with this Agreement. Any audit will be performed as follows: (a) following at least thirty (30) business days prior written notice to the audited Party, (b) subject to the reasonable scheduling requirements and limitations of the audited Party, (c) at the auditing Party's sole expense, (d) of a reasonable scope and duration, (e) in a manner so as not to interfere with the audited Party's business operations, and (f) in compliance with the audited Party's security rules.

## **8. IMPAIRMENT OF SERVICE**

8.1. The characteristics and methods of operation of any circuits, facilities or equipment of either Party that are connected with the services, facilities or equipment of the other Party pursuant to this Agreement will not interfere with or impair the service provided over any facilities of the other Party, its affiliated companies, or its connecting and concurring carriers involved in providing its services. Neither will the characteristics and methods of operation of the same circuits, facilities or equipment cause damage to the other Party's network, violate any applicable law or regulation regarding the invasion of privacy of any communications carried over the Party's facilities, or create hazards to the employees of either Party or to the public (each hereinafter referred to as an "Impairment of Service").

8.2. If either Party causes an Impairment of Service, the Party whose network or service is being impaired (the "Impaired Party") will promptly notify the Party causing the Impairment of Service (the "Impairing Party") of the nature and location of the problem and that, unless promptly rectified, a temporary discontinuance of the use of any circuit, facility or equipment may be required. The Impairing Party and the Impaired Party agree to work together to attempt to promptly resolve the Impairment of Service. If the Impairing Party is unable to promptly remedy the Impairment of Service, then the Impaired Party may at its option temporarily discontinue the use of the affected circuit, facility, or equipment.

## **9. TROUBLE REPORTING**

9.1. In order to facilitate trouble reporting and to coordinate the repair of Interconnection Facilities, trunks, and other Interconnection arrangements provided by the Parties under

this Agreement, each Party has established a single point of contact available 24 hours per day, seven days per week, at telephone numbers to be provided by the Parties. Each Party will call the other at these respective telephone numbers to report trouble with connection facilities, trunks, and other Interconnection arrangements, to inquire as to the status of trouble ticket numbers in progress, and to escalate trouble resolution.

**9.1.1. 24 Hour Network Management Contact**

For Signatory ILEC:

(See Attachment II for Contact Information for Signatory ILEC)

For Wireless Carrier:

(See Attachment II for Contact Information for Wireless Carrier)

Before either Party reports a trouble condition, it must first use its reasonable efforts to isolate the trouble to the other Party's facilities, service, and arrangements. Each Party will advise the other of any critical nature of the inoperative facilities, service, and arrangements and any need for expedited clearance of trouble. In cases where a Party has indicated the essential or critical need for restoration of the facilities, services or arrangements, the other Party will use its best efforts to expedite the clearance of trouble.

## **10. TERM AND TERMINATION**

10.1. This Agreement will take effect as of the date it is signed by both Parties and have an initial term of one year, unless earlier terminated as provided for in this Agreement, and will continue in force and effect thereafter, on a month to month basis, until replaced by another agreement or terminated by either Party upon (sixty) 60 days' written notice to the other Party.

10.2. Notwithstanding Section 10.1, this Agreement will be terminated in the event that:

10.2.1. the FCC revokes, cancels, does not renew or otherwise terminates Wireless Carrier's authorization to provide CMRS in the same MTA as that served by Signatory ILEC, or the State Commission revokes, cancels, or otherwise terminates Signatory ILEC's certification to provide local service;

10.2.2. either Party becomes bankrupt or insolvent, makes a general assignment for the benefit of, or enters into any arrangement with creditors, files a voluntary petition under any bankruptcy, insolvency or similar laws, or proceedings are instituted under any such laws seeking the appointment of a receiver, trustee or liquidator instituted against it which are not terminated within sixty (60) days of such commencement.

10.3. Either Party will have the right to terminate this Agreement at any time upon written notice to the other Party in the event:

10.3.1. a Party is in arrears in the payment of any undisputed amount due under this Agreement for more than ninety (90) days and the Party does not pay such sums within ten (10) business days of the other Party's written demand for payment;

10.3.2. a Party is in material breach of the provisions of this Agreement and that breach continues for a period of thirty (30) days after the other Party notifies the breaching Party of such breach, including a reasonably detailed statement of the nature of the breach.

