ATTACHMENT 3

LOCAL INTERCONNECTION

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LOCAL INTERCONNECTION

1. NETWORK INTERCONNECTION

1.1 The Parties shall provide interconnection with each other's network for the transmission and routing of telephone exchange service (local) and exchange access (intraLATA toll and switched access).

1.1.1 BellSouth shall provide interconnection with BellSouth's network at any technically feasible point within BellSouth's network as described in 47 CFR §51.305.

1.1.2 AT&T shall provide interconnection to BellSouth at any mutually agreed upon point.

1.2 AT&T must establish, at a minimum, a single Point of Presence, Physical Point of Interface, and interconnection trunk group with BellSouth within the LATA for the delivery of AT&T's originated local, intraLATA toll terminated to BellSouth and transit traffic terminated to other than BellSouth. If AT&T chooses to interconnect using a single interconnection trunk group within a LATA, the interconnection trunk group must be at a BellSouth access or local tandem. Furthermore, AT&T must establish an interconnection trunk group(s) at all BellSouth access and local tandems where AT&T NXXs are "homed." A "Homing" arrangement is defined by a "Final" Trunk Group between the BellSouth access or local tandem and AT&T End Office switch. A "Final" Trunk Group is the last choice telecommunications path between the access or local tandem and End Office switch. It is AT&T's responsibility to enter its own NPA/NXX access and/or local tandem "homing" arrangements into the national Local Exchange Routing Guide ("LERG"). In order for AT&T to home its NPA/NXX(s) on a BellSouth access or local tandem, AT&T's NPA/NXX(s) must be assigned to an exchange rate center area served by that BellSouth access or local tandem and as specified by BellSouth.

1.3 A Point of Presence is the physical location (a structure where the environmental, power, air conditioning, etc. specifications for a Party's terminating equipment can be met) at which a Party establishes itself for obtaining access to the other Party's network. The Point of Presence is the physical location within which the Point(s) of Interface occur.

1.4 A Physical Point of Interface is the physical telecommunications interface between BellSouth and AT&T's interconnection facilities. It establishes the technical interface and point of operational

responsibility. The primary purpose of the Point of Interface is to serve as the terminus for each Party's interconnection facilities. The Physical Point of Interface has the following main characteristics:

1.4.1 It is a cross-connect point to allow connection, disconnection, transfer or restoration of service.

1.4.2 It is a point where BellSouth and AT&T can verify and maintain specific performance objectives.

1.4.3 It is specified according to the interfaces offered in this Attachment 3.

1.5 Interconnection trunk groups are available at either access tandems, local tandems, End Offices, or any other technically feasible point, as described in this Agreement. AT&T's requested interconnection trunk groups will also be used for the receipt and delivery of transit traffic at BellSouth access and local tandems. Interconnection trunk groups established at the BellSouth local tandem apply only to AT&T-originated local and local originating and terminating transit traffic.

1.6 The Parties will work cooperatively to establish the most efficient trunking network in accordance with the provisions set forth in this Attachment 3 and accepted industry practices.

1.7 Each Party will be responsible for engineering its network (i.e., the underlying facilities on which trunks are provisioned) and providing, or causing to be provided, any necessary equipment on its side of the Physical Point of Interface.

1.8 A minimum of one Physical Point of Interface shall be established in each LATA in which AT&T originates, terminates, or exchanges local traffic or ISP-bound traffic and interconnects with BellSouth. The location of the initial Physical Point of Interface shall be established by mutual agreement of the Parties. In selecting the initial Physical Point of Interface, both Parties will act in good faith and select the point that is most efficient for both Parties. Each Party shall be responsible for engineering and maintaining the network on its side of the Physical Point of Interface. Establishment of an Initial Physical Point of Interface will be initiated by written request and will be based on traffic volumes and patterns, facilities available, and other factors unique to the area. If the Parties are not able to reach mutual agreement on an initial Physical Point of Interface within thirty (30) calendar days of the date of the written request, each Party will designate the initial Physical Point of Interface for its originated traffic.

1.8.1 Additional Points of Interface in a particular LATA may be established by mutual agreement of the Parties. Absent mutual agreement, in order to establish additional Points of Interface in a LATA, the traffic

originated from AT&T or BellSouth destined to the other Party at the proposed additional Point of Interface must exceed 8.9 million minutes of local or ISP-bound traffic per month for three consecutive months. Additionally, any end office to be designated as a Point of Interface must be more than 25 miles from an existing Point of Interface. AT&T may designate one additional Point of Interface per state without qualification during the term of this Agreement. BellSouth will not designate a Point of Interface at a Central Office where physical or virtual collocation space or BellSouth fiber connectivity is not available.

1.8.2 Upon written notification from the Party requesting the establishment of an additional Point of Interface, the receiving Party has forty-five (45) calendar days to analyze, respond to, and negotiate in good faith the establishment of and location of such additional Point of Interface. If the receiving Party disagrees that the traffic and mileage thresholds set forth herein have been met, then the requesting Party may utilize the dispute resolution procedure set forth in this Agreement. The Parties recognize that they have in their networks existing Points of Interface established under previous interconnection agreements. The Parties further recognize that there are switching locations that would immediately qualify upon the signing of this Agreement to be established as additional Points of Interface. Effective on the date this Agreement is signed, the Parties agree that such existing switching locations will be transitioned to additional Points of Interface in accordance with the following schedule: for the first year of this Agreement, no more than one (1) existing switching location will be transitioned to an additional Point of Interface per LATA per six (6) months. For the remaining term of this Agreement, no more than two (2) existing switching locations will be transitioned to additional Points of Interface per LATA per six (6) month period.

1.8.3 A Billing Point of Interface ("BPOI") is defined as the Point of Interface specified by BellSouth for delivery of BellSouth originated traffic to AT&T for which AT&T agrees to pay BellSouth for Interoffice Dedicated Transport and associated Multiplexing for BellSouth to transport Local Traffic and ISP-bound Traffic from the BPOI to the Physical Point of Interface designated by AT&T when AT&T does not want to establish a Physical Point of Interface as set forth in Section 1.4 above. Compensation for said transport and multiplexing is as set forth in the Interconnection Compensation section of this Attachment.

1.9 With the exception of the Billing Point of Interface, Multiplexing compensation and Transit Traffic compensation, the Parties shall institute a "bill and keep" compensation plan under which neither Party will charge the other Party recurring and nonrecurring charges for trunks (one-way or two-way) and associated dedicated facilities for the

exchange of Local Traffic (non-transit) and ISP-bound Traffic. Each Party has the obligation to install the appropriate trunks and associated facilities on its respective side of the Interconnection Point and is responsible for bearing its own costs on its side of the Point of Interface. Both Parties, as appropriate, shall be compensated for the ordering of trunks and facilities used exclusively for Transit Traffic and for ancillary traffic types including, but not limited to, 911 and OS/DA. The Parties agree that charges for such trunks and facilities are as set forth in Exhibit A to this Attachment or the applicable tariff. In the event that a Party chooses to lease facilities from the other Party in lieu of installing facilities on its side of the Interconnection Point as required by this Agreement, such facilities are not subject to "bill and keep," but shall be purchased in accordance with 1.9.1 and 1.9.2.

