181332
181338 S.A.
ORS

# MCNAIR LAW FIRM, P.A.

ATTORNEYS AND COUNSELORS AT LAW

www.mcnair.net

TOWER AT 1301 GERVAIS
1301 GERVAIS STREET
COLUMBIA, SOUTH CAROLINA 29201

POST OFFICE BOX 11390
COLUMBIA, SOUTH CAROLINA 29211
TELEPHONE (803)799-9800
FACSIMILE (803) 376-2219

August 15, 2006

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2006 AUG 15 PM 2:54
SC PUBLIC SERVICE COMMISSION

Mr. Charles L. A. Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
Synergy Business Park, The Saluda Building
101 Executive Center Drive
Columbia, South Carolina 29210

RECEIVED
8/16/06
tcd

Re: Interconnection Agreement Between Lockhart Telephone Company and Charter Fiberlink SC-CCO, LLC
(Docket No. 2006-139-C) & 2006-247-C

Dear Mr. Terreni:

Enclosed for filing with the Commission please find three (3) copies of the Interconnection Agreement between Lockhart Telephone Company and Charter Fiberlink SC-CCO, LLC. This agreement is being submitted for the Commission's approval pursuant to 47 U.S.C. § 252(e).

Please clock in a copy and return it with our courier.

Thank you for your assistance.

Very truly yours,

Margaret M. Fox

Margaret M. Fox

MMF/rwm
Enclosures

cc: John J. Pringle, Jr., Esquire
Charles A. Hudak, Esquire
J. Brian Singleton
Lans Chase, JSI
Valerie Wimer, JSI

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SC PUBLIC SERVICE
COMMISSION

# GENERAL TERMS AND CONDITIONS

# BETWEEN

# Lockhart Telephone Company

# AND

# Charter Fiberlink SC – CCO, LLC

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GLOSSARY

ATTACHMENTS:

- Interconnection Attachment
- Ancillary Services Attachment

# AGREEMENT

THIS AGREEMENT ("Agreement") is effective as of the 14th day of August, 2006 (the "Effective Date"), by and between Charter Fiberlink SC - CCO, LLC ("CLEC") with offices at 12405 Powerscourt Drive St. Louis, Missouri 63131 and Lockhart Telephone Company ("ILEC") with offices at 112 York Street, P.O. Box 160, Chester, SC 29706. This Agreement may refer to either ILEC or CLEC or both as a "Party" or "Parties."

WHEREAS, ILEC is an Incumbent Local Exchange Carrier authorized to provide Telecommunications Services in the state of South Carolina and

WHEREAS, CLEC is a competitive local exchange telecommunications company ("CLEC") authorized to provide Telecommunications Services in the state of South Carolina; and

WHEREAS, the Parties acknowledge that ILEC is a rural telephone company as defined in Section 3(37) of the Act (47 U.S.C. § 153 (37). By voluntarily entering into this Agreement, ILEC, as a rural telephone company, is not waiving its right under 47 U.S.C. § 251 (f) of the Act that it is exempt from Section 251(c) of the Act;

WHEREAS, the Parties wish to interconnect their facilities and exchange Telecommunications Traffic specifically for the purposes of fulfilling their obligations pursuant to Sections 251 (a) and (b) of the Act.

NOW THEREFORE, in consideration of the mutual agreements contained herein, ILEC and CLEC agree as follows:

## 1. Purpose

1.1 The Parties agree that the rates, terms and conditions contained within this Agreement, including all Attachments, comply and conform to each Party's obligations under Sections 251 (a) & (b) of the Act.

1.2 ILEC has no obligation to establish interconnection service arrangements to enable CLEC to solely exchange Information Services traffic. CLEC agrees that it is requesting and will use this arrangement for the primary purpose of exchanging Telecommunications Traffic and that any exchange of Information Service traffic will be incidental to the Parties exchange of Telecommunications Traffic. The FCC has not determined whether IP-Enabled Traffic is a Telecommunication Service or an Information Service. For the purpose of this Agreement, IP-Enabled Traffic shall be treated similarly to other voice traffic. If it is finally determined that IP-Enabled Traffic is other than Telecommunications Service and IP-Enabled Traffic is exchanged under this Agreement, the terms of this Agreement shall remain in effect until such time as this Agreement is modified

under the change in law provisions of Section 28 of the General Terms and Conditions of this Agreement.

1.3 ILEC has no obligation to establish interconnection service arrangements to enable CLEC to solely exchange interexchange toll traffic. CLEC agrees that it is requesting and will use this arrangement for the primary purpose of exchanging Local/EAS Traffic and that any exchange of interexchange toll traffic will be incidental to CLEC's exchange of Local/EAS Traffic.

## 2. Term of the Agreement

2.1 This Agreement will commence when fully executed and have an initial term of two (2) years. No more than 180 days or less than 120 days prior to the expiration of this Agreement, either Party will have the right to request the negotiation of a subsequent Agreement. Such request for renegotiation must be in the form of a written notice to the other Party ("Renegotiation Request"). During the pendancy of the negotiation of the new Agreement or arbitration thereof, the Parties will continue to provide services to each other pursuant to this Agreement. If a Party requests the negotiation of a subsequent agreement and the Parties are unable to negotiate a subsequent agreement within 160 days after receipt of the Renegotiation Request or such longer time as the Parties agree then this Agreement will terminate and ILEC shall continue to offer all services to CLEC previously available under this Agreement pursuant to the terms, conditions and rates of ILEC's then current Tariffs and CLEC shall continue to offer all services to ILEC previously available under this Agreement pursuant to the terms, conditions and rates of CLEC's then current Tariffs, rates sheets or applicable contracts. If a Renegotiation Request is not received by a Party, this Agreement shall automatically renew for one (1) year terms. If the Parties cease the exchange of traffic, then either Party may terminate this Agreement upon thirty (30) days written notice.

2.2 In the event that this Agreement expires, except in the case of termination as a result of either Party's default or for termination as otherwise provided herein, service that had been available under this Agreement and exists as of the end-date may continue uninterrupted after the end-date at the written request of either Party only under the terms of:

2.2.1 A new agreement voluntarily entered into by the Parties, pending approval by the Commission; or

2.2.2 An existing agreement between ILEC and another carrier adopted by CLEC for the remaining term of that agreement.

## 3. Termination of the Agreement

3.1 Termination Upon Default

Either Party may terminate this Agreement in whole or in part in the event of a default by the other Party; provided however, that the non-defaulting Party notifies the defaulting Party in writing of the alleged default and that the defaulting Party does not cure the alleged default within sixty (60) calendar days of receipt of written notice thereof. Default means any one or more of the following:

3.1.1 A Party's insolvency or the initiation of bankruptcy or receivership proceedings by or against the Party; or

3.1.2 A Party's refusal or failure in any material respect to properly perform its obligations under this Agreement, or the violation of any of the material terms or conditions of this Agreement; or

3.1.3 A Party's assignment of any right, obligation, or duty, in whole or in part, or of any interest, under this Agreement without any consent required under Section 6 of this Attachment.

3.2 Liability Upon Termination

Termination of this Agreement, or any part hereof, for any cause shall not release either Party from any liability which at the time of termination had already accrued to the other Party, or which thereafter accrues in any respect to any act or omission occurring prior to the termination or from an obligation which is expressly stated in this Agreement to survive termination.

## 4. Contact Exchange

The Parties agree to exchange and to update contact and referral numbers for order inquiry, trouble reporting, billing inquiries, and information required to comply with law enforcement and other security agencies of the government.

## 5. Amendments

Any amendment, modification, or supplement to this Agreement must be in writing and signed by an authorized representative of each Party. The term "this Agreement" shall include future amendments, modifications, and supplements.

## 6. Assignment

This Agreement shall be binding upon the Parties and shall continue to be binding upon all such entities regardless of any subsequent change in their ownership. All obligations and duties of any Party under this Agreement shall be binding on all successors in interest and assigns of such Party. Each Party covenants that, if it sells or otherwise transfers its facilities used to provide services under this Agreement to a third party, unless the non-

transferring Party reasonably determines that the legal structure of the transfer vitiates any such need, the transferring Party will require, as a condition of such transfer, that the transferee agree to be bound by this Agreement with respect to services provided over the transferred facilities. Except as provided in this paragraph, neither Party may assign or transfer (whether by operation of law or otherwise) this Agreement (or any rights or obligations hereunder) to a third party without the prior written consent of the other Party which consent will not be unreasonably withheld or delayed, provided that either Party may assign this Agreement to a corporate Affiliate or to an entity acquiring all or substantially all of its assets or equity by providing prior written notice to the other Party of such assignment or transfer. The effectiveness of an assignment shall be conditioned upon the assignee's written assumption of the rights, obligations, and duties of the assigning Party. Any attempted assignment or transfer that is not permitted is void *ab initio*. No assignment or delegation hereof shall relieve the assignor of its obligations under this Agreement in the event that the assignee fails to perform such obligations. Without limiting the generality of the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors, successors in interest and assigns.