10.4. Upon expiration or termination of this Agreement, either Party may make a written request that services continue to be provided pursuant to the terms of this Agreement during the negotiation of a new Agreement. Upon acceptance of such request, the same terms, conditions, and prices set forth in this Agreement will continue in effect, as were in effect at the end of the latest term, or renewal, so long as negotiations are continuing without impasse until resolution pursuant to this section.

## **11. LIABILITY UPON TERMINATION**

Termination of this Agreement, or any part hereof, for any cause will not release either Party from any liability which at the time of termination had already accrued to the other Party or which thereafter accrues in any respect to any act or omission occurring prior to the termination or from an obligation which is expressly stated in this Agreement to survive termination.

## **12. AMENDMENTS**

Any amendment, modification, or supplement to this Agreement must be in writing and signed by an authorized representative of each Party. The term "this Agreement" will include future amendments, modifications, and supplements.

## **13. ASSIGNMENT**

13.1. Any assignment by either Party of any right, obligation, or duty, in whole or in part, or of any interest, without the written consent of the other Party, which consent will not be unreasonably withheld, will be void, except that either Party may assign all of its rights, and delegate its obligations, liabilities, and duties under this Agreement, either in whole or in part, to any entity that is, or that was immediately preceding such assignment, a subsidiary or affiliate of that Party without consent, but with written notification. The effectiveness of an assignment will be conditioned upon the assignee's written assumption of the rights, obligations, and duties of the assigning Party. A Party making the assignment must notify the Commission and the other Party sixty (60) days in advance of the effective date of the assignment.

13.2. Nothing in this Agreement will prohibit Wireless Carrier from enlarging its CMRS network through management contracts with third-parties for the construction and operation of a CMRS system under the Wireless Carrier brand name and license. However, such arrangements do not change the existing MTA boundaries that determine whether calls between the Wireless Carrier and the Signatory ILEC are deemed "Wireless Local Traffic." IntraMTA traffic originating or terminating on such extended networks will be treated as Wireless Local Traffic subject to the terms, conditions, and rates of this Agreement.

13.3. Either Party may enter into subcontracts with third parties or affiliates for the performance of any of its duties or obligations under this Agreement.

13.4. This Agreement does not provide any person not a Party, assignee, or successor to this Agreement and will not be construed to provide any such third party with any remedy, claim, liability, reimbursement, cause of action, or other privilege in excess of those existing without reference to this Agreement.

#### **14. FORCE MAJEURE**

In the event performance of this Agreement, or any obligation hereunder, is either directly or indirectly prevented, restricted, or interfered with by reason of fire, flood, earthquake or like acts of God, wars, revolution, civil commotion, explosion, acts of public enemy, embargo, acts of the government in its sovereign capacity, or any other circumstances beyond the reasonable control and without the fault or negligence of the Party affected, the Party affected, upon giving prompt notice to the other Party, will be excused from such performance on a day-to-day basis to the extent of such prevention, restriction, or interference (and the other Party will likewise be excused from performance of its obligations on a day-to-day basis until the delay, restriction, or interference has ceased); provided however, that the Party so affected will use diligent efforts to avoid or remove such causes of nonperformance and both Parties will proceed whenever such causes are removed or cease.

#### **15. GOVERNING LAW**

This Agreement will be governed by and construed in accordance with the domestic laws of New York State, without regard to its conflict of laws principles, except insofar as the Act and the State Commission's and FCC's applicable rules and regulations control any aspect of this Agreement, in which case they will govern.

#### **16. INDEPENDENT CONTRACTOR RELATIONSHIP**

The persons implementing this Agreement on behalf of each Party will be solely that Party's employees or contractors and will be under the sole and exclusive direction and control of that Party. They will not be considered employees or agents of the other



Party for any purpose. Each Party will remain an independent contractor with respect to the other and will be responsible for compliance with all laws, rules and regulations involving, but not limited to, employment of labor, hours of labor, health and safety, working conditions, and payment of wages. Each Party will also be responsible for its own expenses involved in all activities related to the subject of this Agreement and for payment of taxes, including federal, state and municipal taxes, chargeable or assessed with respect to its employees, such as Social Security, unemployment, worker's compensation, disability insurance, and federal and state withholding. Each Party will indemnify the other for any loss, damage, liability, claim, demand, or penalty that may be sustained by reason of its failure to comply with this provision.

