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RECEIVED

OCT 25 2000

PUBLIC SERVICE  
COMMISSION



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October 25, 2000

Mr. Thomas M. Dorman  
Executive Director  
Public Service Commission  
211 Sower Blvd.  
Frankfort, Kentucky 40601

00218-AI \$1

RE: Supplemental Agreement Between Verizon South and Sprint  
Communications Company L.P.

Dear Mr. Dorman:

Enclosed for joint filing by the parties with the Kentucky Public Service Commission (Commission) are six copies of a Supplemental Agreement recently executed between Verizon South Inc. (formerly GTE South Incorporated) and Sprint Communications Company L.P. Sprint Communications Company L.P., previously adopted the terms of the arbitrated Interconnection, Resale, and Unbundling agreement between AT&T Communications of the South Central States, Inc., and Verizon South in Case Number 99-397. That agreement was approved by the Commission on March 28, 2000.

Also enclosed is an electronic copy of the Agreement in Microsoft Word 97 format on a 3.5 floppy diskette.

This Agreement is being provided to the Commission for its review and approval.

Please bring this filing to the attention of the Commission, and if there are any questions, please contact me at your convenience.

Yours truly,

Larry D. Callison

Enclosures

c: Mr. W. Richard Morris – Sprint Communications Company L.P.

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**AGREEMENT  
BETWEEN  
VERIZON SOUTH INC., F/K/A GTE SOUTH INCORPORATED  
AND  
SPRINT COMMUNICATIONS COMPANY L.P.  
SUPPLEMENTING ADOPTED TERMS**

**THIS AGREEMENT** is by and between Verizon South Inc. f/k/a GTE South Incorporated (“Verizon”) and Sprint Communications Company L.P. (“Sprint”), VERIZON and Sprint being referred to collectively as the “Parties” and individually as a “Party”). This Agreement covers services in the state of Kentucky (the “State”).

**WHEREAS**, Sprint has previously adopted terms (the “Adopted Terms”) of the Interconnection, Resale and Unbundling Agreement between GTE and AT&T Communications of the South Central States, Inc. (“Underlying Agreement”) pursuant to Section 252(i) of the Telecommunications Act of 1996 (the “Act”);

**WHEREAS**, the Underlying Agreement was approved by the Commission’s Order dated July 30, 1999 in Case No. 96-478 and Sprint’s adoption of the Adopted Terms was approved by the Commission’s Order dated March 28, 2000 in Case No. 99-397;

**WHEREAS**, subsequent to the approval of the Underlying Agreement and the adoption of the Adopted Terms, Sprint notified VERIZON that it desired to supplement the Adopted Terms with this Agreement; and

**WHEREAS**, pursuant to Section 252(a)(1) of the Act, and without waiving any of their rights to challenge the legality of the Adopted Terms, the Parties now wish to supplement the Adopted Terms to implement the Federal Communications Commission's ("FCC") Third Report and Order in CC Docket No. 98-147 and Fourth Report and Order in CC Docket No. 96-98 (released December 9, 1999) (FCC 99-355), as follows<sup>1</sup>;

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

- I. The Adopted Terms shall be amended by the addition of the following Article:

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<sup>1</sup> The Parties’ reservation of rights and positions regarding the Adopted Terms set forth in the Adoption Letter, dated April 1, 2000, are incorporated by reference and restated as if fully set forth herein.

## ARTICLE I LINE SHARING

### 1. General.

1.1 Description of Service. For purposes of this Agreement, line sharing is access to the high frequency spectrum network element, which is defined as the frequency range above the voiceband on a copper loop facility that is being used by VERIZON to carry analog circuit-switched voiceband transmissions. VERIZON shall provide line sharing to the Sprint on a nondiscriminatory basis for use only in the provision of telecommunications service in accordance with, and subject to, the terms and conditions of this Agreement and Applicable Law.