## 7. Authority

Each person whose signature appears on this Agreement represents and warrants that he or she has authority to bind the Party on whose behalf he or she has executed this Agreement. Each Party represents that he or she has had the opportunity to consult with legal counsel of his or her choosing.

## 8. Responsibility for Payment

INTENTIONALLY LEFT BLANK

## 9. Billing and Payment

9.1 In consideration of the services and facilities provided under this Agreement, each Party shall bill the other Party on a monthly basis all applicable charges set forth in their respective applicable tariff(s). The Party billed ("Billed Party") shall pay to the invoicing Party ("Billing Party") all undisputed amounts within thirty (30) days from the bill date. If the payment due date is a Saturday, Sunday, or a designated bank holiday, payment shall be made by the prior business day. Neither Party shall back bill the other Party for services provided under this Agreement that are more than one (1) year old or that predate this Agreement. If a Party fails to bill for a service within one (1) year of when it was rendered, then that Party waives its rights to bill for that service, absent fraud or willful misconduct by the Billed Party.

9.2 Billing Disputes Related to Unpaid Amounts

9.2.1 If any portion of an amount invoiced to a Billed Party under this Agreement is subject to a bona fide dispute between the Parties, the Billed

Party may withhold payment of the disputed amount and notify the billing Party it is withholding a disputed amount and the amount ("Disputed Amount"). Within ninety (90) days of its receipt of the invoice containing such Disputed Amount, the Billed Party shall provide the specific details and reasons for disputing each item. The Billed Party shall pay when due all undisputed amounts on the invoice to the Billing Party. The Parties will work together in good faith to resolve issues relating to the Disputed Amount. If the dispute is resolved such that payment is required, the Billed Party shall pay the Disputed Amount with interest at the lesser of (i) one percent (1%) per month or (ii) the highest rate of interest that may be charged under South Carolina's applicable law. In addition, the Billing Party may suspend terminating traffic for the Billed Party if Disputed Amounts resolved to be due to the Billing Party are not paid within 90 days after they are determined to be due, provided the Billing Party has given the Billed Party an additional 30-days written notice and opportunity to cure the default. If the dispute is resolved such that payment is not required, the Billing Party will issue the Billed Party a credit for the Disputed Amounts on its next invoice following the date of resolution of the dispute.

9.3 Except for Disputed Amounts pursuant to Section 9.2 herein, the following shall apply:

9.3.1 Any undisputed amounts not paid when due shall accrue interest from the date such amounts were due at the lesser of (i) one and one-half percent (1-1/2%) per month or (ii) the highest rate of interest that may be charged under South Carolina's applicable law.

9.3.2 If payment of undisputed amounts is not received thirty (30) days from the bill date, the Billing Party may provide written notice to the Billed Party that additional applications for service will be refused, and that any pending orders for service will not be completed if payment is not received by the fifteenth ($15^{th}$) day following the date the Billed Party receives said notice. If the Billing Party does not refuse additional applications for service on the date specified in the notice, and the Billed Party's noncompliance continues, nothing contained herein shall preclude the Billing Party's right to thereafter refuse additional applications for service without further notice.

9.3.3 If the Billed Party fails to make any payment following the notice under Section 9.3.2, the Billing Party may thereafter, on thirty (30) days prior written notice to the Billed Party (the "Discontinuance Notice"), discontinue the provision of existing services to the Billed Party at any time thereafter unless the Billed Party pays all amounts due within said thirty (30) days. Notice shall be as provided in Section 26 below. In the case of such discontinuance, all billed charges, as well as applicable

termination charges, if any, shall become due. If the Billing Party does not discontinue the provision of the services involved on the date specified in the thirty (30) days notice, and the Billed Party's noncompliance continues, nothing contained herein shall preclude the Billing Party's right to thereafter discontinue the provision of the services to the Billed Party without further notice.

9.3.4 If payment is not received within ninety (90) days after the Discontinuance Notice given under Section 9.3.3, the Billing Party may terminate this Agreement.

9.3.5 After disconnect procedures have begun, the Billing Party shall not accept any service orders from the Billed Party until all unpaid charges are paid in full in immediately available funds.

9.4 Billing Disputes of Paid Amounts

If any portion of an amount paid to a Billing Party under this Agreement is thereafter subject to a bona fide dispute by the Billed Party ("Disputed Paid Amount"), the Billed Party may provide written notice to the Billing Party of the Disputed Paid Amount, and seek a refund of such amount, at any time prior to the date that is one (1) year after the receipt of a bill containing the Disputed Paid Amount ("Notice Period"). If the Billed Party fails to provide written notice of a Disputed Paid Amount within the Notice Period, the Billed Party waives its rights to dispute its obligations to pay such amount, and to seek refund of such amount, absent fraud or willful misconduct by the Billing Party. If it is determined that the Billed Party is entitled to a refund of all or part of the Disputed Paid Amount, the Billing Party will, within sixty (60) days after such determination, refund such amount, together with interest from the date written notice of the Disputed Paid Amount was given at the interest rate set forth in Section 9.3.1 hereof.

9.5 Issues related to Disputed Amounts and Disputed Paid Amounts not resolved by the Parties shall be resolved in accordance with all of the applicable procedures identified in the Dispute Resolution provisions set forth in Section 13 of this Agreement.

9.6 Audits

Either Party may conduct an audit of the other Party's books and records pertaining to the services provided under this Agreement, no more frequently than once per twelve (12) month period, to evaluate the other Party's accuracy of billing data and invoicing in accordance with this Agreement. Any audit shall be performed as follows: (i) following at least thirty (30) days prior written notice to the audited Party; (ii) subject to the reasonable scheduling requirements and limitations of the audited Party and at single location designated by the audited party; (iii) at the auditing Party's sole cost and expense; (iv) of a reasonable scope

and duration; (v) in a manner so as not to interfere with the audited Party's business operations; and (vi) in compliance with the audited Party's security rules.

9.7 Recording

The Parties shall each perform traffic recording and identification functions necessary to provide the services contemplated hereunder. Each Party shall calculate terminating duration of minutes used based on standard Automatic Message Accounting ("AMA") records made within each Party's network. The records shall contain the information to properly assess the jurisdiction of the call including ANI or service provider information necessary to identify the originating company, and originating signaling information. The Parties shall each use commercially reasonable efforts, to provide these records monthly, but in no event later than thirty (30) days after generation of the usage data.

## 10. Compliance with Laws and Regulations

Each Party shall comply with all federal, state, and local statutes, regulations, rules, ordinances, judicial decisions, and administrative rulings applicable to its performance under this Agreement.

## 11. Proprietary Information

11.1 Any information such as specifications, drawings, sketches, business information, forecasts, models, samples, data, computer programs and other software, and documentation of one Party (a "Disclosing Party") that is furnished or made available or otherwise disclosed to the other Party or any of its employees, contractors, or agents (its "Representatives" and with a Party, a "Receiving Party") pursuant to this Agreement ("Proprietary Information") shall be deemed the property of the Disclosing Party. Proprietary Information, if written, shall be clearly and conspicuously marked "Confidential" or "Proprietary" or other similar notice, and, if oral or visual, shall be confirmed in writing as confidential by the Disclosing Party to the Receiving Party within ten (10) days after disclosure. Unless Proprietary Information was previously known by the Receiving Party free of any obligation to keep it confidential, or has been or is subsequently made public by an act not attributable to the Receiving Party, or is explicitly agreed in writing not to be regarded as confidential, such information: (i) shall be held in confidence by each Receiving Party; (ii) shall be disclosed to only those persons who have a need for it in connection with the provision of services required to fulfill this Agreement and shall be used by those persons only for such purposes; and (iii) may be used for other purposes only upon such terms and conditions as may be mutually agreed to in advance of such use in writing by the Parties. Notwithstanding the foregoing sentence, a Receiving Party shall be entitled to disclose or provide Proprietary Information as required by any governmental authority or applicable law, upon advice of counsel, only in accordance with Section 11.2 of this Agreement. Nothing herein shall prohibit or restrict a Receiving Party from providing information requested by the FCC or a state regulatory agency with jurisdiction over this matter, or to support a request for

arbitration, provided that, if the request or disclosure includes Proprietary Information, the Disclosing Party is first given the opportunity to seek appropriate relief under the provisions of Section 11.2.