## **17. INDEMNIFICATION**

17.1. Each Party to this Agreement will indemnify and hold harmless the other Party with respect to any third-party claims, lawsuits, damages, or court actions arising from service under this Agreement, to the extent that the indemnifying Party is liable or responsible for said third-party claims, losses, damages, or court actions. Whenever any claim arises for indemnification hereunder, the Party entitled to indemnification will promptly notify the other Party of the claim and, when known, the facts constituting the basis for such claim. In the event that one Party to this Agreement disputes the other Party's right to indemnification hereunder, the Party disputing indemnification will promptly notify the other Party of the factual basis for disputing indemnification. Indemnification includes but is not limited to costs and attorney's fees.

17.2 The indemnifying Party will have sole authority to defend any such action, including selection of legal counsel, and the indemnified Party may engage separate legal counsel only at its sole cost and expense. In no event will the indemnifying Party settle or consent to any judgment pertaining to any such action without the prior written consent of the indemnified Party.

## **18. LIMITATION OF LIABILITY**

18.1. No liability will attach to either Party, its parents, subsidiaries, affiliates, agents, servants, employees, officers, directors, or partners for damages arising from errors, mistakes, omissions, interruptions, or delays in the course of establishing, furnishing, rearranging, moving, terminating, changing, or providing or failing to provide services or facilities (including the obtaining or furnishing of information with respect thereof or with respect to users of the services or facilities) in the absence of gross negligence or willful misconduct.

18.2. Except as otherwise provided in Section 19, no Party will be liable to the other Party for any loss, defect, or equipment failure caused by the conduct of the first Party, its agents, servants, contractors or others acting in aid or concert with that Party, except in the case of gross negligence or willful misconduct.

18.3. Except as provided in Section 19, no Party will be liable to the other Party for any indirect, special, consequential, incidental or punitive damages, including but not limited to loss of anticipated profits or revenue or other economic loss in connection with or arising from anything said, omitted or done hereunder (collectively, "Consequential Damages"), even if the other Party has been advised of the possibility of such damages.

#### 18.4. DISCLAIMER

EXCEPT AS OTHERWISE PROVIDED HEREIN, NEITHER PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR INTENDED OR PARTICULAR PURPOSE WITH RESPECT TO SERVICES PROVIDED HEREUNDER. ADDITIONALLY, NEITHER PARTY ASSUMES ANY RESPONSIBILITY WITH REGARD TO THE CORRECTNESS OF DATA OR INFORMATION SUPPLIED BY THE OTHER PARTY WHEN THIS DATA OR INFORMATION IS ACCESSED AND USED BY A THIRD-PARTY. This provision will not serve to eliminate, or otherwise limit, any New York State quality of service obligations imposed on either Party pursuant to applicable State Commission rules.

### 19. DISPUTE RESOLUTION

The Parties desire to resolve disputes arising out of or relating to this Agreement without litigation. Accordingly, except for action seeking a temporary restraining order or an injunction related to the purposes of this Agreement, or suit to compel compliance with this dispute resolution process, the Parties agree to bring their dispute in any lawful forum, including before the State Commission, the Federal Communications Commission, and court of competent jurisdiction for resolution, following established dispute resolution procedures.

#### 19.1 Continuous Service

The Parties will continue providing services to each other during the pendency of any dispute resolution procedure, and the Parties will continue to perform their payment obligations (including making payments in accordance with Section 4, 5, and 6) in accordance with this Agreement, except such obligation of continuous service will not extend past the termination date of the Agreement if terminated by a Party pursuant to Section 10.

