

Steven J. Pitterle
Director - Negotiations
Network Services



Network Services
600 Hidden Ridge HQE03B67
P.O. Box 152092
Irving, Texas 75038

Phone 972/718-1333
Fax 972/718-1279
steve.pitterle@verizon.com

May 17, 2001

L. Fredrik Cederqvist
District Manager
AT&T
32 Avenue of the Americas
New York, NY 10013

Re: Requested Adoption Under Section 252(i) of the TA96

Dear Fredrik:

VERIZON SOUTH INC., f/k/a GTE SOUTH INCORPORATED ("Verizon"), has received your letter stating that, under Section 252(i) of the Telecommunications Act of 1996 (the "Act"), TCG Ohio ("TCG") wishes to adopt the terms of the arbitrated Interconnection Agreement between AT&T Communications of South Central States, Inc. ("AT&T") and Verizon that was approved by the Kentucky Public Service Commission (the "Commission") as an effective agreement in the Commonwealth of Kentucky in Case No. 96-478, as such agreement exists on the date hereof after giving effect to operation of law (the "Terms"). I understand TCG has a copy of the Terms. Please note the following with respect to TCG's adoption of the Terms.

1. By TCG's countersignature on this letter, TCG hereby represents and agrees to the following three points:
 - (A) TCG adopts (and agrees to be bound by) the Terms of the AT&T/Verizon arbitrated agreement for interconnection as it is in effect on the date hereof after giving effect to operation of law, and in applying the Terms, agrees that TCG shall be substituted in place of AT&T Communications of South Central States, Inc. and AT&T in the Terms wherever appropriate.
 - (B) Notice to TCG and Verizon as may be required under the Terms shall be provided as follows:

To TCG:

Bruce Cooper
Regional Vice President, AT&T
Local Services & Access Management, Eastern Region
Room D-325

3033 Chain Bridge Rd.
Oakton, Virginia 22185
FAX: (703) 277-7902

With a copy to:

G. Ridgely Loux
Senior Attorney
AT&T L&GA Eastern Region
3033 Chain Bridge Rd.
Room 3D
Oakton, Virginia 22185
FAX: (703) 691-6083

To Verizon:

Director-Contract Performance & Administration
Verizon Wholesale Markets
600 Hidden Ridge
HQEWMNOTICES
Irving, TX 75038
Telephone Number: 972-718-5988
Facsimile Number: 972-719-1519
Internet Address: wmnotices@verizon.com

with a copy to:

Vice President and Associate General Counsel
Verizon Wholesale Markets
1320 N. Court House Road
8th Floor
Arlington, VA 22201
Facsimile: 703/974-0744

- (C) TCG represents and warrants that it is a certified provider of local telecommunications service in the Commonwealth of Kentucky, and that its adoption of the Terms will cover services in the Commonwealth of Kentucky only.
2. TCG's adoption of the AT&T arbitrated Terms shall become effective upon the date of filing of this adoption letter with the Commission (which filing Verizon will promptly make upon receipt of an original of this letter countersigned by TCG) and remain in effect no longer than the date the AT&T/Verizon arbitrated agreement terminates. The AT&T/Verizon arbitrated agreement is currently scheduled to terminate on August 9, 2002. Thus, the Terms adopted by TCG also shall terminate on that date.

3. As the Terms are being adopted by you pursuant to your statutory rights under section 252(i), Verizon does not provide the Terms to you as either a voluntary or negotiated agreement. The filing and performance by Verizon of the Terms does not in any way constitute a waiver by Verizon of any position as to the Terms or a portion thereof, nor does it constitute a waiver by Verizon of all rights and remedies it may have to seek review of the Terms, or to petition the Commission, other administrative body, or court for reconsideration or reversal of any determination made by the Commission pursuant to arbitration in Case No. 96-478, or to seek review in any way of any provisions included in these Terms as a result of TCG's 252(i) election.
4. On January 25, 1999, the Supreme Court of the United States ("Court") issued its decision on the appeals of the Eighth Circuit's decision in *Iowa Utilities Board*. Specifically, the Supreme Court modified several of the FCC's and the Eighth Circuit's rulings regarding unbundled network elements and pricing requirements under the Act. *AT&T Corp. v. Iowa Utilities Board*, 119 S. Ct. 721 (1999). Certain provisions of the Terms may be void or unenforceable as a result of the Court's decision of January 25, 1999, the United States Eighth Circuit Court of Appeals' decision in Docket No. 96-3321 regarding the FCC's pricing rules, and the current appeal before the U.S. Supreme Court regarding the FCC's new UNE rules. Moreover, nothing herein shall be construed as or is intended to be a concession or admission by Verizon that any contractual provision required by the Commission in Case No. 96-478 (the AT&T arbitration) or any provision in the Terms complies with the rights and duties imposed by the Act, the decisions of the FCC and the Commissions, the decisions of the courts, or other law, and Verizon expressly reserves its full right to assert and pursue claims arising from or related to the Terms.
5. Verizon reserves the right to deny TCG's adoption and/or application of the Terms, in whole or in part, at any time:
 - (a) when the costs of providing the Terms to TCG are greater than the costs of providing them to AT&T;
 - (b) if the provision of the Terms to TCG is not technically feasible; and/or
 - (c) to the extent that Verizon otherwise is not required to make the Terms available to TCG under applicable law.
6. For avoidance of doubt, please note that adoption of the Terms will not result in reciprocal compensation payments for Internet traffic. Verizon never intended for reciprocal compensation to be paid for Internet traffic in the underlying agreement, and has always taken the position that reciprocal compensation was not due to be paid for Internet traffic in the underlying agreement nor under applicable law. Verizon's position that reciprocal compensation is not to be paid for Internet traffic under the Terms was confirmed by the FCC in the Order on Remand and Report and Order adopted on April 18, 2001, which held that