11.2 If any Receiving Party is required by any governmental authority, or by Applicable Law, to disclose any Proprietary Information, or believes it is necessary to disclose Proprietary Information pursuant to Section 11.1 above, then such Receiving Party shall provide the Disclosing Party with written notice of such requirement as soon as possible and prior to such disclosure. The Disclosing Party may then seek appropriate protective relief from all or part of such requirement. The Receiving Party may disclose the Proprietary Information within the time required by the governmental authority or Applicable Law, provided that the Disclosing Party has been provided with written notice under this section 11.2 and protective relief has not been obtained by the Disclosing Party. The Receiving Party shall use all commercially reasonable efforts to cooperate with the Disclosing Party in attempting to obtain any protective relief that such Disclosing Party chooses to obtain.

11.3 In the event of the expiration or termination of this Agreement for any reason whatsoever, each Party shall return to the other Party or destroy all Proprietary Information and other documents, work papers and other material (including all copies thereof) obtained from the other Party in connection with this Agreement and shall use all reasonable efforts, including instructing its employees and others who have had access to such information, to keep confidential and not to use any such information, unless such information is now, or is hereafter disclosed, through no act, omission or fault of such Party, in any manner making it available to the general public.

## 12. Fraud

Neither Party shall bear responsibility for, nor be required to make adjustments to the other Party's account in cases of fraud by the other Party's end-users or on the other Party's End User Customer accounts. The Parties agree to reasonably cooperate with each other to detect, investigate, and prevent fraud and to reasonably cooperate with law enforcement investigations concerning fraudulent use of the other Party's services or network. The Parties' fraud minimization procedures are to be cost effective and implemented so as not to unduly burden or harm one Party as compared to the other.

## 13. Dispute Resolution

The Parties desire to resolve disputes arising out of or relating to this Agreement without, to the extent possible, litigation. Accordingly, except for action seeking a temporary restraining order or an injunction, or suit to compel compliance with this dispute resolution process, the Parties agree to use the following dispute resolution procedures with respect to any controversy or claim arising out of or relating to this Agreement or its breach.

13.1 Informal Resolution of Disputes.

At the written request of a Party, each Party will appoint a knowledgeable, responsible representative, empowered to resolve such dispute, to meet and negotiate in good faith to resolve any dispute arising out of or relating to this Agreement. The location, format, frequency, duration, and conclusion of these discussions shall be left to the discretion of the representatives. Upon agreement, the representatives may utilize other alternative dispute resolution procedures such as mediation to assist in the negotiations. Discussions and correspondence among the representatives for purposes of these negotiations shall be treated as Proprietary Information developed for purposes of settlement, exempt from discovery, and shall not be admissible in the arbitration described below or in any lawsuit without the concurrence of all Parties.

13.2 Formal Dispute Resolution.

If negotiations fail to produce an agreeable resolution within ninety (90) days, then either Party may proceed with any remedy available to it pursuant to law, equity or agency mechanisms; provided, that upon mutual agreement of the Parties such disputes may also be submitted to binding arbitration. In the case of an arbitration, each Party shall bear its own costs. The Parties shall equally split the fees of any mutually agreed upon arbitrator but shall otherwise pay their own expenses associated with the arbitration.

13.3 Continuous Service.

The Parties shall continue providing existing services to each other during the pendency of any dispute resolution procedure (except as otherwise provided in this Agreement), and the Parties shall continue to perform their payment obligations including making payments in accordance with this Agreement.

## 14. Entire Agreement

This Agreement, together with all exhibits, addenda, schedules and attachments hereto, constitutes the entire agreement of the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, negotiations, proposals, and representations, whether written or oral, and all contemporaneous oral agreements, negotiations, proposals, and representations concerning such subject matter. No representations, understandings, agreements, or warranties, expressed or implied have been made or relied upon in the making of this Agreement other than those specifically set forth herein. In the event there is a conflict between any term of this Agreement, the provisions shall be construed to give the greatest possible effect to the intent of this Agreement.

## 15. Expenses

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

## 16. Force Majeure

Neither Party shall be liable for any delay or failure in performance of any part of this Agreement from any cause beyond its control and without its fault or negligence including, without limitation, acts of nature, acts of civil or military authority, government regulations, embargoes, epidemics, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, equipment failure, power blackouts, volcanic action, other major environmental disturbances, unusually severe weather conditions, inability to secure products or services of other persons or transportation facilities or acts or omissions of transportation carriers (collectively, a "Force Majeure Event"). If any Force Majeure Event occurs, the Party delayed or unable to perform shall give immediate notice to the other Party and shall take all reasonable steps to correct the Force Majeure Event. During the pendency of the Force Majeure Event, the duties of the Parties under this Agreement affected by the Force Majeure Event shall be abated and shall immediately resume without liability thereafter.

## 17. Good Faith Performance

In the performance of their obligations the Parties, shall act in good faith under this Agreement. In situations in which notice, consent, approval, or similar action by a Party is permitted or required by any provision of this Agreement, such action shall not be conditional, unreasonably withheld, or delayed.

## 18. Governing Law

This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of South Carolina without regard to its conflict of laws principles and, when applicable, in accordance with the requirements of the Act and the FCC's implementing regulations.

## 19. Headings

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

## 20. Independent Contractor Relationship

Notwithstanding any other provisions of this Agreement, neither this Agreement, nor any actions taken by CLEC or ILEC in compliance with this Agreement, shall be deemed to create an agency or joint venture relationship between CLEC and ILEC, or any relationship other than that of co-carriers. Neither this Agreement, nor any actions taken by CLEC or ILEC in compliance with this Agreement, shall create a contractual, agency,

or any other type of relationship or third party liability between either Party and the other Party's End User Customers or other third parties.

## 21. Law Enforcement Interface

21.1 With respect to requests for call content interception or call information interception directed at CLEC's End User Customer, ILEC will have no direct involvement in law enforcement interface. In the event a Party receives a law enforcement surveillance request for an End User Customer of the other Party, the Party initially contacted shall direct the agency to the other Party.

21.2 Notwithstanding 21.1, the Parties agree to work jointly in security matters to support law enforcement agency requirements for call content interception or call information interception.

## 22. Liability and Indemnity

22.1 **DISCLAIMER**

**EXCEPT AS SPECIFICALLY PROVIDED TO THE CONTRARY IN THIS AGREEMENT, EACH PARTY MAKES NO REPRESENTATIONS OR WARRANTIES TO THE OTHER PARTY CONCERNING THE SPECIFIC QUALITY OF ANY SERVICES OR FACILITIES IT PROVIDES UNDER THIS AGREEMENT. EACH PARTY DISCLAIMS, WITHOUT LIMITATION, ANY WARRANTY OR GUARANTEE OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING, OR FROM USAGES OF TRADE.**

22.2 Indemnification

22.2.1 Each Party (the "Indemnifying Party") shall indemnify and hold harmless the other Party ("Indemnified Party") from and against claims for loss, cost, liability, damage, and expense (including reasonable attorney's fees) ("Claims") by End-User Customers of the Indemnifying Party and other third persons for:

(1) damage to tangible personal property or for personal injury proximately caused by the negligence, willful misconduct or intentional acts or omissions of the Indemnifying Party, its employees, agents or contractors; and

(2) libel, slander, or infringement of copyright, invasion of privacy arising from the content of communications transmitted over the Indemnified Party's facilities by the Indemnifying Party or its End User Customers; and

A Party's indemnification obligations hereunder shall not be applicable to any Claims to the extent caused by, arising out of or in connection with the gross

negligence, wilful misconduct or intentional acts or omissions of the Indemnified Party.

22.2.2 The Indemnified Party will notify the Indemnifying Party promptly in writing of any Claims by End User Customers or other third persons for which the Indemnified Party alleges that the Indemnifying Party is responsible under this Section, and, the Indemnifying Party will promptly assume the defense of such claim, lawsuit or demand.

(1) In the event the Indemnifying Party does not promptly assume or diligently pursue the defense of the tendered action, then the Indemnified Party, after no less than ten (10) days prior notice to the Indemnifying Party, may proceed to defend or settle said Claim and the Indemnifying Party shall hold harmless the Indemnified Party from any loss, cost liability, damage and expense of such defense or settlement.

(2) The Indemnifying Party shall consult with the Indemnified Party prior to undertaking any compromise or settlement of any Claims, and the Indemnified Party will have the right, at its sole option and discretion, to refuse any such compromise or settlement that (in the Indemnified Party's sole reasonable opinion) might prejudice the rights of the Indemnified Party, and, at the Indemnified Party's sole cost and expense, to take over the defense, compromise or settlement of such Claims; provided, however, that in such event the Indemnifying Party will neither be responsible for, nor will it be further obligated to indemnify the Indemnifying Party from or against, any Claims in excess of the amount of the refused compromise or settlement.

(3) The Parties will cooperate in every reasonable manner with the defense or settlement of any claim, demand, or lawsuit.