### 20. CONFIDENTIAL INFORMATION

During the exercise and fulfillment of the Parties' obligations under this Agreement, it may become necessary for the Parties to disclose proprietary or confidential information to one another. Any information of one Party (a "Disclosing Party") that it furnished or made available or otherwise disclosed to the other Party, its employees, contractors, or agents (a "Receiving Party") regardless of form pursuant to this

Agreement ("Confidential Information") will be deemed the property of the Disclosing Party. Confidential information, if written, will be clearly and conspicuously marked "Confidential" or "Proprietary" or other similar notice, and if oral or visual, will be confirmed in writing as confidential by the Disclosing Party to the Receiving Party within ten (10) days after disclosure except that the following information will be deemed Confidential Information, whether or not marked as such: oral or written negotiation, orders for services, usage information in any form and Customer Proprietary Network Information as that term is defined in the Act and rules and regulations of the FCC. Unless Confidential Information was previously known by the Receiving Party free of any obligation to keep it confidential, or has been or is subsequently made public by an act not attributable to the Receiving Party, or is explicitly agreed in writing not to be regarded as confidential, such information: (i) will be held in confidence by each Receiving Party; (ii) will be disclosed to only those persons who have a need for it in connection with the provision of services required to fulfill this Agreement and will be used by those persons only for such purposes; and (iii) may be used for other purposes only upon such terms and conditions as may be mutually agreed to in advance of such use in writing by the Parties.

20.1. If any Receiving Party is required by any governmental authority or by applicable law to disclose any Confidential Information, then such Receiving Party will provide the Disclosing Party with written notice of such requirement as soon as possible and prior to such disclosure. The Disclosing Party may then seek appropriate protective relief from all or part of such requirement. The Receiving Party will use all commercially reasonable efforts to cooperate with the Disclosing Party in attempting to obtain any protective relief which such Disclosing Party chooses to obtain.

In the event of the expiration or termination of this Agreement for any reason whatsoever, each Party will return to the other Party or destroy all Confidential Information and other documents, work papers and other material (including all copies thereof) obtained from the other Party in connection with this Agreement and will use all reasonable efforts, including instructing its employees and others who have had access to such information, to keep confidential and not to use any such information, unless such information is now, or is hereafter disclosed, through no act, omission or fault of such Party, in any manner making it available to the general public.

## **21. NOTICES**

Any notice to a Party required or permitted under this Agreement will be in writing and will be deemed to have been received on the date of service if served personally, on the date receipt is acknowledged in writing by the recipient if delivered by regular U.S. mail, or on the date stated on the receipt if delivered by certified or registered mail or by a courier service that obtains a written receipt. Upon prior immediate oral agreement of the Party's designated representatives identified below, notice may also be provided by facsimile, Internet, or electronic messaging system, which will be effective on the next business day following the date of transmission. The Party sending the facsimile, Internet or electronic messaging system notice will verbally notify the other Party about

the communication immediately following the communication being sent. The Party receiving the notice by facsimile will provide written confirmation to the other Party. Any notice will be delivered using one of the alternatives mentioned in this section and will be directed to the applicable address indicated below or such address as the Party to be notified has designated:

<b>If to Signatory ILEC:</b>	<b>If to Wireless Carrier:</b>
See Attachment II for Contact Information	Verizon Wireless Regulatory Counsel – Interconnection 1300 I Street, N.W. Suite 400 West Washington, DC 20005 202-589-3777 202-589-3750 (facsimile).
<b>With copy to:</b>	<b>With copy to</b>
See Attachment II	Dudley K. Upton Director -- Interconnection Verizon Wireless One Verizon Place Mail Stop: GA3B1REG Alpharetta, GA 30004 678-339-4279 678-339-8554 (facsimile)

Either Party may unilaterally change its designated representative and/or address for the receipt of notices by giving prior written notice to the other Party.

## 22. SEVERABILITY

If any provision of this Agreement is held by a court or regulatory agency of competent jurisdiction to be unenforceable, the rest of the Agreement will remain in full force and effect and will not be affected unless removal of that provision results in a material change to this Agreement. If a material change as described in this paragraph occurs as a result of action by a court or regulatory agency, the Parties will negotiate in good faith for replacement language. If replacement language cannot be agreed upon within a reasonable period, either Party may terminate this Agreement without penalty or liability for such termination upon written notice to the other Party.

## 23. JOINT WORK PRODUCT

This Agreement is the joint work product of the Parties and has been negotiated by the Parties and will be fairly interpreted in accordance with its terms and, in the event of any ambiguities, no inferences will be drawn against either Party.

## **24. TAXES**

Each Party will be responsible for any and all taxes and surcharges arising from its conduct under this Agreement and will, consistent with Section 17, indemnify and hold harmless the other Party for its failure to pay and/or report any applicable taxes and surcharges.