1.9.1 In lieu of providing facilities on its side of Interconnection Point, either Party may purchase Local Channel facilities from the other Party, at the cost-based rates identified in Exhibit A to this Attachment, from the leasing Party's switch or Point of Presence to that Party's serving wire center. The portion of Local Channel facilities utilized for Local Traffic and ISP-bound Traffic shall be determined based upon the application of the Percent Local Facility ("PLF") Factor as defined in this Attachment. Additionally, the charges applied to the portion of the Local Channel used for Local Traffic and ISP-bound Traffic as determined by the PLF are as set forth in Exhibit A to this Attachment. This factor shall be reported in addition to the switched dedicated transport jurisdictional factors specified in the BellSouth intrastate and interstate switched access tariffs.

1.9.2 Additionally, in lieu of providing facilities on its side of the Interconnection Point, either Party may purchase, at the cost-based rates identified in Exhibit A to this Attachment, Dedicated Interoffice Transport facilities from its designated serving wire center to the Interconnection Point. The portion of Dedicated Interoffice Transport facilities utilized for Local Traffic and ISP-bound Traffic shall be determined based upon the application of the Percent Local Facility (PLF) Factor as defined in this Attachment. Additionally, the charges applied to the portion of the Dedicated Interoffice Transport used for Local Traffic and ISP-bound Traffic as determined by the PLF are as set forth in Exhibit A to this Attachment. This factor shall be reported in addition to the switched dedicated transport jurisdictional factors specified in the BellSouth intrastate and interstate switched access tariffs.

1.10 For the purposes of this Attachment 3, Local Channel is defined as a switch transport facility between a Party's Point of Presence and its designated serving wire center.

1.11 For the purposes of this Attachment 3, Serving Wire Center is defined as the wire center owned or leased by one Party from which the other Party would normally obtain dial tone for its Point of Presence.

1.12 For the purposes of this Attachment 3, Dedicated Transport is defined as a switch transport facility between a Party's designated serving wire center and the first point of switching on the other Party's common (shared) network.

2. METHODS OF INTERCONNECTION

2.1 AT&T may specify one or more of the following methods to interconnect with the BellSouth network:

2.1.1 Collocation - BellSouth shall provide collocation to AT&T pursuant to the terms set forth in Attachment 4 of this Agreement, incorporated herein by this reference. AT&T may, at its option, purchase such collocation at the rates, terms, and conditions set forth in Attachment 4 of this Agreement, incorporated herein by this reference.

2.1.2 Leased Facilities - where AT&T utilizes the facilities offered by BellSouth. Such leased facilities shall be provided at the rates, terms, and conditions set forth in this Attachment 3 pursuant to Section 1.9-1.9.2. At AT&T's request, it may lease separate facilities for the sole purpose of delivering undipped 8YY traffic from AT&T's end users to BellSouth's Service Switching Port ("SSP") for dipping into BellSouth's toll free database.

2.1.3 Third Party Facilities - where AT&T utilizes the facilities provided by a source other than itself or BellSouth. AT&T shall comply with industry standards to maintain network integrity and will be solely responsible for any charges or fees assessed by the third party for use of its facilities.

2.1.4 Commercial Intra-building Interconnection – where both Parties have constructed broadband facilities into a commercial building (i.e., a building that is not a telephone central office) and agree to establish a Point of Interface at such location utilizing intra-building cable.

2.1.5 "Fiber Meet" is an interconnection arrangement whereby the Parties physically interconnect their networks via an optical fiber interface (as opposed to an electrical interface), at which one Party's facilities, provisioning, and maintenance responsibility begins and the other Party's responsibility ends (i.e., Point of Interface). A Fiber Meet shall be an arrangement as set forth in Section 2.3 of this Attachment 3.

2.1.6 Any other method determined to be technically feasible and requested by AT&T shall be done pursuant to the process defined in Attachment 10 of this Agreement, incorporated herein by this reference.

2.2 BellSouth may specify one or more of the following to interconnect with the AT&T network:

2.2.1 Collocation - AT&T, at its sole discretion, may permit BellSouth to utilize space and power in AT&T facilities specified by AT&T solely for the purpose of terminating BellSouth's local traffic. BellSouth may request installation of both cable and equipment, or cable only. The pricing, terms and conditions of such arrangement shall be pursuant to Exhibit B of this Attachment 3, incorporated herein by this reference.

2.2.2 Leased Facilities - where the Party requesting interconnection utilizes the facilities offered by the other Party pursuant to Section 1.9-1.92. Such leased facilities shall be provided at the rates, terms, and conditions set forth in this Attachment 3.

2.2.3 Third Party Facilities - where BellSouth utilizes the facilities provided by a source other than itself or AT&T. BellSouth shall comply with industry standards to maintain network integrity and will be solely responsible for any charges or fees assessed by the third party for use of its facilities.

2.2.4 Commercial Intra-building Interconnection – where both Parties have constructed broadband facilities into a commercial building (i.e., a building that is not a telephone central office) and agree to establish a Point of Interface at such location utilizing intra-building cable.

2.2.5 "Fiber Meet" is an interconnection arrangement whereby the Parties physically interconnect their networks via an optical fiber interface (as opposed to an electrical interface), at which one Party's facilities, provisioning, and maintenance responsibility begins and the other Party's responsibility ends (i.e., Point of Interface). A Fiber Meet shall be an arrangement as set forth in Section 2.3 of this Attachment 3.

2.2.6 Any other method determined to be technically feasible and requested by BellSouth and agreed to by AT&T shall be done.

2.3 Fiber Meet

2.3.1 If AT&T elects to establish a Point of Interface with BellSouth pursuant to a Fiber Meet, AT&T and BellSouth shall jointly engineer and operate a Synchronous Optical Network ("SONET") transmission system by which they shall interconnect their transmission and routing of local traffic via a Local Channel facility at either the DS0, DS1, or DS3 level and shall be ordered via an Access Services Request ("ASR") in the

initial phase of this offering. The Parties shall work jointly to determine the specific transmission system. The parties will work cooperatively to establish joint access to transmission overhead signals and commands for such facilities and software. However, AT&T's SONET transmission must be compatible with BellSouth's equipment in the serving wire center. The Parties will work cooperatively in the selection of compatible transmission equipment and software. Fiber Meet will be used for the provision of two-way trunking unless otherwise agreed to by the Parties.

2.3.2 BellSouth shall, wholly at its own expense, procure, install and maintain the agreed upon SONET equipment in the BellSouth Serving Wire Center ("BSWC").

2.3.3 AT&T shall, wholly at its own expense, procure, install and maintain the agreed upon SONET equipment in the AT&T Serving Wire Center ("ASWC").

2.3.4 The parties shall mutually agree upon a Point of Interface outside of the BSWC as a Fiber Meet point and shall make all necessary preparations to receive and to allow and enable delivery of fiber optic facilities into the Point of Interface with sufficient spare length to reach the Point of Interface. A Common Language Location Identification ("CLLI") code will be established for each Point of Interface. The code established must be a building type code. All orders shall originate from the Point of Interface (i.e., Point of Interface to AT&T, Point of Interface to BellSouth).

2.3.5 The Parties shall deliver and maintain their own strands wholly at their own expense. Upon verbal request by either Party, the other Party shall allow access to the Fiber Meet entry point for maintenance purposes as promptly as possible.