1.2 Basic Requirements. The following requirements shall serve as conditions to VERIZON's obligation to provide line sharing hereunder:

- (a) Line sharing will be permitted for any ADSL or voice compatible xDSL ("DSL") technologies that are presumed acceptable for deployment pursuant to applicable FCC rules and orders, including without limitation Asymmetric Digital Subscriber Line ("ADSL"), G.Lite, Rate-Adaptive ADSL and Multiple Virtual Lines. As additional technologies that may be compatible with existing services on a loop become available, the parties will address their possible deployment, consistent with the requirements of applicable FCC rules and orders. The DSL technology used by Sprint will be within the PSD mask parameters set forth in T1.413 or other applicable industry standards.
- (b) VERIZON provides retail analog circuit switched voice band service ("Voice Service") on the loop to the same Customer for which Sprint provides the DSL line sharing service. If VERIZON discontinues the provision of such Voice Service for any permissible reason not prohibited by Applicable Law, VERIZON shall provide notice to Sprint in writing that the Voice Service has been discontinued. Within five (5) business days after such notice, Sprint shall notify VERIZON in writing that it desires to: (i) discontinue the Customer's line sharing DSL service; or (ii) continue providing DSL service to the Customer over an unbundled loop without line sharing. If Sprint does not make an affirmative election during said five (5) business day period, option (i) shall be implemented. If option (ii) is implemented, the Parties shall cooperate to transition the continuation of such DSL service without line sharing and without interruption.

1.3 Availability. Provided that the requirements of this Agreement are met, line sharing shall be available under the following circumstances:

- (a) The Customer has Voice Service from VERIZON and wishes to add DSL service from Sprint.
- (b) The Customer has Voice Service and DSL service from VERIZON and wishes to convert the DSL service to Sprint.
- (c) The Customer wishes to establish both new Voice Service from VERIZON and new DSL service from Sprint, subject to the requirement that Voice Service must be established prior to the implementation of DSL service.
- (d) The Customer has Voice Service from VERIZON and DSL service from another competitive local exchange carrier and wishes to convert the DSL service to Sprint.

At this time, line sharing will not be available where the Customer has had its Voice Service number ported out to another local service provider either through interim number portability or long-term local number portability. In addition, VERIZON shall not provide line sharing to more than one competitive local exchange carrier per loop.

- 1.4 Reservation of Rights. Notwithstanding anything to the contrary in this Agreement, the Parties do not waive, and hereby expressly reserve, their rights: (a) to challenge, or to continue to challenge, the legality and/or propriety of, FCC Rule 51.319, the FCC Line Sharing Order (CC Docket No. 96-98 and 98-147; FCC 99-355) and/or any other related FCC orders or rules, including, without limitation, the FCC Collocation Order in CC Docket No. 98-147 (rel. March 31, 1999) which was remanded and vacated in part by the United States Court of Appeals for the District of Columbia Circuit on March 17, 2000 (*See, GTE Service Corporation, et. al. v. Federal Communications Commission and United States of America*, No. 99-1176, consolidated with No. 99-1201, 2000 U.S. App. LEXIS 4111 (D.C. Cir. 2000); (b) to continue to prosecute the current appeal of the FCC pricing rules pending before the Eighth Circuit Court of Appeals; (c) to assert or continue to assert that certain provisions of the FCC's First, Second and Third Report and Order in FCC Docket No. 96-98 and other FCC orders or rules are unlawful, illegal and improper; (d) to assert that modifications to this Agreement from a pricing and/or policy standpoint may be necessary to address or account for the use of line sharing for the provision of voice service, including, without limitation, voice over IP or voice over DSL service; (e) to assert or continue to assert any rights or challenges already reserved or existing under the Agreement, including, without limitation, any litigation related to the Agreement; and (f) to take any appropriate action relating to the offering of line sharing based on the outcome of any of the actions or challenges described in subparagraphs (a)-(e) above or any other actions. The Parties enter into this Agreement without waiving current or future relevant legal rights and without prejudicing any

position the Parties may take on relevant issues before industry fora, state or federal regulatory or legislative bodies, or courts of competent jurisdiction. The provisions of this Section shall survive the termination, rescission, modification or expiration of this Agreement without limit as to time.