## **25. SURVIVAL**

The Parties' obligations under this Agreement that by their nature are intended to continue beyond the termination or expiration of this Agreement will survive the termination or expiration of this Agreement.

## **26. PUBLICITY**

Neither Party nor its subcontractors or agents will use the other Party's trademarks, service marks, logos, company name, or other proprietary trade dress in any advertising, press releases, publicity matters or other promotional materials without such Party's prior written consent.

## **27. ENTIRETY**

This Agreement and the Exhibits and Attachments referenced herein constitute the entire agreement between the Parties, and supersede all proposals, oral or written, all previous negotiations and communications between the Parties with respect to the subject matter hereof. No representations, modifications, understandings, agreements or waivers of any provisions contained herein will be binding upon the Parties unless evidenced in writing signed by duly authorized representatives of both Parties.

This Agreement will become binding upon and inure to the benefit of both Parties, their successors, and permitted assigns upon signature by both Parties, whose signatures will represent and warrant that the individual signing has sufficient authority to bind the Party on whose behalf the individual signs. This Agreement can be executed in separate parts, which together will constitute a single, integrated Agreement.

**28. SIGNATURES**

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement.

Cellco Partnership d/b/a Verizon Wireless

Signatory ILEC

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Anthony J. Melone

Name: \_\_\_\_\_

Title: Vice President -- Network  
Operations Support

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Company: \_\_\_\_\_

Date: \_\_\_\_\_

## ATTACHMENT I

### RECIPROCAL COMPENSATION RATES

	Per Terminating Conversation Minute
Indirect Interconnection Termination Rate	\$ .02
InterMTA Percentage:	5%

For Wireless Local Traffic exchanged between January 1, 2003 and the effective date of this Agreement, Signatory ILEC will bill Wireless Carrier the net difference between the amount calculated per Section 4.3.1. and Section 4.3.3. at the above-stated Indirect Interconnection Termination Rate ("Retroactive Amount"). Wireless Carrier and Signatory ILEC will resolve any differences related to the Retroactive Amount within 30 days from the billed date. Wireless Carrier will pay Signatory ILEC the entire balance due within 45 days from the date the Parties agree on the total Retroactive Amount due. The Parties agree that the billing records referenced in Section 5 will be used for substantiating this retroactive traffic. The Parties agree that payment of the Retroactive Amount in this manner will satisfy all past due amounts and releases Wireless Carrier from any future obligations related to traffic exchanged between the Parties prior to the effective date of the Agreement.