2.3.6 The Parties shall jointly coordinate and undertake maintenance of the SONET transmission system. Each Party shall be responsible for maintaining the components of their own SONET transmission system.

2.3.7 Each Party will be responsible for (i) providing its own transport facilities to the Fiber Meet, and (ii) the cost to build-out its facilities to such Fiber Meet.

2.3.8 Neither Party shall charge the other for its portion of the Fiber Meet facility between the ASWC and the BSWC used exclusively for the other Party's local traffic (i.e., the Local Channel). The Parties do not intend to utilize this arrangement for transit traffic.

3. INTERCONNECTION TRUNKING AND ROUTING

3.1 The Parties will convert all existing interconnection arrangements and trunks to the interconnection arrangements described in this Attachment in accordance with the following:

3.1.1 Within forty-five (45) days of either Party's written request, the Parties will mutually develop an operations plan based on sound engineering and operations principles, which will specify the guidelines to convert from the existing interconnection arrangements to the interconnection arrangements described in this Attachment 3. Such guidelines will conform to standard industry practices adopted by and contained in documents published by Industry Forums, including but not limited to, the Alliance for Telecommunications Industry Solutions ("ATIS") and the Ordering and Billing Forum ("OBF").

3.1.2 Each Party shall bear its own costs to convert from the existing interconnection arrangements to the interconnection arrangements described in this Attachment.

3.1.3 Unless otherwise mutually agreed, the Parties will complete the conversion within one (1) year of the Requesting Party's written request.

3.1.4 If, following one (1) year after the Requesting Party's written request, there exists any interconnection trunks which have not been converted to the interconnection arrangements described in this Attachment 3, then either Party may invoke the dispute resolution proceeding, pursuant to Section 16 of the General Terms and Conditions of this Agreement, incorporated herein by this reference.

3.2 The Parties will use the following interconnection standards:

3.2.1 The Parties agree to establish Binary 8 Zero Sum Extended Superframe line protocol, where technically feasible.

3.2.2 In those cases where either Party's equipment will not support 64K Clear Channel Capability ("CCC"), the Parties agree to establish AMI line coding. Any AMI line coding will be Superframe formatted. DS3 facilities will be provisioned with C-bit parity.

3.2.3 Where additional equipment is required, such equipment shall be obtained, engineered, and installed to support 64K CCC trunks.

3.2.4 All interconnection facilities between the Parties will be sized according to mutual forecasts developed per the requirements of Section 4.14 of this Attachment 3 and sound engineering practices.

3.2.5 Interconnection will be provided utilizing either a DS1 or DS3 interface or, with the mutual agreement of the Parties, another technically feasible interface (e.g., STS-1).

3.3 **Trunking Arrangements**

3.3.1 **Local Tandem Interconnection**. This interconnection arrangement allows AT&T to establish interconnection trunk group(s) at BellSouth local tandems for: (1) the delivery of AT&T-originated local traffic transported and terminated by BellSouth to BellSouth end offices within the local calling area as defined in BellSouth's General Subscriber Services Tariff, Section A3 served by those BellSouth local tandems; and (2) for local transit traffic transported by BellSouth for third party network providers who have also established an interconnection trunk group(s) at those BellSouth local tandems.

3.3.1.1 When a specified local calling area is served by more than one BellSouth local tandem, AT&T must designate a "home" local tandem for each of its assigned NPA/NXXs and establish trunk connections to such local tandems. Additionally, AT&T may choose to establish an interconnection trunk group(s) at the BellSouth local tandems where it has no codes homing but is not required to do so. AT&T may deliver local traffic to a "home" BellSouth local tandem that is destined for other BellSouth or third party network provider end offices subtending other BellSouth local tandems in the same local calling area where AT&T does not choose to establish an interconnection trunk group(s). It is AT&T's responsibility to enter its own NPA/NXX local tandem homing arrangements into the LERG either directly or via a vendor in order for other third party network providers to determine appropriate traffic routing to AT&T's codes. Likewise, AT&T shall obtain its routing information from the LERG.

3.3.1.2 Not withstanding establishing interconnection trunk group(s) to BellSouth's local tandems, AT&T must also establish an interconnection trunk group(s) to BellSouth access tandems within the LATA on which AT&T has NPA/NXX's homed for the delivery of Interexchange Carrier Switched Access ("SWA") and toll traffic, and traffic to Type 2A CMRS connections located at the access tandems. BellSouth cannot switch SWA traffic through more than one BellSouth access tandem. SWA, Type 2A CMRS or toll traffic routed to the local tandem in error will not be backhauled to the BellSouth access tandem for completion. (Type 2A CMRS interconnection is defined in BellSouth's General Subscriber Services Tariff, Section A35.)

3.3.1.3 BellSouth shall pass transit traffic to other third party network providers subtending these local tandems. However, AT&T shall be responsible directly to that third party for all reciprocal compensation obligations.

3.3.2 BellSouth and AT&T, upon mutual agreement, shall establish interconnection trunk groups and trunking configurations between networks including the establishment of one-way or two-way trunks in accordance with Exhibits C-F of this Attachment 3, attached hereto and incorporated herein by this reference and pursuant to Section 3.16.

3.3.3 Except as otherwise provided in Section 1.9-1.9.2, all terms and conditions, as well as charges, both non-recurring and recurring, associated with interconnection trunk groups between BellSouth and AT&T not addressed in Exhibit A shall be as set forth in the appropriate Party's intrastate or interstate tariff for switched access services. For two-way trunking that carries the Parties' local and intraLATA toll traffic, excluding transit traffic, the Parties shall be compensated for the nonrecurring and recurring charges for trunks and DS1 facilities at 50% of the applicable contractual or tariff rates for the services provided by each Party. AT&T shall be responsible for ordering and paying for any two-way trunks carrying transit traffic.

3.4 All originating toll free service calls for which the end office Party performs the SSP function, if delivered to the tandem Party, shall be delivered by the end office Party using GR-394 CORE format for IXC bound calls, or using GR-317-CORE format for LEC bound calls.

3.5 Originating Feature Group B calls delivered to either Party's tandem shall use GR-317-CORE signaling format unless the associated FGB carrier employs GR-394-CORE signaling for its FGB traffic at the serving access tandem.

3.6 The Parties shall deliver over any trunk groups groomed for a specific access tandem only traffic destined for those publicly-dialable NPA NXX codes served by: (1) end offices that directly subtend the access tandem; and (2) those providers (including, but not limited to CMRS providers, other independent LECs, and CLECs) that directly connect to the access tandem.

3.7 For BellSouth end offices that do not normally subtend tandem for which calls are routed to that end office on an alternate routing basis, BellSouth will provide AT&T its alternative routing (scheme) arrangements. Where BellSouth utilizes alternative arrangements, it shall deliver any traffic through that alternative routing.

3.8 The Parties shall deliver over any trunk groups groomed for a specific end office only traffic destined for those publicly-dialable NPA NXX codes served by that end office, unless otherwise agreed to by the Parties.

3.9 The source for the routing information for all traffic shall be the LERG, unless otherwise agreed to between the Parties.

3.10 Where either Party delivers over the local traffic trunk groups miscellaneous calls (e.g., time, weather, 976) destined for the other Party, it shall deliver such traffic in accordance with the serving arrangements defined in the LERG.