22.3 Limitation of Liability

22.3.1 Except for a Party's indemnification obligations under Section 22.2, no liability shall attach to either Party, its parents, subsidiaries, affiliates, agents, servants, employees, officers, directors, or partners for damages arising from errors, mistakes, omissions, interruptions, or delays in the course of establishing, furnishing, rearranging, moving, terminating, changing, or providing or failing to provide services or facilities (including the obtaining or furnishing of information with respect thereof or with respect to users of the services or facilities) in the absence of gross negligence or willful misconduct.

22.3.2 Except as otherwise provided in Section 22, no Party shall be liable to the other Party for any loss, defect or equipment failure caused by the conduct or actions of the other Party, its agents, servants, contractors or others

acting in aid or concert with that Party, except in the case of gross negligence or willful misconduct.

22.3.3 Except for a Party's indemnification obligations under Section 22.2, in no event shall either Party have any liability whatsoever to the other Party for any indirect, special, consequential, incidental or punitive damages, including, but not limited to, loss of anticipated profits or revenues or other economic loss in connection with or arising from anything said, omitted or done hereunder (collectively, "Consequential Damages"), even if the other Party has been advised of the possibility of such damages.

22.4 Intellectual Property

Neither Party shall have any obligation to defend, indemnify or hold harmless, or acquire any license or right for the benefit of, or owe any other obligation or have any liability to, the other based on or arising from any claim, demand, or proceeding by any third person alleging or asserting that the use of any circuit, apparatus, or system, or the use of any software, or the performance of any service or method, or the provision or use of any facilities by either Party under this Agreement constitutes direct or contributory infringement, or misuse or misappropriation of any patent, copyright, trademark, trade secret, or any other proprietary or intellectual property right of any third party.

## 23. Joint Work Product

This Agreement is the joint work product of the Parties, has been negotiated by the Parties, and shall be fairly interpreted in accordance with its terms. In the event of any ambiguities, no inferences shall be drawn against either Party.

## 24. Multiple Counterparts

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

## 25. No Third Party Beneficiaries

This Agreement is for the sole benefit of the Parties and their permitted assigns, and nothing herein expressed or implied shall create or be construed to create any third-party beneficiary rights hereunder. Except for provisions herein expressly authorizing a Party to act for another, nothing in this Agreement shall constitute a Party as a legal representative or agent of the other Party; nor shall a Party have the right or authority to assume, create or incur any liability or any obligation of any kind, expressed or implied, against, in the name of, or on behalf of the other Party, unless otherwise expressly permitted by such other Party. Except as otherwise expressly provided in this Agreement, no Party undertakes to perform any obligation of the other Party, whether regulatory or contractual, or to assume any responsibility for the management of the other Party's business.

## 26. Notices

All Notices to be given by one Party to the other Party under this Agreement shall be in writing and shall be: (i) delivered personally; (ii) delivered by express delivery service; or (iii) mailed, postage prepaid, certified mail, return receipt to the following addresses of the Parties:

| To: **CLEC** | To: **ILEC** |
|---|---|
| Charter Fiberlink SC – CCO, LLC<br>Attn: Legal Department – Telephone<br>12405 Powerscourt Drive<br>St. Louis, Missouri 63131<br>Fax: (314) 965-6640 | Lockhart Telephone Company<br>Attn: General Manager<br>112 York Street<br>P.O. Box 160<br>Chester, SC 29706 |
| With a copy to:<br>Charter Communications, Inc.<br>Attn: Corporate Telephony – Carrier Relations<br>12405 Powerscourt Drive<br>St. Louis, Missouri 63131<br>Tel: (314) 543-5782<br>Fax: (314) 288-3555<br><br>With a copy to:<br><br>Charles A. Hudak, Esq.<br>Friend, Hudak & Harris, LLP<br>Three Ravinia Drive, Suite 1450<br>Atlanta, Georgia 30346<br>Tel: (770) 399-9500<br>Fax: (770) 395-0000 | With a copy to:<br><br>Margaret M. Fox<br>MCNAIR LAW FIRM, P.A.<br>1301 Gervias Street, 11th Floor<br>Columbia, South Carolina 29201<br>Tel: (803) 799-9800 |

or to such other address as either Party shall designate by proper notice. Notices will be deemed effectively given as of the earlier of: (i) the date of actual receipt; (ii) the next business day when notice is sent *via* one day express mail or personal delivery; or (iii) three (3) days after mailing in the case of certified U.S. mail.

## 27. Impairment of Service

The characteristics and methods of operation of any circuits, facilities or equipment of either Party connected with the services, facilities or equipment of the other Party pursuant to this Agreement shall not materially interfere with or materially impair service over any facilities of the other Party, its affiliated companies, or its connecting and concurring carriers involved in its services, cause damage to its plant, violate any applicable law or regulation regarding the invasion of privacy of any communications

carried over a Party's facilities or create hazards to the employees of either Party or to the public.

## 28. Change in Law

28.1 The Parties enter into this Agreement without prejudice to any positions they have taken previously, or may take in the future in any legislative, regulatory, judicial or other public forum addressing any matters, including matters related specifically to this Agreement, or other types of arrangements prescribed in this Agreement; provided, however, that this Agreement shall remain binding on the Parties.

28.2 The Parties acknowledge that the respective rights and obligations of each Party as set forth in this Agreement are based on the "Act" and the rules and regulations promulgated thereunder by the FCC and the Commission as of the Effective Date ("Applicable Rules"). In the event of any (i) final, effective, unstayed, amendment to the Act, (ii) any effective legislative action that is not stayed or overturned, (iii) any effective, final, non-appealable regulatory or judicial order, rule, or regulation, (iv) a final non-appealable dispute resolution under this Agreement, or (v) any other final, effective, non-appealable legal action purporting to apply the provisions of the Act to the Parties or in which the FCC or the Commission makes a generic determination that is generally applicable to the pricing, terms and conditions of this Agreement, any of which revises, modifies or reverses the Applicable Rules (individually and collectively, "Amended Rules"), then either Party may, to the extent permitted or required by the Amended Rules, by providing written notice to the other Party, require that the provisions of this Agreement that are revised, modified or reversed by the Amended Rules, be renegotiated in good faith and this Agreement shall be amended accordingly to reflect the pricing, terms and conditions renegotiated by the Parties to reflect each such Amended Rules.

## 29. Regulatory Approval

The Parties understand and agree that this Agreement will be filed with the Commission, and to the extent required by FCC rules may thereafter be filed with the FCC. Each Party covenants and agrees to fully support approval of this Agreement by the Commission. The Parties, however, reserve the right to seek regulatory relief and otherwise seek redress from each other regarding performance and implementation of this Agreement. In the event the Commission rejects this Agreement in whole or in part, the Parties agree to meet and negotiate in good faith to arrive at a mutually-acceptable modification of the rejected portion(s).

## 30. Taxes and Fees

Each Party purchasing services hereunder shall pay or otherwise be responsible for all federal, state, or local sales, use, excise, gross receipts, transaction or similar taxes, fees or surcharges levied against or upon such purchasing Party (or the providing Party when such providing Party is permitted to pass along to the purchasing Party such taxes, fees or

surcharges), except for any tax on either Party's corporate existence, status or income. Whenever possible, these amounts shall be billed as a separate item on the invoice. To the extent a sale is claimed to be exempt from taxes, the purchasing Party shall furnish the providing Party a proper resale or other tax exemption certificate as authorized or required by statute or regulation by the jurisdiction providing said resale or other tax exemption. Failure to provide the tax exemption certificate will result in no exemption being available to the purchasing Party until it is provided.

## 31. Trademarks and Trade Names

No patent, copyright, trademark or other proprietary right is licensed, granted, or otherwise transferred by this Agreement. Each Party is strictly prohibited from any use, including, but not limited to, in sales, in marketing or in advertising of telecommunications services, of any name, copyrighted material, service mark, or trademark of the other Party. The Marks include those Marks owned directly by a Party or its Affiliate(s) and those Marks that a Party has a legal and valid license to use. The Parties acknowledge that they are separate and distinct and that each provides a separate and distinct service and agree that neither Party may, expressly or impliedly, state, advertise or market that it is or offers the same service as the other Party or engage in any other activity that may result in a likelihood of confusion between its own service and the service of the other Party.

## 32. Non-Waiver

Failure of either Party to insist on the performance of any term or condition of this Agreement or to exercise any right or privilege hereunder shall not be construed as a continuing or future waiver of such term, condition, right or privilege.