- 1.5 Customer Education. VERIZON and Sprint shall make Customers aware of the following conditions and requirements:
- (a) The Customer should call VERIZON for problems related to its Voice Service. The Customer should call its Sprint contact for problems related to its DSL service.
  - (b) The Customer's line shared DSL service is dependent on its Voice Service. If there is a problem with the physical line that causes the Voice Service to be inoperative, the Customer may also be unable to use DSL services for some period of time.
  - (c) Subject to the requirements of Sections 1.2(b) and (c), Customers will not be able to use Sprint line shared DSL services if VERIZON Voice Services on the shared line are cancelled or terminated for any reason.

2. Operations Matters.

- 2.1 Copper Network. Except as otherwise provided in Section 2.2, VERIZON shall provide line sharing to Sprint utilizing an all-copper pair between a Customer demarcation location and the main distribution frame in VERIZON's serving wire center that is jumpered and cross-connected to a Sprint collocation arrangement located in said serving wire center. At the serving wire center, VERIZON shall connect the line to a Sprint tie cable via a VERIZON-provided jumper; provided, however, that Sprint must first have obtained said tie cable from VERIZON to connect to Sprint's collocation arrangement.
- 2.2 Fiber-Fed DLC Network. VERIZON shall provide line sharing to Sprint over Digital Loop Carrier ("DLC") to the extent required pursuant to Applicable Law, and without waiving any rights to challenge any such requirement. Fiber-fed DLC consists of an all-copper pair from the Customer demarcation location to a remote terminal (i.e., controlled environmental vault, fiber hut, cabinet or other structure with DSL-capable DLC equipment installed). Fiber fed DLC includes a fiber feeder loop from the central office to the remote terminal.
- 2.3 Splitter Options. To utilize line sharing, Sprint must obtain access to a splitter that meets the requirements for equipment collocation set by the FCC in its Collocation Order in CC Docket No. 98-147 (released March 31, 1999) in the Central Office Switch that serves the Customer of the shared line. Specifically, any such splitter shall: (1) comply with ANSI T1E1 standards and VERIZON NEBS policy for collocators; (2) employ DC blocking capacitors or equivalent technology to assist in isolating high bandwidth trouble resolution and

maintenance to the high frequency portion of the frequency spectrum; and (3) be designed so that the analog voice "dial tone" stays active when the splitter card is removed for testing or maintenance. Sprint may obtain access to said splitter via either of the following options, at its discretion.

- (a) Option No. 1: Splitter Located in the Collocation Arrangement of Sprint. Sprint may choose to obtain the splitter directly and place the splitter in its collocation arrangement. Sprint shall purchase and own the splitter. Under this option, both the non-Sprint voice traffic and the Sprint-provided DSL service will arrive at the Sprint collocation arrangement via a tie cable obtained from VERIZON. At the collocation arrangement, the tie cable will terminate at the splitter, which will separate the voice traffic and the DSL traffic. Sprint will retain the DSL traffic and will return the voice traffic to VERIZON, over a separate Sprint tie pair assignment. For any such Central Office Switch in which Sprint chooses to install its own splitter, VERIZON agrees to install any additional tie cables required by Sprint, in accordance with, and subject to, the terms and conditions set forth in the Collocation Attachment and/or applicable VERIZON tariffs.
- (b) Option No. 2: CLEC Owned Splitter Located in an Area of the Serving Wire Center Controlled Exclusively by VERIZON via Virtual Collocation. VERIZON shall implement an additional Option under which Sprint may choose to purchase and own the splitter and have it located via a virtual collocation arrangement in an area in the serving wire center to which Sprint does not have access. In this scenario, Sprint shall obtain the splitter functionality on a "shelf at-a-time" basis. VERIZON shall perform all maintenance and repair work. Sprint shall receive its DSL traffic via tie cables provided by the Sprint, running from the main distribution frame to the virtually collocated splitter and from the splitter to Sprint's collocation arrangement. VERIZON reserves the right to implement this Option via the VERIZON federal collocation tariff (FCC Tariff No. 1).

2.4 Customer Premises Equipment. Sprint must provide the Customer with, and is responsible for the installation of, a modem, splitter, filter(s) and/or other equipment necessary at the Customer premises to receive separate Voice Services and DSL services across the same loop. Sprint is also responsible for the installation and maintenance of such equipment. Sprint shall determine the necessary Customer premises equipment.