3.11 The Parties will cooperate to establish separate, choke trunk groups for the completion of calls to customers such as radio contest lines. Notwithstanding the foregoing, the Parties agree that where the Parties' switch has the capability to perform call gapping and other protective network traffic management controls, separate trunk groups shall not be required to carry such traffic.

3.12 N11 code traffic shall be routed between the Parties' networks pursuant to accepted industry practice (e.g., over local traffic trunks or over separate trunk groups).

3.13 Each Party shall establish procedures whereby its operator bureau will coordinate with the operator bureau of the other Party in order to provide Busy Line Verification/Busy Line Verification Interrupt ("BLV/BLVI") services on calls between their respective line side end users for numbers that are not ported.

3.14 A blocking standard of one-half of one percent (.005) shall be maintained during the average busy hour for final trunk groups carrying jointly provided exchange access traffic between an end office and an access tandem. All other final trunk groups are to be engineered with a blocking standard of one percent (.01). High usage trunk groups shall be sized to an economic CCS parameter mutually agreed to by both Parties.

3.14.1.1 BellSouth agrees to provide upon request of AT&T, pursuant to Section 25 of the General Terms and Conditions of this Agreement, traffic usage data (including, but not limited to, usage, peg and overflow counts) for each AT&T NXX subtending the BellSouth tandem to determine which AT&T traffic by NXX is being blocked.

3.14.1.2 Pursuant to Attachment 9, incorporated herein by this reference, BellSouth shall report to AT&T information regarding blocking of interconnection traffic.

3.15 The Parties agree to jointly manage the capacity of interconnection trunk groups to encourage the economic deployment of increasingly robust and diverse interconnection between their networks.

3.16 BellSouth Access Tandem Interconnection Architectures

3.16.1 BellSouth Access Tandem Interconnection provides intratandem access to subtending end offices. AT&T may choose which type of trunking architecture to use from the trunking architectures described in this Attachment 3. However, if both Parties' originated local and/or intraLATA toll traffic is utilizing the same two-way trunk group, the Parties shall mutually agree to use this type of two-way interconnection trunk group with the quantity of trunks being mutually determined and the provisioning being jointly coordinated. Furthermore, the IP(s) for two-way interconnection trunk groups transporting both Parties local and/or intraLATA toll shall be mutually agreed upon. AT&T shall order such two-way trunks via the Access Service Request ("ASR") process in place for Local Interconnection upon determination by the Parties, in a joint planning meeting, that such trunk groups shall be utilized. BellSouth will use the Trunk Group Service Request ("TGSR") to request changes in trunking. Both Parties reserve the right to issue ASRs, if so required, in the normal course of business. Furthermore, the Parties shall jointly review such trunk performance and forecasts on a periodic basis. The Parties use of two-way interconnection trunk groups for the transport of local and/or intraLATA toll traffic between the Parties does not preclude either Party from establishing additional one-way interconnection trunks for the delivery of its originated local and/or intraLATA toll traffic to the other Party. Any AT&T interconnection request that deviates from the interconnection trunk group architectures as described in this Agreement that affects traffic delivered to AT&T from a BellSouth switch that requires special BellSouth switch translations and other network modifications will require AT&T to submit a Bona Fide Request/New Business Request ("BFR/NBR") via the BFR/NBR Process set forth in this Agreement.

3.17 Standard Trunking Interconnection

3.17.1 In this interconnection architecture AT&T's originating Local and IntraLATA Toll and originating and terminating Transit Traffic is transported on a single two-way trunk group between AT&T and BellSouth access tandem(s) within a LATA. This group carries intratandem Transit Traffic between AT&T and Independent Companies, Interexchange Carriers, other CLECs and other network providers with which AT&T desires interconnection and has the proper contractual arrangements. This group also carries AT&T originated intertandem traffic transiting a single BellSouth access tandem destined to third party tandems such as an Independent Company

tandem or other CLEC tandem. BellSouth originated Local and IntraLATA Toll traffic is transported on a single one-way trunk group terminating to AT&T. The Two-way Trunking Rules, described in this Agreement, do not apply to this architecture. Other trunk groups for operator services, directory assistance, emergency services and intercept may be established if requested by AT&T. The LERG should be referenced for current routing and tandem serving arrangements. The Preferred Trunking Interconnection architecture is illustrated in Exhibit C.

3.18 One Way Trunking Interconnection

3.18.1 In this arrangement, the Parties interconnect using two one-way trunk groups. One one-way trunk group carries AT&T-originated local and intraLATA toll traffic destined for BellSouth end-users. The other one-way trunk group carries BellSouth-originated local and intraLATA toll traffic destined for AT&T end-users. A third two-way trunk group is established for AT&T's originating and terminating Transit Traffic. This group carries intratandem Transit Traffic between AT&T and Independent Companies, Interexchange Carriers, other CLECs and other network providers with which AT&T desires interconnection and has the proper contractual arrangements. This group also carries AT&T originated intertandem traffic transiting a single BellSouth access tandem destined to third party tandems such as an Independent Company tandem or other CLEC tandem. Other trunk groups for operator services, directory assistance, emergency services and intercept may be established if requested by AT&T. The LERG should be referenced for current routing and tandem serving arrangements. One Way Trunking Interconnection is illustrated in Exhibit D.

3.19 Two-Way Trunking Interconnection

3.19.1 Two-Way Trunking Interconnection establishes one two-way trunk group to carry local and intraLATA toll traffic between AT&T and BellSouth. To establish this type of configuration, AT&T and BellSouth must agree to the Two-way Trunking Rules. In addition, a two-way transit trunk group must be established for AT&T's originating and terminating Transit Traffic. This group carries intratandem Transit Traffic between AT&T and Independent Companies, Interexchange Carriers, other CLECs and other network providers with which AT&T desires interconnection and has the proper contractual arrangements. This group also carries AT&T originated intertandem traffic transiting a single BellSouth access tandem destined to third party tandems such as an Independent Company tandem or other CLEC tandem. Other trunk groups for operator services, directory assistance, emergency services and intercept may be established if requested by AT&T. The

LERG should be referenced for current routing and tandem serving arrangements. Two-Way Trunk Interconnection is illustrated in Exhibit E.

3.20 Supergroup Interconnection

3.20.1 In the Supergroup Interconnection arrangement, the Parties Local and IntraLATA Toll and AT&T's Transit Traffic is exchanged on a single two-way trunk group between AT&T and BellSouth. AT&T and BellSouth must agree to the Two-way Trunking Rules in order to establish this architecture. This group carries intratandem Transit Traffic between AT&T and Independent Companies, Interexchange Carriers, other CLECs and other network providers with which AT&T desires interconnection and has the proper contractual arrangements. This group also carries AT&T originated intertandem traffic transiting a single BellSouth access tandem destined to third party tandems such as an Independent Company tandem or other CLEC tandem. Other trunk groups for operator services, directory assistance, emergency services and intercept may be established if requested. The LERG should be referenced for current routing and tandem serving arrangements. Supergroup Interconnection is illustrated in Exhibit F.

3.21 BellSouth End Office Interconnection

3.21.1 AT&T may establish interconnection at BellSouth end offices for the delivery of AT&T originated local and intralata toll traffic destined for BellSouth end-users served by that end-office.