## 33. Bankruptcy

If any voluntary or involuntary petition or similar pleading under any Section or Sections of any bankruptcy act shall be filed by or against a Party, or any voluntary or involuntary proceeding in any court or tribunal shall be instituted to declare the Party insolvent or unable to pay the Party's debts, or the Party makes an assignment for the benefit of its creditors, or a trustee or receiver is appointed for the Party or for the major part of the Party's property, the other Party may, if that Party so elects but not otherwise, and with or without notice of such election or other action by that Party, forthwith terminate this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year written below.

| Lockhart Telephone Company | Charter Fiberlink SC – CCO, LLC |
|---|---|
| By: _____ | By: _____ |
| Name: J. Brian Singleton | Name: Ted Schremp |
| Title: President & CEO | Title: Sr. VP & GM Charter Telephone |
| Date: _____ | Date: 8/11/06 |

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year written below.

| Lockhart Telephone Company | Charter Fiberlink SC – CCO, LLC |
|---|---|
| By: J. Brian Singleton | By: |
| Name: J. Brian Singleton | Name: |
| Title: President & CEO | Title: |
| Date: 08/11/06 | Date: |

# GLOSSARY

## 1. General Rule

Special meanings are given to common words in the telecommunications industry, and coined words and acronyms are common in the custom and usage in the industry. Words used in this Agreement are to be understood according to the custom and usage of the telecommunications industry, as an exception to the general rule of contract interpretation that words are to be understood in their ordinary and popular sense. In addition to this rule of interpretation, the following terms used in this Agreement shall have the meanings as specified below:

## 2. Definitions

2.1 ACCESS SERVICE REQUEST (ASR).

An industry standard form, which contains data elements and usage rules used by the Parties to add, establish, change or disconnect services or trunks for the purposes of interconnection.

2.2 ACT.

The Communications Act of 1934 (47 U.S.C. §151 et. seq.), as from time to time amended (including, without limitation by the Telecommunications Act of 1996, Public Law 104-104 of the 104th United States Congress effective February 8, 1996), and as further interpreted in the duly authorized and effective rules and regulations of the FCC or the Commission.

2.3 AFFILIATE.

Shall have the meaning as set forth in the Act.

2.4 APPLICABLE LAW.

All effective laws, government regulations and orders, applicable to each Party's performance of its obligations under this Agreement.

2.5 AUTOMATIC NUMBER IDENTIFICATION (ANI).

The signaling parameter which refers to the number transmitted through the network identifying the calling number of the calling Party.

2.6 CALLING PARTY NUMBER (CPN).

A Signaling System 7 (SS7) parameter that identifies the calling party's telephone number.

2.7 CENTRAL OFFICE.

A local switching system for connecting lines to lines, lines to trunks, or trunks to trunks for the purpose of originating/terminating calls over the public switched telephone network. A single Central Office may handle several Central Office codes ("NXX"). Sometimes this term is used to refer to a telephone company building in which switching systems and telephone equipment are installed.

2.8 CENTRAL OFFICE SWITCH.

A switch used to provide Telecommunications Services including, but not limited to, an End Office Switch or a Tandem Switch. A Central Office Switch may also be employed as combination End Office / Tandem Office Switch.

2.9 COMMISSION.

The South Carolina Public Service Commission.

2.10 COMMON CHANNEL SIGNALING (CCS).

A method of transmitting call set-up and network-control data over a digital signaling network separate from the public switched telephone network facilities that carries the actual voice or data content of the call.

2.11 COMPETITIVE LOCAL EXCHANGE CARRIER (CLEC).

Any corporation or other person legally able to provide Local Exchange Service in competition with an ILEC.

2.12 DIGITAL SIGNAL LEVEL 1 (DS1).

The 1.544 Mbps first-level signal in the time-division multiplex hierarchy.

2.13 DIGITAL SIGNAL LEVEL 3 (DS3).

The 44.736 Mbps third-level signal in the time-division multiplex hierarchy.

2.14 DIRECT INTERCONNECTION FACILITIES.

Dedicated one-way or two-way transport facilities installed between a CLEC switch (or its equivalent) and an ILEC Switch.

2.15 END OFFICE SWITCH OR END OFFICE.

End Office Switch is a switch in which End User Customer station loops are terminated for connection to trunks. The End User Customer receives terminating, switching, signaling, transmission, and related functions for a defined geographic area by means of an End Office Switch.

2.16 END USER CUSTOMER.

A retail residential or business end-user subscriber to Telephone Exchange Services provided directly by either of the Parties.

2.17 END USER CUSTOMER LOCATION.

The physical location of the premises where an End User Customer makes use of Telephone Exchange Service.

2.18 EXCHANGE AREA.

Means the geographic area that has been defined by the Commission for the provision of Telephone Exchange Service.

2.19 FCC.

The Federal Communications Commission.

2.20 INCUMBENT LOCAL EXCHANGE CARRIER (ILEC ).

Shall have the meaning stated in the Act. For purposes of this Agreement, Lockhart Telephone Company is an ILEC.

2.21 INFORMATION SERVICE.

The term shall be as defined in the Act. (47 U.S.C. §153(20)).

2.22 INTEREXCHANGE CARRIER (IXC).

A Telecommunications Carrier that provides, directly or indirectly, InterLATA or IntraLATA telephone toll services.

2.23 INTERLATA TRAFFIC.

Telecommunications toll traffic that originates in one LATA and terminates in another LATA.

2.24 INTRALATA TRAFFIC.

Telecommunications toll traffic that originates and terminates in the same LATA.

2.25 INTERNET PROTOCOL CONNECTION (IPC).

The physical location where end-user information is originated or terminated utilizing internet protocol.

2.26 ISDN USER PART (ISUP).

A part of the SS7 protocol that defines call setup messages and call takedown messages.

2.27 ISP-BOUND TRAFFIC.

ISP-Bound Traffic means traffic that originates from or is directed, either directly or indirectly, to or through an information service provider or Internet Service Provider (ISP) who is physically located in an area within the local or EAS exchange(s) of the originating End User Customer. Traffic originated from, directed to or through an ISP physically located outside the originating End User Customer's local or EAS exchange(s) will be considered switched toll traffic and subject to access charges. IP Enabled Traffic is not ISP-Bound Traffic.

2.28 JURISDICTIONAL INDICATOR PARAMETER (JIP).

JIP is a six-digit number which provides a unique identifier representing the originating carrier. JIP is defined in the Alliance for Telecommunications Industry Solutions Reference Document ATIS-0300011.

2.29 LOCAL ACCESS AND TRANSPORT AREA (LATA).

Shall have the meaning set forth in the Act.

2.30 LINE INFORMATION DATABASE (LIDB).

One or all, as the context may require, of the Line Information Databases owned individually by ILEC and other entities which provide, among other things, calling card validation functionality for telephone line number cards issued by ILEC and other entities. A LIDB also contains validation data for collect and third number-billed calls; i.e., Billed Number Screening.

2.31 LOCAL EXCHANGE CARRIER (LEC).

Shall have the meaning set forth in the Act.

2.32 LOCAL EXCHANGE ROUTING GUIDE (LERG).

The Telcordia Technologies reference customarily used to identify NPA/NXX routing and homing information, as well as network element and equipment designation.

2.33 LOCAL/EAS TRAFFIC.

Any call that originates from an End User Customer physically located in one exchange and terminates to an End User Customer physically located in either the same exchange, or other mandatory local calling area (e.g., EAS exchanges)

associated with the originating End User Customer's exchange. The terms "Exchange" and "EAS Exchanges" and "Exchange Area" are defined and specified in the ILEC, BellSouth and Verizon General Subscriber Service Tarrifs for the State of South Carolina.

2.34 NORTH AMERICAN NUMBERING PLAN (NANP).

The system of telephone numbering employed in the United States, Canada, Bermuda, Puerto Rico and certain Caribbean islands. The NANP format is a 10-digit number that consists of a 3-digit NPA Code (commonly referred to as area code), followed by a 3-digit Central Office code and a 4-digit line number.

2.35 NUMBERING PLAN AREA (NPA).

Also sometimes referred to as an area code, is the first three-digit indicator of each 10-digit telephone number within the NANP. Each NPA contains 800 possible NXX Codes. There are two general categories of NPA, "Geographic NPAs" and "Non-Geographic NPAs". A Geographic NPA is associated with a defined geographic area, and all telephone numbers bearing such NPA are associated with services provided within that geographic area. A Non-Geographic NPA, also known as a "Service Access Code" or "SAC Code" is typically associated with a specialized Telecommunications Service that may be provided across multiple geographic NPA areas. 500, 700, 800, 888 and 900 are examples of Non-Geographic NPAs.

2.36 NXX, NXX CODE, CENTRAL OFFICE CODE OR CO CODE.

The three-digit switch entity indicator (i.e., the first three digits of a seven-digit telephone number). Each NXX Code contains 10,000 station numbers.

2.37 POINT OF INTERCONNECTION (POI).

The physical location(s) at which the Parties' networks meet for the purpose of exchanging Local/EAS Traffic and ISP-Bound Traffic.