## ATTACHMENT II

### Contact Information for Signatory ILEC

### Contact Information for Wireless Carrier

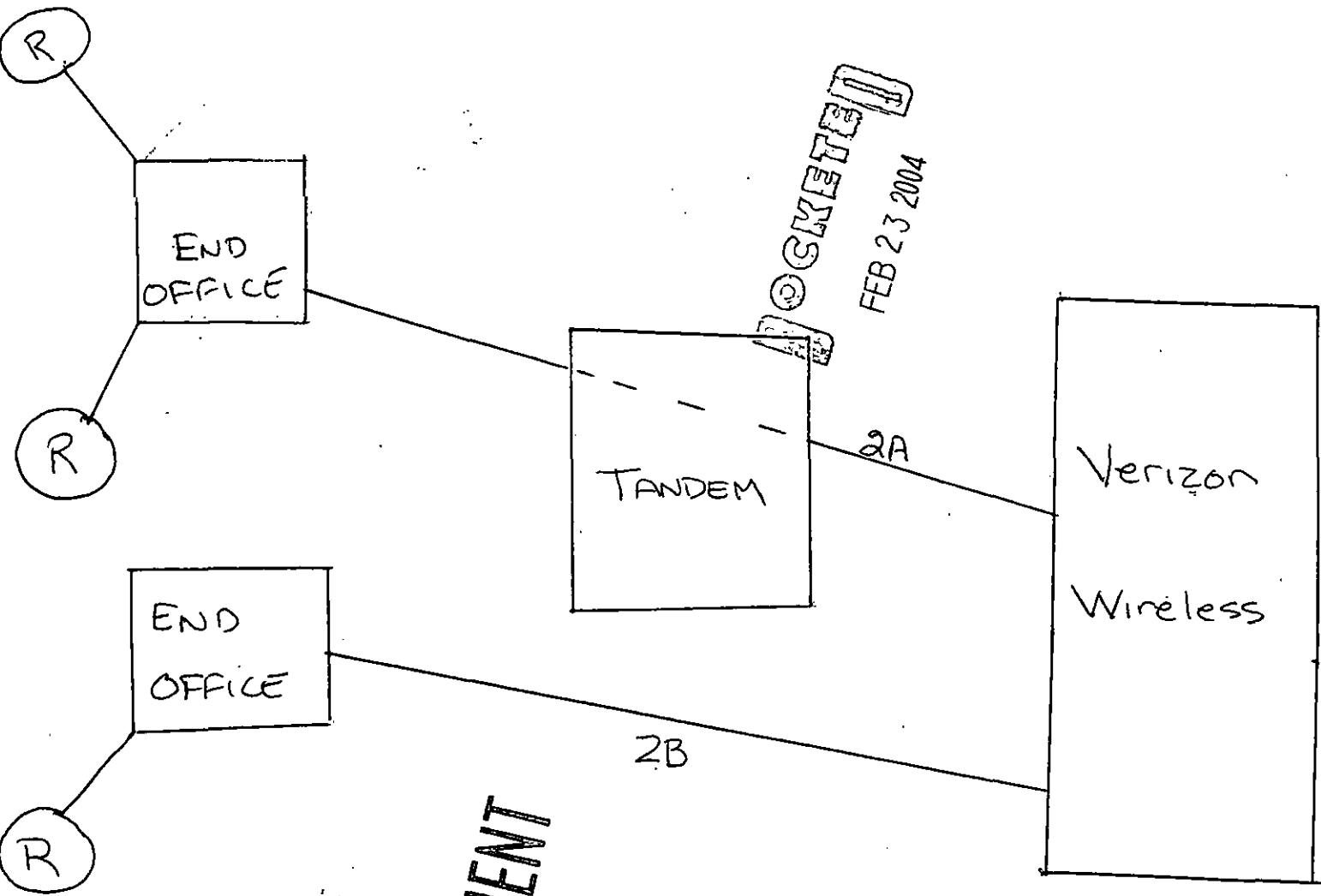
Verizon Wireless' 24-Hour Hot Line is 800-852-2671



### ATTACHMENT III

#### Verizon Wireless licenses

<u>Licensee</u>	<u>Market Name</u>	<u>Market Number</u>
Bell Atlantic Mobile of Rochester, L.P.	Rochester	CMA034
Binghamton MSA Limited Partnership	Binghamton	CMA122
Cellco Partnership	Albany	CMA044
	Binghamton	BTA043
	Buffalo-Niagara Falls	BTA060
	Elmira-Corning-Hornell	BTA127
	Glens Falls	CMA266, BTA164
	Jamestown-Dunkirk-Warren (NY/PA)	BTA215
	New York	BTA321
	New York 5 – Otsego	CMA563
	Olean-Bradford (NY/PA)	BTA330
	Oneonta	BTA333
	Poughkeepsie-Kingston	BTA361
	Rochester	BTA379
	Syracuse	BTA438
New York RSA 2 Cellular Partnership	New York 2 – Franklin	CMA560
New York RSA No. 3 Cellular Partnership	New York 3 – Chautauqua	CMA561
New York SMSA Limited Partnership	New York	CMA001
NYNEX Mobile Limited Partnership 2	New York 6 – Columbia	CMA564
NYNEX Mobile of New York, Limited Partnership	Elmira	CMA284
Orange County-Poughkeepsie MSA Limited Partnership	Orange County	CMA144
	Poughkeepsie	CMA151
St. Lawrence Seaway RSA Cellular Partnership	New York 1 – Jefferson	CMA559
Syracuse SMSA Limited Partnership	Syracuse	CMA053
Upstate Cellular Network	Buffalo	CMA025
	New York 4 – Yates	CMA562
	Utica-Rome	CMA115