3.21.2 When end office trunking is ordered by BellSouth to deliver BellSouth originated traffic to AT&T, BellSouth will provide overflow routing through BellSouth tandems consistent with how BellSouth overflows it's traffic. The overflow will be based on the homing arrangements AT&T displays in the LERG. Likewise, if AT&T interconnects to a BellSouth end office for delivery of AT&T originated traffic, AT&T will overflow the traffic through the BellSouth tandems based on the BellSouth homing arrangements shown in the LERG.

3.21.3 The Parties shall utilize direct end office-to-end office trunk groups under the following conditions:

3.21.3.1 Tandem Exhaust - If a tandem through which the Parties are interconnected is unable to, or is forecasted to be unable to support additional traffic loads for any period of time, the Parties will mutually agree on an end office trunking plan that will alleviate the tandem capacity shortage and ensure completion of traffic between AT&T and BellSouth's subscribers.

3.21.3.2 Traffic Volume –To the extent either Party has the capability to measure the amount of traffic between an AT&T switching center and a BellSouth end office, either Party shall install and retain direct end office trunking sufficient to handle actual or reasonably forecasted traffic volumes, whichever is greater, between an AT&T switching center and a BellSouth end office where the traffic exceeds or is forecasted to exceed a single DS1 of Local Traffic during the time consistent busy hour (as measured utilizing the day-to-day variation and peakedness) per month over a period of three (3) consecutive months. Either Party will install additional capacity between such points when overflow traffic between AT&T's switching center and BellSouth's end office exceeds or is forecasted to exceed a single DS1 of Local Traffic during the time consistent busy hour (measured utilizing the day-to-day variation and peakedness) per month. In the case of one way trunking, additional trunking shall only be required by the Party whose trunking has achieved the preceding usage threshold.

3.21.3.3 Mutual Agreement - The Parties may install direct end office trunking upon mutual agreement in the absence of conditions (1) or (2) above and agreement will not unreasonably be withheld.

4. NETWORK DESIGN AND MANAGEMENT FOR INTERCONNECTION

4.1 Network Management and Changes. Both Parties will work cooperatively with each other to install and maintain the most effective and reliable interconnected telecommunications networks, including but not limited to, the exchange of toll-free maintenance contact numbers and escalation procedures. Both Parties agree to provide public notice of changes in the information necessary for the transmission and routing of services using its local exchange facilities or networks, as well as of any other changes that would affect the interoperability of those facilities and networks.

4.2 Interconnection Technical Standards. The interconnection of all networks will be based upon accepted industry/national guidelines for transmission standards and traffic blocking criteria. Interconnecting facilities shall conform, at a minimum, to the technical specifications set forth in the applicable industry standard technical references. Signal transfer point, Signaling System 7 ("SS7") connectivity is required at each interconnection point. BellSouth will provide out-of-band signaling using Common Channel Signaling Access Capability where technically and economically feasible, in accordance with the technical specifications set forth in the applicable industry standard technical references. Facilities of each Party shall provide the necessary on-hook, off-hook answer and disconnect supervision and

shall hand off calling number ID (Calling Party Number) when technically feasible.

4.3 Quality of Interconnection. The local interconnection for the transmission and routing of telephone exchange service and exchange access that each Party provides to each other will be at least equal in quality to what it provides to itself and any subsidiary or affiliate, where technically feasible, or to any other Party to which each Party provides local interconnection.

4.4 Common Channel Signaling. Both Parties will provide LEC-to-LEC Common Channel Signaling ("CCS") to each other, where available, in conjunction with all traffic in order to enable full interoperability of CLASS features and functions except for call return. All CCS signaling parameters will be provided, including automatic number identification ("ANI"), originating line information ("OLI") calling company category, charge number, etc. All privacy indicators will be honored, and each Party will cooperate with each other on the exchange of Transactional Capabilities Application Part ("TCAP") messages to facilitate full interoperability of CCS-based features between the respective networks. The Parties will provide all line information signaling parameters including, but not limited to, Calling Party Number, Charge Number (if it is different from calling party number), and originating line information ("OLI"). For terminating FGD, either Party will pass any CPN it receives from other carriers. All privacy indicators will be honored. Where available, network signaling information such as Transit Network Selection ("TNS") parameter (SS7 environment) will be provided by the end office Party wherever such information is needed for call routing or billing. Where TNS information has not been provided by the end office Party, the tandem Party will route originating exchange access traffic to the IXC using available translations. The Parties will follow all industry Ordering and Billing Forum ("OBF") adopted guidelines pertaining to TNS codes.

4.4.1 BellSouth's Common Channel Signaling Access Service ("CCSAS") allows interconnected carriers to exchange signaling information over a communications path that is separate from the message path.

4.4.2 The transport portion of CCSAS, commonly referred to as a signaling link, is provided via dedicated 56 kbps out of band signaling connections between the AT&T signaling point of interconnection and BellSouth's signaling point of interconnection ("SPOI").

4.4.3 The network termination point where this interconnection takes place is called the Signaling Transfer Point ("STP") port termination.

4.4.4 Charges for signaling links and the STP port termination can be found in Attachment 2 of this Agreement, incorporated herein by this reference.

4.4.5 Each CCSAS signaling connection provides for two-way digital transmission at speeds in multiples of 56 kbps. The connection to BellSouth's STP pair can be made from either AT&T's signaling point ("SP"), which requires a minimum of two links, or from AT&T's STP pair, which requires a minimum of four links.

4.5 SS7 Interconnection will take place at STP locations that are mutually agreed to by the Parties.

4.6 Where CCS is not available, in-band multi-frequency signaling will be provided. In such an arrangement, each Party will outpulse the full ten-digit telephone number of the called party to the other Party with appropriate call set-up and Automatic Number Identification ("ANI") where available, at parity.

4.7 The Parties will provide CCS to one another, where and as available, in conjunction with access to call related databases and Service Control Points ("SCP"), including toll free databases, Line Information Database ("LIDB"), Calling Name ("CNAM"), and any other necessary databases.

4.8 When the Parties establish new links , each Party shall provide its own STP port termination(s) and charge the other Party for the signaling links as follows

4.8.1 Where the SPOI for the signaling link is at a Fiber Meet, there shall be no compensation between the Parties for the signaling link facilities used.

4.8.2 Where the SPOI for the signaling link facilities is located at the BellSouth Serving Wire Center where the signaling link facilities terminates and AT&T has furnished the interconnection facility, BellSouth will pay a monthly charge equal to one half of the AT&T-provided facility charge according to BellSouth's unbundled rate element for the facility used. Rates for said interconnection facilities shall be as set forth in Exhibit A in Attachment 2, incorporated herein by this reference.

4.8.3 Where the SPOI for the signaling link facilities is located at the AT&T Serving Wire Center facility where the signaling link facilities terminate and BellSouth has furnished the interconnection facility, AT&T will pay a monthly charge equal to one half of the BellSouth-provided facility charge according to BellSouth's unbundled rate element for the facility

used. Rates for said interconnection facilities shall be as set forth in Exhibit A in Attachment 2, incorporated herein by this reference.