2.38 RATE CENTER AREA.

A Rate Center Area is a geographic location, which has been defined by the Commission as being associated with a particular NPA/NXX code, which has been assigned to an ILEC for its provision of Telephone Exchange Service. Rate Center Area is normally the same as the boundary of the ILEC Exchange Area as defined by the Commission.

2.39 RATE CENTER.

A Rate Center is the finite geographic point identified by a specific V&H coordinate which is used by the ILEC to measure, for billing purposes, distance-

sensitive transmission services associated with the specific rate center; provided that a Rate Center cannot exceed the boundaries of the ILEC Exchange Area as defined by the Commission.

2.40 SIGNALING SYSTEM 7 (SS7).

The common channel out-of-band signaling protocol developed by the Consultative Committee for International Telephone and Telegraph (CCITT) and the American National Standards Institute (ANSI). ILEC and CLEC currently utilize this out-of-band signaling protocol.

2.41 SWITCHED ACCESS SERVICE.

The offering of transmission and switching services for the purpose of the origination or termination of toll traffic. Switched Access Services include, but may not be limited to, Feature Group A, Feature Group B, Feature Group D, 700 access, 8XX access, and 900 access.

2.42 TANDEM SWITCH.

A switching entity that has billing and recording capabilities and is used to connect and switch trunk circuits between and among end office switches and between and among end office switches and carriers' aggregation points, points of termination, or points of presence, and to provide Switched Access Services.

2.43 TANDEM TRANSIT TRAFFIC OR TRANSIT TRAFFIC.

Telephone Exchange Service traffic that originates a Party's network, and is transported through the other Party's Tandem to the Central Office of a third party CLEC, Interexchange Carrier, Commercial Mobile Radio Service ("CMRS") carrier, or other LEC, that subtends the relevant Tandem to which the originating Party delivers such traffic. Subtending Central Offices shall be determined in accordance with and as identified in the Local Exchange Routing Guide ("LERG"). Switched Access Service traffic is not Tandem Transit Traffic.

2.44 TARIFF.

Any applicable Federal or State tariff of a Party, as amended from time to time.

2.45 TELCORDIA TECHNOLOGIES.

Formerly known as Bell Communications Research. The organization conducts research and development projects for its owners, including development of new Telecommunications Services. Telcordia Technologies also provides generic requirements for the telecommunications industry for products, services and technologies.

2.46 TELECOMMUNICATIONS CARRIER.

The term "telecommunications carrier" means any provider of telecommunications services, except that such term does not include aggregators of telecommunications services. A telecommunications carrier shall be treated as a common carrier under the Telecommunications Act only to the extent that it is engaged in providing Telecommunications Services.

2.47 TELECOMMUNICATIONS SERVICE.

The term "telecommunications service" means the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.

2.48 TELECOMMUNICATIONS TRAFFIC.

"Telecommunications Traffic" means Telecommunications Traffic exchanged between a LEC and a telecommunications carrier other than a CMRS provider, except for telecommunications traffic that is interstate or intrastate exchange access, information access, or exchange services for such access.

2.49 TELEPHONE EXCHANGE SERVICE.

The term "telephone exchange service" shall have the meaning set forth in 47 U.S.C. Section 153 (47) of the Act.

2.50 VOICE OVER INTERNET PROTOCOL (VoIP) OR IP-ENABLED TRAFFIC.

VoIP means any IP-Enabled, real-time, multidirectional voice call, including, but not limited to, service that mimics traditional telephony. For purposes of this Agreement, VoIP or IP-Enabled Traffic includes:

(i) Voice traffic originating on an Internet Protocol Connection (IPC), and which terminates on the Public Switched Telephone Network (PSTN); and

(ii) Voice traffic originated on the PSTN, and which terminates on an IPC.

# Interconnection Attachment

## 1. General

1.1 This Interconnection Attachment sets forth specific terms and conditions for network interconnection arrangements between ILEC and CLEC for the purpose of the exchange of Local/EAS Traffic and ISP-Bound Traffic that is originated by an End User Customer of one Party and is terminated to an End User Customer of the other Party, where each Party directly provides Telephone Exchange Service to its End User Customers physically located in the Exchange Area.

1.2 This Attachment also describes the physical architecture for the interconnection of the Parties' facilities and equipment for the transmission and routing of Telecommunications Traffic between the respective End User Customers of the Parties pursuant to Section 251 (a) and (b) of the Act and the compensation for such facilities and traffic exchanged.

1.3 Rate Arbitrage

1.3.1 Each Party agrees that it will not knowingly provision any of its services or the services of a third party in a manner that permits the circumvention of applicable switched access charges otherwise payable to the other Party or the utilization of the physical connecting arrangements described in this Agreement to permit the delivery to the other Party of traffic not covered under this Agreement through the POI on local interconnection trunks. For purposes of this Agreement, such provisioning is referred to as "Rate Arbitrage." The prohibition of Rate Arbitrage includes, but is not limited to, traffic originated or delivered by third-party carriers, traffic aggregators who pool traffic from several sources but do not have tandems in the LERG and resellers.

1.3.2 If any Rate Arbitrage is identified, the Party causing such Rate Arbitrage also agrees to take all reasonable steps to terminate and/or reroute any service that is permitting any carrier (including, without limitation, either Party) to conduct Rate Arbitrage. Notwithstanding the foregoing, if either Party is found to be in violation of this Section, until such time as the Rate Arbitrage is ceased, that Party shall pay applicable access charges to the other Party.

1.3.3 If either Party suspects that the other Party is engaging in or permitting Rate Arbitrage, the Party suspecting Rate Arbitrage ("Initiating Party") shall have the right to audit the other Party's records as provided in Section 9.6 of this Agreement to ensure that no Rate Arbitrage is taking place. Both Parties shall cooperate in providing records required to conduct such audits. Upon request by the Initiating Party, the other Party shall be required to obtain any applicable records of any third party utilizing the interconnection arrangements established pursuant to this

Agreement. Neither Party shall request an audit more frequently than once per calendar year. In the event that an audit determines that Rate Arbitrage is taking place, the Audited Party shall take appropriate action to cease such Rate Arbitrage, and notwithstanding the provisions of Section 9.6 and this Section that otherwise limit audits to once per calendar year, the Initiating Party may conduct a re-audit to confirm that such Rate Arbitrage has ceased.

## 2. Interconnection

The Parties shall exchange Local/EAS Traffic and ISP-Bound Traffic over either indirect or Direct Interconnection Facilities or a Fiber Meet Point between their networks. The Parties agree to connect their respective networks, directly or indirectly, so as to exchange such Local/EAS Traffic and ISP-Bound Traffic, with the Point of Interconnection (POI) as described below.

### 2.1 Indirect Interconnection

2.1.1 Each Party agrees to initially exchange ISP-Bound Traffic and Local/EAS Traffic indirectly with the other Party by transiting such Traffic through BellSouth Telecommunications Inc.'s ("BellSouth") Greenville tandem, or through such other tandem as listed in the LERG to which both Parties' networks are directly interconnected, until the monthly two-way aggregate volume of such traffic being exchanged by the Parties exceeds 200,000 minutes of use, based on a three month rolling average ("Direct Connection Threshold"). If the Direct Connection Threshold is satisfied, but both Parties agree that direct interconnection is undesirable, then the Parties shall continue to exchange Local/EAS Traffic and ISP-Bound Traffic indirectly utilizing the transit arrangement. Notwithstanding the foregoing, after the Direct Connection Threshold is satisfied, if either Party desires direct interconnection, then direct interconnection shall be mandatory.

2.1.2 For ISP-Bound Traffic and Local/EAS Traffic being exchanged indirectly, each Party acknowledges that it is the originating Party's responsibility to enter into the appropriate transiting arrangements with BellSouth or with such other carrier that has a tandem listed in the LERG to which both Parties' networks are directly interconnected. This arrangement for indirect interconnection will be subject to renegotiation: (1) if BellSouth or such other transiting carrier changes tandem homing arrangements; (2) if due to change in law or regulation, BellSouth or such other transiting carrier no longer offers transiting service; or (3) if for any other reason agreed upon by the Parties, BellSouth or such other transiting carrier no longer offers the transiting service.

2.1.3 The Party originating Local/EAS Traffic and ISP-Bound Traffic that is exchanged indirectly through the transiting arrangement shall bear all

charges payable to the transiting carrier(s) for such transit services with respect to such traffic and shall bear the cost of all facilities necessary to deliver such traffic to the transiting carrier.

2.1.4 Local/EAS Traffic and ISP-Bound Traffic exchanged by the Parties indirectly through a transiting carrier shall be subject to the same reciprocal compensation as provided in Section 3.2.