Internet traffic constitutes “information access” outside the scope of the reciprocal compensation obligations set forth in section 251(b)(5) of the Act.¹

7. Should TCG attempt to apply the Terms in a manner that conflicts with paragraphs 3-6 above, Verizon reserves its rights to seek appropriate legal and/or equitable relief.

Please arrange for a duly authorized representative of TCG to sign this letter in the space provided below and return it to the undersigned.

¹ Order on Remand and Report and Order, In the Matters of: Implementation of the Local Competition Provisions in the Telecommunications Act of 1996 and Inter-carrier Compensation for ISP-Bound Traffic, CC Docket No. 99-68 (rel. April 27, 2001) ¶44.

Sincerely,

VERIZON SOUTH INC.

Steven J. Pitterle
Director – Negotiations
Network Services

Reviewed and countersigned as to points A, B, and C of paragraph 1:

TCG Ohio

(SIGNATURE)

(PRINT NAME)

c: Leslie M. Banks – Verizon

May 21, 2001

VIA FAX AND US MAIL

Steve Pitterle
Director - Negotiations
Network Services
Verizon
600 Hidden Ridge
HQE03B67
Irving, TX. 75038
Fax: 972-718-1279

Re : Adoption of the Interconnection Agreement between AT&T Communications of the South Central States, Inc. and Verizon South, Inc., f/k/a GTE South Incorporated

Dear Steve,

TCG Ohio ("TCG") has received your letter dated May 17, 2001, responding to its Section 252(i) notice that TCG intends to adopt the agreement between AT&T Communications of the South Central States, Inc. ("AT&T") and Verizon South, Inc., f/k/a GTE South Incorporated ("Verizon") as approved by the Kentucky Public Utilities Commission (the Agreement).

In your letter you set forth Verizon's views of the impact of the Supreme Court's decision in AT&T v. Iowa Utilities Board and the remand of the pricing rules to the United States Eighth Circuit Court of Appeals, on effective interconnection agreements, including the Agreement. You also describe Verizon's views of the FCC's Order on Remand and Report and Order, In the Matters of: Implementation of the Local Competition Provisions in the Telecommunications Act of 1996 and Intercarrier Compensation for ISP-Bound Traffic, CC Docket No. 99-68 (rel. April 27, 2001). As you know, TCG strongly disagrees with Verizon's positions and does not waive any rights it may have, including any rights to reciprocal compensation for internet traffic.

However, notwithstanding their disagreement concerning the impact of the Supreme Court's decision, remand of the pricing rules to the Eighth Circuit Court of Appeals, and

compensation for internet traffic, and without prejudice to their positions, TCG and Verizon agree that TCG is entitled under Section 252(i) of the Telecommunications Act to adopt the effective Agreement between AT&T and Verizon. TCG, therefore, commits to Verizon the following:

A. TCG adopts the terms of the Agreement and, in applying the terms, agrees that TCG be substituted in place of AT&T in the terms wherever appropriate.

B. TCG requests that any notice to TCG required under the Agreement be provided as identified in Verizon's letter of May 17, 2001, and agrees to provide any such notice to Verizon in accordance with such letter.

C. TCG represents and warrants that it is a certified provider of local dial tone service in the Commonwealth of Kentucky, and that its adoption of the Agreement will cover services in the Commonwealth of Kentucky only.

Should Verizon fail to comply with the valid terms and conditions set forth in the Agreement, TCG reserves the right to seek appropriate legal and/or equitable relief.

Very truly yours,

Eileen Halloran
Division Manager

cc: Leslie Banks, Verizon
Fredrik Cederqvist, AT&T
Bruce Cooper, AT&T
Mike Daly, Verizon
Ridge Loux, AT&T