4.8.4 Each party is responsible for all facility maintenance and provisioning on its side of the SPOI.

4.9 Implementation of new interconnection arrangements (as opposed to augmentation of existing arrangements), including testing of SS7 interconnection, shall be pursuant to the technical specifications set forth in the applicable industry standard technical references. Each Party will be expected to provide sufficient cooperative testing resources to ensure proper provisioning, including the ability to confirm that AT&T LERG-assigned NPA NXX codes have been opened, translated and routed accurately in all appropriate BellSouth switches. A mutually agreed test calling plan shall be conducted to ensure successful completion of originating and terminating calls.

4.10 Message Screening

4.10.1 BellSouth shall set message screening parameters so as to accept messages from AT&T local or tandem switching systems destined to any signaling point in the BellSouth SS7 network or any network interconnected to the BellSouth SS7 network with which the AT&T switching system has a legitimate signaling relationship.

4.10.2 BellSouth shall set message screening parameters so as to accept messages destined to/from an AT&T local or tandem switching system or to/from an AT&T Service Control Point ("SCP") from any signaling point or network interconnected to the BellSouth SS7 network with which the AT&T switching system has a legitimate signaling relationship.

4.11 STP Requirements

4.11.1 BellSouth shall provide message transfer part and Signaling Connection Control Point ("SCCP") protocol interfaces in accordance with the technical specifications set forth in the applicable industry standard technical references.

4.12 SS7 Network Interconnection

4.12.1 SS7 Network Interconnection is the interconnection of AT&T STPs and AT&T local or tandem switching systems with the BellSouth STPs. This interconnection provides connectivity that enables the exchange of SS7 messages among BellSouth switching systems and databases, AT&T local or tandem switching systems and other third-party switching systems directly connected to the BellSouth SS7 network.

4.12.2 SS7 Network Interconnection shall provide connectivity to all components of the BellSouth SS7 network. These include:

4.12.2.1 BellSouth local or tandem switching systems;

4.12.2.2 BellSouth databases; and

4.12.2.3 Other third-party local or tandem switching systems.

4.12.3 The connectivity provided by SS7 Network Interconnection shall fully support the functions of BellSouth switching systems and databases and AT&T or other third-party switching systems with [note could be A or D/B link] direct access to the BellSouth SS7 network.

4.12.4 SS7 Network Interconnection shall provide transport for certain types of TCAP messages. If traffic is routed based on dialed or translated digits between an AT&T local switching system and a BellSouth or other third-party local switching system, either directly or via a BellSouth tandem switching system, then it is a requirement that the BellSouth SS7 network convey via SS7 Network Interconnection the TCAP messages that are necessary to provide Call Management services (Automatic Callback, Automatic Recall, and Screening List Editing) between the AT&T local STPs and the BellSouth or other third-party local switch.

4.12.5 When the capability to route messages based on Intermediate Signaling Network Identifier ("ISNI") is generally available on BellSouth STPs, the BellSouth SS7 Network shall also convey TCAP messages using SS7 Network Interconnection in similar circumstances where the BellSouth switch routes traffic based on a Carrier Identification Code ("CIC").

4.12.6 BellSouth shall offer the following SS7 Network Interconnection options to connect AT&T or AT&T-designated local or tandem switching systems or STPs to the BellSouth SS7 network:

4.12.6.1 A-link interface from AT&T local or tandem switching systems; and

4.12.6.2 D/B-link interface from AT&T STPs.

4.12.7 Each interface shall be provided by one or more sets (layers) of signaling links, as follows:

4.12.7.1 An A-link layer shall consist of two links.

4.12.7.2 A D/B-link layer shall consist of four links.

4.12.8 The Parties agree to implement intraoffice diversity for the signaling links so that no single failure of intraoffice facilities or equipment shall cause the failure of any two links in a layer connecting to a BellSouth STP.

4.12.9 Signaling Call Information. BellSouth and AT&T will send and receive 10 digits for local traffic. Additionally, BellSouth and AT&T will exchange the proper call information, i.e., originated call company number and destination call company number, CIC, and OZZ, including all proper translations for routing between networks and any information necessary for billing.

4.13 Trunk Forecasting and Servicing Requirements.

4.12.1 The Parties shall exchange technical descriptions and forecasts of their interconnection and traffic requirements in sufficient detail necessary to establish the interconnections required to assure traffic completion to and from all customers in their respective designated service areas. In order for BellSouth to provide as accurate reciprocal trunking forecasts as possible to AT&T, AT&T must timely inform BellSouth of any known or anticipated events that may affect BellSouth reciprocal trunking requirements. If AT&T refuses to provide such information, BellSouth shall provide reciprocal trunking forecasts based only on existing trunk group growth and BellSouth's annual estimated percentage of BellSouth subscriber line growth.

4.13.1 Both Parties shall meet every six months or at otherwise mutually agreeable intervals for the purpose of exchanging non-binding forecast of its traffic and volume requirements for the interconnection and network elements provided under this Agreement, in the form and in such detail as agreed by the Parties. The Parties agree that each forecast provided under this section shall be deemed "Confidential Information" as set forth in Section 18 of the General Terms and Conditions of this Agreement, incorporated herein by this reference.

4.13.2 The trunk forecast should include trunk requirements for all of the interconnection trunk groups for the current year plus the next two future years. The forecast meeting between the two companies may be a face-to-face meeting, video conference or audio conference. It may be held regionally or geographically. Ideally, these forecast meetings should be held at least semi-annually, or more often if the

forecast is no longer usable. Updates to a forecast or portions thereof should be made whenever the Party providing the forecast deems that the latest trunk requirements exceed the original quantities by 48 trunks or 10%, whichever is greater. Either Party should notify the other Party if they have measurements indicating that a trunk group is exceeding its designed call carrying capacity and is impacting other trunk groups in the network. Also, either Party should notify the other Party if they know of situations in which the traffic load is expected to increase significantly and thus affect the interconnection trunk requirements as well as the trunk requirements within the other Party's network. The Parties agree that the forecast information provided under this section shall be deemed "Confidential Information" as set forth in Section 18 of the General Terms and Conditions of this Agreement, incorporated herein by this reference. Each Party shall provide a specified point of contact for planning, forecasting and trunk servicing purposes.

4.13.3 For a non-binding trunk forecast, agreement between the two Parties on the trunk quantities and the timeframe of those trunks does not imply any liability for failure to perform if the trunks are not available for use at the required time.

4.13.4 Both Parties will manage the capacity of their interconnection trunk groups. BellSouth will issue an ASR to AT&T to order changes BellSouth desires to the BellSouth interconnection trunk groups based on BellSouth's capacity assessment. AT&T will issue an ASR to BellSouth to order changes AT&T desires to the AT&T interconnection trunk groups based on AT&T's capacity assessment.

4.13.4.1 Either Party may issue a Trunk Group Service Request ("TGSR") to the other Party to order changes it desires to the interconnection trunk groups based on its capacity assessment. The Party receiving the TGSR will, within ten (10) business days, respond with an ASR or an explanation of why it believes an ASR is inappropriate.

4.13.4.2 The Party submitting an ASR will provide complete and accurate tie down inventory assignments in typical industry bay, panel and jack format, or in such other format as the Parties agree, on each order by use of a Design Layout Record. Additional tie down information, such as span information, may be required when applicable.

4.13.4.3 The Parties will prepare ASRs pursuant to the industry standard guidelines of the OBF. When submitting an ASR, BellSouth will identify AT&T's end office in the SEC LOC field of the ASR form.