2.2 Direct Interconnection

2.2.1 At such time as either Party requests Direct Interconnection as provided in Section 2.1.1, Direct Interconnection Facilities between the Parties' networks shall be established as follows: Within thirty (30) days of either Party receiving a request for Direct Interconnection Facilities, CLEC shall either place an order for Direct Interconnection Facilities or notify ILEC of its desire to establish a Fiber Meet Point to accommodate the direct interconnection. Both Parties shall provide resources to support normal installation intervals for the Direct Interconnection Facilities or implementation of a Fiber Meet Point, including testing. If installation is delayed for reasons beyond CLEC's control, CLEC will notify the ILEC of such delay and provide the reason for the delay.

2.2.2 The Parties shall establish an initial POI at a point on the ILEC network that is at the service territory boundary of the ILEC or, if unavailable, at an established meet point between the ILEC and another carrier. Additional POIs may be established at locations on the ILEC network by mutual agreement. In selecting an additional POI, both Parties will act in good faith and select a point that is reasonably efficient for each Party. If the Parties are unable to agree upon the location of the additional POI, then the additional POI shall be determined pursuant to the Dispute Resolution provisions of this Agreement.

2.2.3 The POI is the location where one Party's operational and financial responsibility begins, and the other Party's operational and financial responsibility ends for Local/EAS Traffic and ISP-Bound Traffic. Each Party will be financially responsible for all facilities and traffic located on its side of the POI.

2.2.4 The Direct Interconnection Facilities shall be provisioned as two-way interconnection trunks, where technically feasible. The Parties will mutually coordinate the provisioning and quantity of trunks. To the extent that the Parties are unable to agree upon the provisioning and quantity of two-way trunks, each Party shall use one-way trunks to deliver its originated traffic to the other Party. The supervisory signaling specifications, and the applicable network channel interface codes for the Direct Interconnection Facilities, shall be the same as those used for Feature Group D Switched Access Service, as described in ILEC's applicable Switched Access Services tariff.

2.2.5 ILEC and CLEC may utilize existing and new Direct Interconnection Facilities procured in any wireline capacity for the mutual exchange of Local/EAS Traffic, ISP-Bound Traffic and toll traffic. Separate trunks shall be provisioned on the Direct Interconnection Facilities according to Section 2.3.1 and Section 2.3.2. If CLEC is purchasing a Direct Interconnection Facility of a DS3 or greater capacity, the charges for the Direct Interconnection Facility shall be apportioned based on the jurisdiction of the trunks provisioned on that facility.

2.3 Direct Interconnection Facilities

2.3.1 Local Interconnection Trunks

2.3.1.1 The Parties will establish separate trunk groups for the exchange of Local/EAS Traffic and ISP-Bound Traffic ("Local Interconnection Trunks") on the Direct Interconnection Facility. The Parties agree that all Local/EAS and ISP-Bound Traffic exchanged between them will be on trunks exclusively dedicated to such traffic. Neither Party will terminate IntraLATA or InterLATA toll traffic or originate untranslated traffic to service codes (e.g., 800, 888) over Local Interconnection Trunks.

2.3.1.2 If the Parties' originated Local/EAS Traffic and ISP-Bound Traffic is exchanged utilizing the same two-way Local Interconnection Trunk, both parties will mutually coordinate the provisioning and quantity of trunks to be utilized in this arrangement.

2.3.2 Access Trunks

2.3.2.1 Toll traffic shall not be routed on the Local Interconnection Trunks. Separate trunk groups for such Toll and Access Traffic must be established on the Direct Interconnection Facility. Standard access compensation arrangements from the Parties' respective tariffs will apply to the Access Trunks.

2.3.3 Fiber Meet Point

2.3.3.1 Fiber Meet Point is an interconnection arrangement whereby the Parties physically interconnect their networks via an optical fiber interface (as opposed to an electrical interface) at an interconnection point. Unless otherwise agreed, the POI for a Fiber Meet Point Arrangement shall be where the Parties physically interconnect their networks via an optical fiber interface. The location where one Party's facilities, provisioning, and maintenance responsibility begins and the other Party's

responsibility ends is at the POI.

2.3.3.2 If CLEC elects to interconnect with ILEC pursuant to a Fiber Meet Point, CLEC and ILEC shall jointly engineer and operate a fiber optic transmission system. The Parties shall interconnect their transmission and routing of Local/EAS Traffic and ISP-Bound Traffic via a local channel facility at the DS1 or DS3 level. The Parties shall work jointly to determine the specific transmission system. CLEC's fiber optic transmission equipment must be compatible with ILEC's fiber optic transmission equipment.

2.3.3.3 Each Party shall, wholly at its own expense, procure, install and maintain the agreed-upon fiber optic transmission system on its side of the Fiber Meet Point.

2.3.3.4 The Parties shall agree upon and designate a POI on the ILEC network as a Fiber Meet Point, and ILEC shall make all necessary preparations to receive, and to allow and enable CLEC to deliver, fiber optic facilities into the POI with sufficient spare length to reach the fusion splice point at the Fiber Meet Point.

2.3.3.5 CLEC shall deliver and maintain its fiber strands wholly at its own expense. Upon request by CLEC, ILEC shall allow CLEC access to the Fiber Meet Point entry point for maintenance purposes as promptly as possible.

2.3.3.6 The Parties shall jointly coordinate and undertake maintenance of the fiber optic transmission system. Each Party shall be responsible for maintaining the components of its own fiber optic transmission system.

2.3.3.7 Each Party will be responsible for providing its own transport facilities to the Fiber Meet Point.

2.4 Once Direct Interconnection Facilities are established, both Parties will use best efforts to route all traffic to the other Party utilizing the Direct Interconnection Facilities except in the case of an emergency, temporary equipment failure, overflow or blocking. Should either Party determine that the other Party is routing its originated traffic indirectly via a third party tandem, the originating Party agrees to update its routing and translations tables to move such traffic to the Direct Interconnection Facilities within five (5) business days.

2.5 Facility Sizing. The Parties will mutually agree on the appropriate sizing of the transport facilities. The capacity of transport facilities provided by each Party will be based on mutual forecasts and sound engineering practice, as mutually agreed to by the Parties. CLEC will order trunks in the agreed-upon quantities via

an Access Service Request.

2.6 If CLEC requests ILEC to build new facilities (e.g., installing new fiber) on CLEC's side of the POI, CLEC will bear the cost of construction. Payment terms for such costs will be negotiated between the Parties on an individual case basis. No Party will construct facilities that require the other Party to build unnecessary facilities.

2.7 The CLEC shall be responsible for establishing 911 trunks with the designated 911 vendor. CLEC may purchase transport for such 911 trunks from ILEC subject to applicable tariff rates.

2.8 Interface Types

If the POI has an electrical interface, the interface will be DS1 or DS3 as mutually agreed upon by the Parties. When a DS3 interface is agreed to by the Parties, ILEC will provide any multiplexing required for DS1 facilities or trunking at its end and CLEC will provide any DS1 multiplexing required for facilities or trunking at its end.

2.9 Programming

It shall be the responsibility of each Party to program and update its own switches and network systems pursuant to the LERG and to route traffic to the other Party's assigned NPA-NXX codes. Neither Party shall impose any fees or charges whatsoever on the other Party for such activities, nor shall either Party fail or refuse to promptly load the other Party's assigned NPA-NXX codes into its switch(es).

2.10 Equipment Additions

Where additional equipment is required, such equipment will be obtained, engineered, and installed on the same basis and with the same intervals as any similar growth job for the Parties' internal customer demand.

## 3. Compensation

3.1 Facilities Compensation

3.1.1 For Direct Interconnection Facilities, CLEC may (i) utilize a Fiber Meet Point, (ii) lease facilities from ILEC or (iii) lease facilities from a third party, to reach the POI. If CLEC uses third party facilities to reach the POI, in no event will ILEC be responsible for payment to third party or reimbursement to CLEC for such Direct Interconnection Facilities.

3.1.2 If CLEC chooses to lease Direct Interconnection Facilities from the ILEC to reach the POI, CLEC shall compensate ILEC for such leased Direct

Interconnection Facilities used for the transmission and routing of telephone exchange service and exchange access service between the Parties and to interconnect with ILEC's network at ILEC's tariffed rates.

3.1.3 Each Party shall be responsible for the cost of Direct Interconnection Facilities on its side of the POI. Each Party has the obligation to install and maintain the appropriate trunks, trunk ports and associated facilities on its respective side of the POI and is responsible for bearing its costs for such trunks, trunk ports and associated facilities on its side of the POI.