**ROCKETED**  
FEB 23 2004

**DOCUMENT**

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SECRETARY'S BUREAU

ALLTEL

A-310489 F9004

EXHIBIT 8

NEW YORK PUBLIC SERVICE COMMISSION

2/10/04 Hlg vx

IN RE PETITION OF FAIRPOINT COMMUNICATIONS SOLUTIONS CORP. FOR NEGOTIATIONS/ MEDIATION PURSUANT TO §252(a)(2) OF THE TELECOMMUNICATIONS ACT OF 1996 AND FOR APPROVAL OF ANY RESULTING INTERCONNECTION AGREEMENT ) ) ) ) ) ) ) ) ) )

Case 99-C-1337

SECRETARY'S BUREAU

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Stipulation

ALLTEL New York, Inc. ("ALLTEL") and FairPoint Communications Solutions Corp. ("FairPoint"), by their undersigned attorneys, hereby enter into this Stipulation with respect to the above entitled matter:

DOCKETED

FEB 23 2004

Recitals

1. On July 3, 2000, ALLTEL and FairPoint filed an interconnection agreement (the "Arbitrated Interconnection Agreement") with the New York Public Service Commission ("Commission") in this matter which had been entered into by the parties pursuant to the Commission's arbitration order issued June 6, 2000 and which was deemed approved by the Commission under §252(e)(4) of the Telecommunications Act of 1996 as of August 2, 2000.

2. On August 31, 2000, ALLTEL filed a Petition for Rehearing/Reconsideration and on September 13, 2000 FairPoint filed its response thereto. On September 1, 2000 ALLTEL filed a revised TELRIC study pursuant to the Commission's June 6, 2000 arbitration order.

3. ALLTEL and FairPoint are desirous of stipulating as to certain issues in this matter relating to the unbundled loop price and revised TELRIC study on the following terms and conditions:

#### Terms and Conditions of Stipulation

4. On or before January 30, 2001 ALLTEL and FairPoint shall jointly file with the Commission an amendment to said Arbitrated Interconnection Agreement which shall make the following additions, deletions and modifications thereto:

a. The following underlined sentence will be inserted at the end of the current language of General Terms & Conditions, Page 3, Subsection 3.1 Intervening Law:

"The \$19.00 Monthly Recurring 2-Wire Analog Unbundled Loop Rate set forth in this Agreement at Attachment 6: Unbundled Network Elements (UNEs), page 8 shall not be altered pursuant to this Subsection 3.1 during the initial term of this Agreement."

b. The following underlined language will be inserted and the following overstricken language will be removed from Subsections 4.1, 4.2 and 4.3 of the General Terms & Conditions, Page 4:

"4.1 The Parties agree to the provisions of this Agreement for an initial term ~~of one (1) year from commencing on~~ the Effective Date of this Agreement and ending on January 15, 2003...."

"4.2 Either Party may request for this Agreement to be renegotiated upon the expiration of the initial ~~one (1) year term...."~~

"4.3 After completion of the initial ~~one (1) year term,...."~~

c. The following underlined language will be inserted in the last sentence of Subsection 2.1 of Attachment 6: Unbundled Network Elements (UNEs), Page 1:

"Each unbundled loop will be provisioned with a NID and there will be no separate charge to FairPoint for such NID."

d. The 2-Wire Analog Unbundled Loop Monthly Recurring Rate currently set forth in Attachment 6: Unbundled Network Elements (UNEs), page 8, Exhibit A: UNE Price List as "\$19.24" will be replaced with "\$19.00."

5. The foregoing amendments to the Arbitrated Interconnection Agreement and the other terms and conditions of this Stipulation shall not become effective or be binding on ALLTEL and FairPoint until and unless approved by order of the Commission, on notice that ALLTEL and FairPoint agreed to a UNE two-wire analog loop rate for Zone A of \$19.00 (including the network interface device – NID) that was developed by ALLTEL and FairPoint using ALLTEL's forward looking TELRIC methodology.

6. On or before January 30, 2001 ALLTEL and FairPoint shall jointly file with the Commission, to be effective upon the Commission's approval of the amended Arbitrated Interconnection Agreement and the other terms and conditions of this Stipulation, ALLTEL's withdrawal, with the consent of FairPoint, of ALLTEL's Petition for Rehearing/Reconsideration and FairPoint's, withdrawal, with the consent of ALLTEL, of FairPoint's response thereto.