4.13.4.4 The Party provisioning the ASR will assign to the requesting Party a location code expressed in CLLI code format that will appear in the Access Customer Terminal Location Field of the ASR.

4.13.5 The standard interval used for the provisioning of additions to local interconnection trunk groups shall be no greater than ten (10) business days, for orders of fewer than ninety-six (96) DS-0 trunks. Other orders shall be determined on an individual case basis. Where feasible, either Party will expedite installation, upon the other Party's request.

4.13.6 Major projects shall be limited to those projects that require the coordination and execution of multiple orders or related activities between and among BellSouth and AT&T work groups specifically relating to: (i) the initial establishment of local interconnection trunk groups; (ii) extending service into a new area; (iii) NXX code moves; (iv) facility grooming; or (v) network rearrangements. If orders that are component pieces of a major project are submitted after project implementation has been jointly planned and coordinated, they shall be submitted with a major project reference. Several orders submitted at one time may not be classified as a major project without the consent of the submitting Party. Each Party will identify a single point of contact who will be responsible for overall coordination and management of a major project through an agreed completion point.

4.13.7 As provided herein, AT&T and BellSouth agree to exchange escalation lists which reflect contact personnel including vice president level officers. These lists shall include name, department, title, phone number, and fax number for each person. AT&T and BellSouth agree to exchange an up-to-date list promptly following changes in personnel or information.

4.14 Interference or Impairment

4.14.1 Within three (3) business days of receipt of notification of blocking of traffic originated within the other Party's network, the Parties shall determine and begin work to implement reasonable corrective measures in a manner consistent with industry practices.

4.15 Local Dialing Parity

4.15.1 BellSouth and AT&T shall provide local and toll dialing parity to each other with no unreasonable dialing delays. Dialing parity shall be provided for all originating telecommunications services that require dialing to route a call. BellSouth and AT&T shall permit similarly situated telephone exchange service end users to dial the same number of digits to make a local telephone call notwithstanding the

identity of the end user's or the called party's telecommunications service provider.

5. NETWORK MAINTENANCE

5.1 Outage Repair Standard

5.1.1 In the event of an outage or trouble in any arrangement, facility, or service being provided by BellSouth hereunder, BellSouth will follow procedures for isolating and clearing the outage or trouble that are no less favorable than those that apply to comparable arrangements, facilities, or services being provided by BellSouth to itself, Affiliate or any other carrier whose network is connected to that of BellSouth.

5.2 BellSouth will use best efforts to provide AT&T with at least 30 days advance, written notice of scheduled maintenance activity. BellSouth may expedite or delay scheduled maintenance as a result of unscheduled maintenance or other unforeseen events. In those instances where BellSouth will not perform scheduled maintenance at the announced times, BellSouth will provide AT&T with as much notice as is reasonably possible concerning the changed schedule. For major, long term scheduled events, (i.e., switch software/processor updates or software upgrades/new releases to the Sonet transport network elements) BellSouth shall provide AT&T with as much advance, written notice as possible.

5.3 Interconnection Compensation

5.3.1 Compensation for Local Traffic

5.3.1.1 For the treatment of local and ISP-bound traffic in this Agreement, the Parties agree to implement the FCC's Order on Remand and Report and Order in CC Docket No. 96-98 and 99-68 released April 27, 2001 ("ISP Order on Remand"). The Parties further agree to amend this agreement, within sixty (60) days of execution, to incorporate language reflecting the FCC ISP Order on Remand. At such time as that amendment is finalized, the Parties agree to work cooperatively to "true-up" compensation amounts consistent with the terms of the amended language from the effective date of the FCC ISP Order on Remand to the date the amendment is finalized. The Parties do not agree on the rates to apply to ISP-bound traffic between the end of the term of the preceding Interconnection Agreement and June 14, 2001, the effective date of the FCC's ISP Order on Remand. In this Section, the Parties express their intent to file negotiated language to incorporate the FCC's ISP Order on Remand. If the Parties are unable to agree on this language addressing this issue by the time the language is due to be filed, the Parties will file their respective

proposed language with the appropriate Commission for resolution. Until final contract language is agreed upon or ordered, the Parties agree not to re-rate or bill each other for ISP-bound calls between the end of the term of the previous interconnection agreement and June 14, 2001. Additionally, the Parties agree to apply a "LATAwide" local concept to this Attachment 3, meaning that traffic that has traditionally been treated as intraLATA toll traffic will now be treated as local for intercarrier compensation purposes, except for those calls that are originated or terminated through switched access arrangements as established by the State Commission or FCC.

5.3.1.2 The Parties recognize and agree that the compensation for the transport and termination of Local Traffic is intended to allow each Party to recover costs associated with such traffic. The Parties recognize and agree that such compensation will not be billed and shall not be paid for calls where a Party sets up a call, or colludes with a third party to set up a call, to the other Party's network for the purpose of receiving reciprocal compensation, and not for the purposes of providing a telecommunications service to an end user.

5.3.2 The Parties shall provide for the mutual and reciprocal recovery of the costs for the network facilities utilized in transporting and terminating local traffic on each other's network. The Parties agree that charges for transport and termination of calls on their respective networks are as set forth in Exhibit A to this Attachment.

5.3.2.1 For the purposes of this Attachment 3, Common (Shared) Transport is defined as the transport of one Party's traffic by the other Party over the other Party's common (shared) facilities between the other Party's tandem switch and end office switch and/or between the other Party's tandem switches.

5.3.2.2 For the purposes of this Attachment 3, Tandem Switching is defined as the function that establishes a communications path between two switching offices through a third switching office (the Tandem switch). Pursuant to the Kentucky Public Service Commission's Order in Case No. 2000-465, BellSouth shall compensate AT&T for use of its switch at the tandem interconnection rate.

5.3.2.3 For the purposes of this Attachment 3, End Office Switching is defined as the function that establishes a communications path between the trunk side and line side of the End Office switch.

5.3.2.4 In the event that AT&T elects to offer service within a LATA using a switch located in another LATA, AT&T agrees to provide the transport for both Parties' traffic between the remote AT&T switch and a point (i.e., a facility point of presence) within the LATA in which AT&T offers

service. Such facility point of presence shall be deemed to be an AT&T switch for the purposes of this Attachment.

5.3.3 Switched Access Traffic. Switched Access Traffic is defined as telephone calls requiring local transmission or switching services for the purpose of the origination or termination of Intrastate InterLATA and Interstate InterLATA traffic. Switched Access Traffic includes, but is not limited to, the following types of traffic: Feature Group A, Feature Group B, Feature Group D, toll free access (e.g., 800/877/888), 900 access, and their successors. Additionally, If BellSouth or AT&T is the other Party's end user's presubscribed interexchange carrier or if an end user uses BellSouth or AT&T as an interexchange carrier on a 101XXXX basis, BellSouth or AT&T will charge the other Party the appropriate tariff charges for originating switched access services. The Parties have been unable to agree as to whether Voice over Internet Protocol ("VOIP") transmissions which cross local calling area boundaries constitute Switched Access Traffic. Notwithstanding the foregoing, and without waiving any rights with respect to either Party's position as to the jurisdictional nature of VOIP, the Parties agree to abide by any effective and applicable FCC rules and orders regarding the nature of such traffic and the compensation payable by the Parties for such traffic, if any; provided however, that any VOIP transmission which originates in one LATA and terminates in another LATA (i.e., the end-to-end points of the call), shall not be compensated as Local Traffic. This Section is interrelated to Section 5.3.1.1.