3.2 Traffic Termination Compensation

3.2.1 This Section 3.2 is expressly limited to the transport and termination of Local/EAS Traffic and ISP-Bound Traffic originated by and terminated to End User Customers of the Parties in this Agreement. Because such traffic is believed to be in balance, both Parties agree that compensation for the transport and termination of Local/EAS Traffic and ISP-Bound Traffic shall be on a Bill and Keep Basis in the form of the mutual exchange of services provided by the other Party with no minute of use billing related to transport and termination of such traffic issued by either Party.

3.2.2 Compensation for toll traffic will be in accordance with each Party's appropriate access tariffs. In the event that CLEC does not have an approved tariff for access service, CLEC agrees to utilize rates that do not exceed ILEC's tariffed access rates.

3.2.3 If either Party delivers Transit Traffic to the other, the Party providing the transiting switching function shall bill the originating Party for its originated Transit Traffic that is routed to the transiting provider for delivery to an unaffiliated third party, where the switch homing arrangement for NPA/NXX is designated as the transiting Party's tandem switch per the Local Exchange Routing Guide (LERG). The rate for Transit Traffic is $0.005 per minute of use. Each Party is responsible for negotiating any necessary interconnection arrangements directly with the third party. The Party providing the Transit Service will not be responsible for any reciprocal compensation payments to the originating Party for Transit Traffic. Any Transit Traffic that is toll shall be governed by the transit provider's access tariffs.

3.3 Jurisdiction of IP-Enabled Traffic is determined by the physical location of the End User Customer originating IP-Enabled Traffic, which is the geographical location of the actual Internet Protocol Connection (IPC), not the location where the call enters the Public Switched Telephone Network (PSTN). Signaling information associated with IP-Enabled Voice Traffic must comply with Section 5 of this Interconnection Attachment.

## 4. Routing

4.1 Both Parties acknowledge that traffic will be routed in accordance with Telcordia Traffic Routing Administration (TRA) instructions.

4.2 Both Parties shall adhere to the North American Numbering Plan (NANP) guidelines. The Parties agree that if a Party assigns telephone numbers from an NPA/NXX to an End User Customer physically located outside the Rate Center Area with which the NPA/NXX is associated, the physical location of the calling and called End User Customers shall be used to determine the jurisdiction of the Telecommunications Traffic for purposes of determining the appropriate compensation mechanism. Further, in order for End User Customers to be considered physically located in the Rate Center such End User Customers must have valid E911 service with a corresponding record in the serving ALI Database.

4.3 Neither Party shall route un-translated traffic to service codes (e.g., 800, 888, 900) over the Local Interconnection Trunks.

4.4 N11 Codes: Neither Party shall route N11 codes (e.g., 411, 611, 711, and 911) over Direct Interconnection Facilities.

## 5. Signaling

5.1 Accurate Calling Party Number ("CPN") associated with the End User Customer originating the call must be provided. Accurate CPN is:

5.1.1 CPN that is a dialable working telephone number, that when dialed, will reach the End User Customer to whom it is assigned, at that End User Customer's Location.

5.1.2 CPN that has not been altered.

5.1.3 CPN that is not a charged party number.

5.1.4 CPN that follows the North American Numbering Plan Standards and can be identified in numbering databases and the LERG as an active number.

5.1.5 CPN that is assigned to an active End User Customer.

5.1.6 CPN that is associated with the Rate Center of the specific End User Customer Location.

5.2 The originating Party will provide to the other Party, upon request, information to demonstrate that the originating Party's portion of traffic without CPN or Jurisdictional Indicator Parameter ("JIP") does not exceed five percent (5%) of the total traffic delivered to the other Party. The Parties will coordinate and exchange data as necessary to determine the cause of the CPN or JIP failure and to assist in its correction. If either Party fails to provide accurate CPN and JIP (*i.e.*

valid originating information) on at least ninety-five percent (95%) of its total originating Local/EAS Traffic and ISP Bound Traffic, then traffic sent to the other Party without valid originating information will be handled in the following manner. If the unidentified traffic is less than 5%, the unidentified traffic will be treated as having the same jurisdictional ratio as the identified traffic. If the unidentified traffic exceeds five percent (5%) of the total traffic, all the unidentified traffic shall be billed at a rate equal to ILEC's applicable access charges.

5.3 Signaling

The Parties will connect their networks using SS7 signaling as defined in applicable industry standards including ISDN User Part ("ISUP") for trunk signaling and Transaction Capabilities Application Part ("TCAP") for common channel signaling-based features in the connection of their networks. CPN shall be available for at least 95% of the calls. Signaling information shall be shared between the Parties at no charge to either Party.

5.4 Signaling Parameters

ILEC and CLEC are required to provide each other with the proper signaling information (e.g., originating accurate CPN, JIP, and destination called party number, etc.) to enable each Party to issue bills in an accurate and timely fashion. All Common Channel Signaling (CCS) signaling parameters will be provided including CPN, JIP, Originating Line Information Parameter (OLIP) on calls to 8XX telephone numbers, Calling Party Category, Charge Number, etc. All privacy indicators will be honored. One JIP per switch per LATA per state will be provided. In addition, each Party agrees that it is responsible for ensuring that all CCS signaling parameters are accurate and it shall not strip, alter, modify, add, delete, change, or incorrectly assign any CPN or JIP. CPN shall, at a minimum, include information that accurately reflects the physical location of the End User Customer that originated and/or dialed the call.

5.5 Grade of Service.

Each Party will provision their network to provide a designed blocking objective of a P.01.

## 6. Network Management

6.1 Protective Controls

Either Party may use protective network traffic management controls such as 7-digit and 10-digit code gaps on traffic destined to each Party's network, when required to protect the public switched network from congestion or failure, or focused overload. CLEC and ILEC will immediately notify each other of any protective control action planned or executed.

6.2 Mass Calling

Both Parties will cooperate and share pre-planning information regarding cross-network call-ins expected to generate large or focused temporary increases in call volumes. The Parties agree that the promotion of mass calling services is not in the best interest of either Party. If one Party's network is burdened repeatedly more than the other Party's network, the Parties will meet and discuss the cause and impact of such calling and will agree on how to equitably share the costs and revenues associated with the calls and on methods for managing the call volume.

6.3 Network Harm

Neither Party will use any service related to or provided in this Agreement in any manner that interferes with third parties in the use of their service, prevents third parties from using their service, impairs the quality of service to other carriers or to either Party's Customers; causes electrical hazards to either Party's personnel, damage to either Party's equipment or malfunction of either Party's billing equipment (individually and collectively, "Network Harm"). If a Network Harm will occur, or if a Party reasonably determines that a Network Harm is imminent, such Party will, where practicable, notify the other Party that temporary discontinuance or refusal of service may be required, provided, however, wherever prior notice is not practicable, such Party may temporarily discontinue or refuse service forthwith, if such action is reasonable under the circumstances. In case of such temporary discontinuance or refusal, such Party will:

6.3.1 Promptly notify the other Party of such temporary discontinuance or refusal;

6.3.2 Afford the other Party the opportunity to correct the situation which gave rise to such temporary discontinuance or refusal; and

6.3.3 Inform the other Party of its right to bring a complaint to the Commission, FCC, or a court of competent jurisdiction.

# Ancillary Services Attachment

## 1. 911/E-911 Arrangements

1.1 ILEC utilizes BellSouth Telecommunications, Inc. for the provision of 911/E-911 services. The CLEC is responsible for connecting to BellSouth and populating applicable 911/E-911 databases (e.g. Automatic Location Identification database). All relations between BellSouth and CLEC are totally separate from this Agreement and ILEC makes no representations on behalf of BellSouth.

1.2 ILEC will not be liable for errors with respect to CLEC's provision of 911/E-911 services to CLEC's End User Customers.

## 2. Directory Listings and Directory Distribution

2.1 To the extent the CLEC is providing Telephone Exchange Service to End User Customers in ILEC's local service territory, CLEC will be required to negotiate a separate agreement for directory listings with ILEC's vendor for directory publications.

2.2 Listings

CLEC agrees to supply ILEC's directory publisher, on a regularly scheduled basis, and in a format prescribed by directory provider, all listing information for CLEC's subscribers who wish to be listed in any ILEC published directory for the relevant operating area. Listing information will consist of names, addresses (including city, state and zip code) and telephone numbers. Nothing in this Agreement shall require ILEC to publish a directory where it would not otherwise do so. Listing inclusion in a given directory will be in accordance with ILEC's solely determined directory configuration, scope, and schedules and listings will be treated in the same manner as ILEC's listings.

2.3 Distribution

Upon directory publication, ILEC will arrange for the initial distribution of the directory to service subscribers in the directory coverage area. CLEC will supply ILEC, in a timely manner, with all required subscriber mailing information including non-listed and non-published subscriber mailing information, to enable ILEC to perform its directory distribution to CLEC customers. CLEC, at the discretion of ILEC, will pay ILEC for the reasonable and direct cost for directory mailings to CLEC subscribers.