7. Upon the Commission's approval of the amended Arbitrated Interconnection Agreement and the other terms and conditions of this Stipulation, FairPoint commits that it will not seek any UNE-P (unbundled network element platform) configurations from ALLTEL under the amended Arbitrated Interconnection Agreement

or otherwise in New York prior to January 15, 2002 and ALLTEL commits that it will not be seeking any alteration of the 13.90% resale discount rate set forth in Subsection 1.30 of Attachment 2: Resale; Page 3 of the amended Arbitrated Interconnection Agreement prior to January 15, 2002.

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

ALLTEL New York, Inc.

FairPoint Communications Solutions Corp.

By: \_\_\_\_\_

By: \_\_\_\_\_

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Attorney for ALLTEL New York, Inc.

Attorneys for FairPoint Communications  
Solutions Corp.

v  
STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

At a session of the Public Service  
Commission held in the City of  
Albany on April 2, 2001

COMMISSIONER PRESENT:

Maureen O. Helmer, Chairman

CASE 99-C-1337 - Petition of Fairpoint Communications Corporation  
for Negotiations/Mediation Pursant to Sect 252  
(a)(2) of the Telecommunications Act of 1996 and  
for Approval of Any Resulting Interconnection  
Agreement.

ORDER APPROVING AMENDMENT TO AN  
INTERCONNECTION AGREEMENT

(Issued and Effective April 2, 2001)

BACKGROUND

On March 5, 2001, Fairpoint Communications Corporation  
filed an amendment to its existing Interconnection Agreement with  
ALLTEL New York, Inc. (ALLTEL). The amendment reflects changes  
to rates, terms, and conditions for specific unbundled network  
elements found in the existing interconnection agreement, and in  
a subsequently filed stipulation.

The amendment is the culmination of a litigated  
proceeding in which testimony was submitted by the parties and  
staff in which ALLTEL was directed to file cost studies in  
support of certain unbundled network element rates. The parties  
desire to have the amendment effective on or about April 1, 2001  
to allow for competitive entry without further delay.

FINDINGS AND CONCLUSION

The modified rates, terms and conditions for unbundled  
network elements were proposed in a stipulation entered into by  
the parties. The rates were derived from Total Element Long Run  
Incremental Costs (TELRIC) cost studies submitted in the context  
of this proceeding. The resulting amendment to the  
interconnection agreement will allow for increased local service  
competition in those territories served by the parties.

This amendment to the Interconnection Agreement has been reviewed in accordance with the applicable federal and state standards. Subject to the clarification in the next paragraph it is found to be non-discriminatory, consistent with the public interest, and not in conflict with state requirements. Therefore, this amendment to the Interconnection Agreement will be approved as consistent with Section 252 of the Act. Parties are reminded that this approval does not excuse them from compliance with all state laws and requirements, including our service quality standards for all end users.

The Act indicates that state commissions must review all negotiated agreements.<sup>1/</sup> This Commission interprets the Act as requiring it to review all negotiated agreements, including those merely modifying a previously approved agreement. Therefore, any modifications or amendments to the Agreement, of any kind, must be submitted to the Commission for approval.

It is ordered:

1. The petition of Fairpoint Communications Corporation for approval of an amendment to an Interconnection Agreement with ALLTEL New York, Inc. is hereby granted, subject to the clarification that any modification or amendment to the Agreement must be submitted to the Commission for approval.
2. This proceeding is continued.

(SIGNED)

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
<sup>1/</sup> 47 U.S.C. §252(e) (1).



STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

At a session of the Public Service  
Commission held in the City of  
Albany on April 25, 2001

COMMISSIONERS PRESENT:

Maureen O. Helmer, Chairman  
Thomas J. Dunleavy  
James D. Bennett  
Leonard A. Weiss  
Neal N. Galvin

CASE 99-C-1337 - Petition of Fairpoint Communications Corporation  
for Negotiations/Mediation Pursuant to Sect 252  
(a)(2) of the Telecommunications Act of 1996 and  
for Approval of Any Resulting Interconnection  
Agreement.

CONFIRMING ORDER

(Issued and Effective April 25, 2001)

An order was made in this proceeding on April 2, 2001  
by Maureen O. Helmer, Chairman.

The Commission orders:

The foregoing order is approved and confirmed and filed  
in the office of the Commission.

By the Commission,

(SIGNED)

JANET HAND DEIXLER  
Secretary