5.3.4 The Parties have been unable to agree as to the appropriate compensation for calls which originate in a LATA and terminate to a physical location outside of that LATA but to a number assigned to a rate center within that LATA. However, without prejudice to either Party's position concerning the application of reciprocal compensation or access charges to such traffic, the Parties agree for purposes of this Agreement only and subject to the Parties' agreement to the terms of Sections 5.3.1.1 and 5.3.3, and on an interim basis until the FCC issues an Order addressing this issue, neither Party shall bill the other reciprocal compensation, intercarrier compensation or switched access in connection with the exchange of any traffic as described in the first sentence of this paragraph. Once the FCC issues an Effective Order addressing this issue, the Parties agree to amend this Interconnection Agreement to comply with the Order on a prospective basis only within thirty (30) days of either Party's written request. No "true-up" shall be required in connection with such an Effective Order. Nothing in this Section 5.3.4 is intended to change the way that the Parties treat ISP-bound traffic in accordance with the FCC's ISP Order on Remand.

5.3.5 Billing Point of Interface Compensation. If BellSouth establishes a BPOI, AT&T agrees to pay to BellSouth Interoffice Dedicated

Transport and any associated Multiplexing for BellSouth to transport BellSouth's originated Local and ISP-bound Traffic over BellSouth facilities from the BPOI as described in Section 1.8.3 of this Attachment to the Physical Point of Interface. Such Interoffice Dedicated Transport shall be priced as set forth in Exhibit A. The Interoffice Dedicated Transport mileage shall be the airline mileage between the Vertical and Horizontal ("V&H") coordinates of the BPOI and the V&H coordinates of the BellSouth Point of Interface. The Interoffice Dedicated Transport charges for BPOI shall be billed based on the actual volume of traffic in increments of 8.9M minutes, which is a DS3 equivalent. BellSouth will not assess charges for an additional DS3 until the additional 8.9M-minute threshold is meet.

5.3.6 Charges for Trunks and Associated Dedicated Facilities. Compensation for trunks and associated dedicated facilities shall be handled in accordance with Section 1.9-1.9.2 of this Attachment.

5.3.7 Percent Local Use. Each Party will report to the other a Percentage Local Usage ("PLU"). The application of the PLU will determine the amount of local minutes to be billed to the other Party. For purposes of developing the PLU, each Party shall consider every local call and every long distance call, excluding intermediary traffic. BellSouth shall report quarterly PLU factors to AT&T. BellSouth will accept from AT&T monthly PLU factors provided under the previous agreement until the third quarter of 2001, at which time AT&T shall report quarterly PLU factors. BellSouth and AT&T shall also provide a positive report updating the PLU. Detailed requirements associated with PLU reporting shall be as set forth in BellSouth's Standard Percent Local Use Reporting Platform for Interconnection Purchasers, as it is amended from time to time during this Agreement. Notwithstanding the foregoing, where the terminating company has message recording technology that identifies the traffic terminated, such information, in lieu of the PLU factor, shall at the company's option be utilized to determine the appropriate reciprocal compensation to be paid.

5.3.8 Percent Local Facility. Each Party shall report to the other a Percent Local Facility ("PLF"). The application of the PLF will determine the portion of switched dedicated transport to be billed per the local jurisdiction rates. The PLF shall be applied to multiplexing, local channel and interoffice channel switched dedicated transport utilized in the provision of local interconnection trunks. Each Party shall update its PLF on the first of January, April, July and October of the year and shall send it to the other Party to be received no later than thirty (30) calendar days after the first of each such month to be effective the first bill period the following month, respectively. Requirements associated with PLU and PLF calculation and reporting shall be as set forth in

BellSouth's Percent Local Use/Percent Local Facility Reporting Guidebook, as it is amended from time to time.

5.3.9 Percentage Interstate Usage. For combined interstate and intrastate AT&T traffic terminated by BellSouth over the same facilities, AT&T will be required to provide a projected Percentage Interstate Usage ("PIU") to BellSouth. All jurisdictional report requirements, rules and regulations for Interexchange Carriers specified in BellSouth's Intrastate Access Services Tariff will apply to AT&T. After interstate and intrastate traffic percentages have been determined by use of PIU procedures, the PLU factor will be used for application and billing of local interconnection. Notwithstanding the foregoing, where the terminating company has message recording technology that identifies the traffic terminated, such information, in lieu of the PLU factor, shall at the company's option be utilized to determine the appropriate reciprocal compensation to be paid.

5.3.10 Audits. On thirty (30) days' written notice, each Party must provide the other the ability and opportunity to conduct an annual audit of the traffic reported. BellSouth and AT&T shall retain records of call detail for a minimum of nine months from which a PLU and/or PIU can be ascertained. The audit shall be accomplished during normal business hours at an office designated by the Party being audited. Audit requests shall not be submitted more frequently than one (1) time per calendar year. Audits shall be performed by a mutually acceptable independent auditor paid for by the Party requesting the audit. The PLU and/or PIU shall be adjusted based upon the audit results and shall apply to the usage for the quarter the audit was completed, to the usage for the quarter prior to the completion of the audit, and to the usage for the two quarters following the completion of the audit. If, as a result of an audit, either Party is found to have overstated the PLU and/or PIU by twenty percentage points (20%) or more, that Party shall reimburse the auditing Party for the cost of the audit.

5.3.11 Compensation for 800 Traffic. Each Party shall compensate the other pursuant to the appropriate switched access charges, including the database query charge as set forth in the each Party's intrastate or interstate switched access tariffs.

5.3.12 Records for 8YY Billing. Each Party will provide to the other the appropriate records necessary for billing intraLATA 8YY customers. Records required for billing end users purchasing 8YY Services shall be provided pursuant to Attachment 6 of this Agreement, incorporated herein by this reference.

5.3.13 Transit Traffic Service. BellSouth shall provide tandem switching and transport services for AT&T's transit traffic. Transit traffic is traffic originating on AT&T's network that is switched and/or transported by BellSouth and delivered to a third party's network, or traffic originating on a third Party's network that is switched and/or transported by BellSouth and delivered to AT&T's network. Transit traffic consists of local transit traffic and Switched Access transit traffic. Rates for local transit traffic shall be the applicable call transport and termination charges as set forth in Exhibit A to this Attachment. Switched Access transit traffic shall be meet-point billed in accordance with the BellSouth Interstate or Intrastate Switched Access tariffs. Switched Access transit traffic presumes that AT&T's end office is subtending the BellSouth Access Tandem for switched access traffic to and from AT&T's end users utilizing BellSouth facilities, either by direct trunks with the IXC, or via the BellSouth Access Tandem. Billing associated with all transit traffic shall be pursuant to MECAB procedures. Wireless Type 1 traffic shall not be treated as transit traffic from a routing or billing perspective. Wireless Type 2A traffic shall not be treated as transit traffic from a routing or billing perspective until BellSouth and the Wireless carrier have the capability to properly meet-point-bill in accordance with Multiple Exchange Carrier Access Billing ("MECAB") guidelines. Transit traffic does not include traffic originating from or terminating to AT&T end-users utilizing resold BellSouth services.