2.5 Pre-ordering. During pre-ordering, VERIZON shall provide Sprint with nondiscriminatory access to the loop qualification information required by applicable FCC rules and orders including, but not limited to, the following:

- (a) The composition of the available loop material (including without limitation fiber optics and copper);
- (b) The existence, location and type of electronic or other equipment on the loop (including without limitation DLC or other remote concentration devices, feeder/distribution interfaces, bridged taps, load coils, pair gain devices, repeaters, remote switching units, range extenders, AMI T-1s in the same or adjacent binder groups, and other potential disturbers);
- (c) Loop length, including the segment length and location of each type of transmission media;
- (d) Loop length by wire gauge; and
- (e) The electrical parameters of the loop.

VERIZON shall enable Sprint to perform all pre-ordering functions via a real-time, electronic interface, including accessing the information available to VERIZON contained in all systems and databases containing loop qualification information, as soon as possible after the interface becomes available. Until such time as a real-time, electronic interface is made available to Sprint by VERIZON, VERIZON shall enable Sprint to perform all pre-ordering functions via a Web GUI, including accessing the information available to VERIZON contained in all systems and databases containing loop qualification information.

2.6 Ordering. VERIZON shall enable Sprint to perform all ordering functions via a real-time, electronic interface, as soon as possible after the interface becomes available. Until such time as a real-time, electronic interface is made available to Sprint by VERIZON, VERIZON shall enable Sprint to order line sharing, or the conditioning of lines via a Web GUI.

2.7 Conditioning. Sprint may order conditioning of shared lines, which may involve the removal of bridge taps, filter, extenders and load coils. VERIZON will perform loop conditioning if the loop loss for voice services is less than  $-8.0\text{dB}$ .

2.8 Testing, Repair and Maintenance.

- (a) VERIZON shall test the line shared loop to confirm copper continuity and for pair balance prior to completing the installation.
- (b) Verizon will provide Sprint with nondiscriminatory access to the loop facility for testing, repair and maintenance activities via its Wholesale Internet Service Engine ("WISE") website (<http://www.gte.wise.com>) 4-Tel loop testing mechanism. Sprint shall have remote test access to the test head twenty-four (24) hours a day, seven (7) days a week Verizon is responsible for all testing of facilities and equipment terminated to its

MDF and Sprint is responsible for all testing of facilities located within its collocation space. Verizon reserves the right to seek access to Sprint's collocation space to conduct reasonably necessary testing, repairs and maintenance when Sprint owns the splitter, as provided in Option No. 1 of Section 2.16 above.. For line sharing testing purposes (i.e., high frequency spectrum only), Sprint's point of demarcation will be within Sprint's collocation space.

- (c) VERIZON will be responsible for repairing Voice Service and the physical line between the network interface device at the Customer premise and Sprint demarcation point in the central office. Sprint will be responsible for repairing its DSL services and any Customer related DSL component at the Customer premise. Each entity will be responsible for maintaining its own equipment. In response to a trouble ticket opened by Sprint, VERIZON shall conduct any necessary repair work for line sharing on a twenty-four-hour-a-day, seven-day-a-week basis, and shall maintain a mean-time-to-repair interval of twenty-four (24) hours, applied monthly, on a parity basis with VERIZON's actual retail repair intervals. VERIZON is responsible for all repair and maintenance of facilities and equipment terminated to its main distribution frame and Sprint is responsible for all repair and maintenance of facilities located within its collocation space. Where VERIZON owns the splitter and does not provide Sprint with access to the splitter, VERIZON shall conduct any necessary repair work on the splitter on a twenty-four-hour-a-day, seven-day-a-week basis, and shall maintain a mean-time-to-repair interval of twenty-four (24) hours, applied monthly, on a parity basis with VERIZON's actual retail repair intervals. Where Sprint owns the splitter, Sprint is responsible for performing maintenance, repair and testing on the splitter.
- (d) VERIZON and Sprint agree to coordinate in good faith any testing, repair and maintenance that will significantly impact the line shared service provided by the other party. VERIZON and Sprints will work together to diagnose and resolve any troubles reported by the Customer and to develop a permanent process for repair of shared lines. In the interim, VERIZON and Sprint will work together to address Customer initiated repair requests and to prevent adverse impacts to the Customer. Where VERIZON has isolated a trouble with the Voice Service to be in Sprint provided equipment, VERIZON shall notify Sprint and Sprint will be required to clear the trouble associated with the VERIZON lifeline voice services. Where such troubles are not cleared within a reasonable time (which in all cases shall be 3 hours or less), VERIZON has the right to strap-through the voice service on the VERIZON main distribution frame, isolating Sprint equipment from the VERIZON loop facility. This strap-through arrangement shall be limited in duration to the time necessary to



repair the trouble. Sprint is responsible for informing VERIZON of any life line data services (e.g. heart monitor), which may be being provided over the high frequency portion of the loop, that would preclude any such strap-through activity by VERIZON.

- 2.9 Electronic Security Systems. When Sprint provides line sharing services to a Customer, Sprint shall be required to inquire and to determine whether the Customer has an electronic security system. For Customers with electronic systems, Sprint is responsible for taking the necessary preventive actions to ensure that the Customer's electronic security system remains operative and the high frequencies associated with line sharing services do not interfere with its operation. Sprint shall be liable for all damages, costs, expenses, etc., which arise in conjunction with, are caused by or result from Sprint's line sharing services' interference with, or impairment of, the Customer's electronic security systems.

### 3. Financial Matters.

- 3.1 Interim Pricing. The rates and charges for line sharing services provided pursuant to this Agreement are set forth on Exhibit 2.<sup>2</sup> Notwithstanding anything in this Agreement to the contrary, these rates and charges are interim pending the outcome of the Commission's rate proceeding regarding line sharing. It is VERIZON's position that the interim pricing proposal does not reflect all the costs associated with line sharing for all configurations (e.g., the costs associated with collaborative testing, costs associated with OSS-related implementation costs, loop conditioning costs, etc.). VERIZON reserves the right to present its costs and rates, and seek recovery for them (including a retroactive true-up) in the line sharing pricing proceeding. To the extent that the line sharing rates for VERIZON (the "Line Sharing Rates"), or the terms and conditions for application of the Line Sharing Rates, are different than specified in this Section, the Line Sharing Rates will be applied prospectively pending the issuance of a final, binding and non-appealable order. Upon the issuance of such an order, the Line Sharing Rates will be applied retroactively to the effective date of this Agreement. The Parties will true up any resulting over or under billing. Any underpayment shall be paid, and any overpayment shall be refunded, within forty-five (45) business days after the date on which any such Line Sharing Rate order becomes final, binding and non-appealable. Such true-up payments, if any, shall also include interest computed at the prime rate of the Bank of America, N.A. in effect at the date of said order. The provisions of this Section shall survive the termination, rescission, modification or expiration of this Agreement without limit as to time.

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<sup>2</sup> Collocation is a prerequisite to line sharing. Sprint must first collocate digital subscriber line access multiplexer (DSLAM) equipment and splitters (under Option No. 1 described in Section 2.3) in Verizon's central office and order applicable tie cables in connection therewith. The applicable conditions, rates, and charges for satisfying these collocation requirements are contained within the collocation provisions of the Agreement and are separate from the interim line sharing rates and charges proposed herein.

- 3.2 Nonwaiver. The Parties do not waive, and hereby expressly reserve, their rights to assert or continue to assert that certain of the rates, charges or terms established in any other proceeding (including, without limitation, the Line Sharing Rates) are unlawful, illegal and improper. The Parties further expressly reserve their past, present and future rights to challenge and seek review of any and all such rates, charges or terms in any court or commission of competent jurisdiction or other available forum. Such terms, rates or charges are further subject to change and/or modification resulting from future orders or decisions of any commission, court or other governmental authority having competent jurisdiction that address the following: (a) VERIZON's costs (e.g., actual costs, contribution, undepreciated reserve deficiency, or similar VERIZON costs (including VERIZON's interim universal service support charge)); (b) the establishment of a competitively neutral universal service system; (c) any and all actions seeking to invalidate, stay, vacate or otherwise modify any FCC order in effect as of the effective date, or during the term, of this Agreement which impact such terms, rates and/or charges, including, without limitation, the matters described in Section 1.4; or (d) any other relevant appeal or litigation. If any such rates, charges and/or terms are adjusted or otherwise modified, in whole or in part, in the proceeding or in any other proceeding, then this Agreement shall be deemed to have been automatically amended, and such amendment shall be effective upon the date of the applicable order. Such adjusted or modified rates and charges will be applied prospectively pending the issuance of a final, binding and non-appealable order in the subject proceeding. At such time as the applicable order becomes final, binding and non-appealable, the adjusted or modified rates and charges established therein shall be applied retroactively to the effective date of the amendment to this Agreement regarding line sharing. The Parties will true-up any resulting over or under billing in accordance with the requirements of Section 3.1. The Parties agree that the provisions of this Section shall survive the termination, rescission, modification or expiration of this Agreement without limit as to time. The Parties acknowledge that either Party may seek to enforce the provisions of this Section before a commission or court of competent jurisdiction.
- 3.3 Loop Costs. In developing its interim prices set forth in Section 3.1, VERIZON did not include any loop costs. VERIZON's pricing methodology, however, is premised on the assumption that VERIZON will be afforded an opportunity to recover all its actual costs -- including the total actual cost of the loop -- in prices for services and in explicit universal service support. If VERIZON cannot recover all its costs, then VERIZON's pricing methodology must change and VERIZON reserves the right to require such a change. Also, VERIZON does not agree with the FCC's UNE pricing rules, which do not allow prices to be based on an ILEC's actual costs or opportunity costs. The Court of Appeals for the Eighth Circuit is considering the substantive validity of the FCC's pricing rules, and VERIZON reserves its right to change its prices if the court stays, vacates, or modifies the FCC's rules.

3.4 Billing. Billing for line sharing will be handled via the VERIZON CBSS system, consistent with the billing for UNE loops.

- II. Except as specifically modified by this Agreement, the Adopted Terms shall remain in full force and effect.
- III. If any provision in the Adopted Terms conflicts with this Agreement, this Agreement shall control.
- IV. This Agreement shall become effective upon execution (the "Effective Date") in order to permit Sprint to proceed with implementation of its competitive business strategies and plans prior to the approval of the Agreement by the Commission. In light of this, the Parties agree that all of their obligations and duties hereunder shall remain in full force and effect pending the final disposition of the Commission review and approval process.. The term of this Agreement shall be coterminous with the Adopted Terms.
- V. Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Adopted Terms.
- VI. This Agreement sets forth the entire understanding of the Parties, supersedes all prior agreements between the Parties and merges all prior discussions between the Parties, with respect to the subject matter contained herein.
- VII. For administrative ease, and without waiving their rights to challenge the legality of the Adopted Terms, the Parties have agreed to apply the Adopted Terms, except to the extent inconsistent with any terms and conditions contained herein. If a Party disputes the application of a specific term or condition in this Agreement, that Party may exercise any and all legal rights available to it to resolve the dispute, subject to the requirements of the Adopted Terms.

**IN WITNESS WHEREOF**, each Party has executed this Agreement and it shall be effective upon execution by both Parties.

Verizon South Inc. f/k/a  
GTE South Incorporated

Sprint Communications Company L.P.

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Steven J. Pitterle\_\_\_\_\_

Name: \_\_\_\_\_

Title: Director- Negotiations\_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



**Interim Line Sharing Prices for Kentucky**

		Ordering		Provisioning	
		100% Manual	Semi Mech.	Initial Unit	Add'l Unit
CLEC Owned Splitter					
CLEC Splitter Connection - Initial	NRC	\$32.19	\$22.52	\$53.04	\$47.29
GTE Owned Splitter					
GTE Splitter	MRC \$3.00				
GTE Splitter Connection - Initial	NRC	\$32.19	\$22.52	\$67.46	\$59.80
Loop Conditioning	No charge for loops 12,000 feet or less. For loops more than 12,000 feet, the following charges shall apply:				
	Bridge Taps		\$318.71		
	Load Coils		\$249.91		
	Bridge Taps/Load Coils		\$568.62		