

Appendix A

7.3 Reciprocal Compensation

7.3.1 Interconnection Facility Options

The Reciprocal Compensation Provisions of this Agreement shall apply to the exchange of Exchange Service (EAS/Local) traffic between CLEC's network and Qwest's network. Where either Party acts as an IntraLATA Toll provider, each Party shall bill the other the appropriate charges pursuant to its respective Tariff or Price Lists. Where either Party interconnects and delivers traffic to the other from third parties, each Party shall bill such third parties the appropriate charges pursuant to its respective Tariffs, Price Lists or contractual offerings for such third party terminations. Absent a separately negotiated agreement to the contrary, the Parties will directly exchange traffic between their respective networks without the use of third party transit providers.

7.3.1.1 Entrance Facilities

7.3.1.1.1 Recurring and nonrecurring rates for Entrance Facilities are specified in Exhibit A and will apply for those DS1, DS3, or OCn facilities dedicated to use by LIS.

7.3.1.1.2 If CLEC chooses to use an existing facility purchased as Private Line Transport Service from the state or FCC Access Tariffs, the rates from those Tariffs will apply.

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Qwest proposed:

7.3.1.1.3 If the Parties elect to establish LIS two-way trunks, for reciprocal exchange of Exchange Service (EAS/Local) traffic, the cost of the LIS two-way facilities shall be shared among the Parties by reducing the LIS two-way EF rate element charges as follows:

7.3.1.1.3.1 The provider of the LIS two-way Entrance Facility (EF) will initially share the cost of the LIS two-way EF by assuming an initial relative use factor of fifty percent (50%) for a minimum of one quarter.

The nominal charge to the other Party for the use of the Entrance Facility (EF), as described in Exhibit A, shall be reduced by this initial relative use factor. Payments by the other Party will be according to this initial relative use factor for a minimum of one quarter. The initial relative use factor will continue for both bill reduction and payments until the Parties agree to a new factor, based upon actual minutes of use data **for non-Internet Related traffic** to substantiate a change in that factor. If either Party demonstrates **with non-Internet Related data** that actual minutes of use during the first quarter justify a relative use factor other than fifty percent (50%), the Parties will **retroactively true up first quarter charges**. Once negotiation of a new factor is finalized, the bill reductions and payments will apply going forward, for a minimum of one quarter. By agreeing to this interim solution, Qwest does not waive its position that Internet Related Traffic or traffic delivered to Enhanced Service Providers is interstate in nature.

Level 3 proposed:

7.3.1.1.3 If the Parties elect to establish LIS two-way trunks, for reciprocal exchange of Exchange Service (EAS/local) **(including traffic originated by Enhanced Service Providers), ISP bound traffic, Exchange Access (IntraLATA toll carried solely by Local Exchange Carriers) and Jointly Provided Switched Access (InterLATA and IntraLATA toll involving a third-party IXC)**, the cost of the LIS two-way facilities shall be shared among the Parties by reducing the LIS two-way EF rate element charges as follows:

7.3.1.1.3.1 **Where the Parties have been exchanging traffic prior to the Effective Date of this Agreement in Washington, the Parties shall utilize the existing relative use factor already employed to determine sharing of costs in Washington. Where the Parties have not been exchanging traffic previously in Washington prior to the Effective Date of this Agreement,** the provider of the LIS two-way Entrance Facility (EF) will initially share the cost of the LIS two-way EF by assuming an initial relative use factor of fifty percent (50%) for a minimum of one quarter. The nominal charge to the other Party for the use of the Entrance Facility (EF), as described in Exhibit A, shall be reduced by this initial relative use factor. Payments by the other Party will be according to this initial relative use factor for a minimum of one quarter. The initial relative use factor will continue for both bill reduction and payments until the Parties agree to a new factor, based upon actual minutes of use data to substantiate a change in that factor. **(For example, if Level 3 originates 600 minutes of traffic and Qwest originates 400 minutes of traffic over the two-way EF, the new relative use factor for Level 3 would be 60% and the new relative use factor for Qwest would be 40%. Level 3 would then bear 60% of the cost of the two-way EF, and Qwest would bear 40% of the cost.)** If either Party demonstrates that actual minutes of use during the first quarter justify a relative use factor other than fifty percent (50%), the Parties will **apply the new factor going forward**. Once negotiation of a new factor is finalized, the bill reductions and payments will apply going forward, for a minimum of one

quarter. By agreeing to this interim solution, Qwest does not waive its position that Internet Related Traffic or traffic delivered to Enhanced Service Providers is interstate in nature.

7.3.1.2 Collocation

7.3.1.2.1 See Section 8

7.3.1.2.2 Intentionally Left Blank

7.3.2 Direct Trunked Transport

7.3.2.1 Either Party may elect to purchase direct trunked transport from the other Party.

7.3.2.1.1 Direct trunked transport (DTT) is available between the Serving Wire Center of the POI and the terminating Party's tandem or End Office Switches where facilities exist. The applicable rates are described in Exhibit A. DTT facilities are provided as dedicated OCn, DS3, DS1 or DS0 facilities. Until such time as ordering and provisioning processes may be established, Qwest will accept and process orders for OCn level DTT on an individual case basis. For Level 3, interim applicable optical rates for OCn DTT can be found in Exhibit A under Unbundled Dedicated Interoffice Transport (UDIT). The rates for the DS1 electrical facility from the Qwest central office optical remote node into the Qwest end office switch will also be found under the DS1 UDIT rates in Exhibit A. If the Commission has ordered rates combining UDIT and EUDIT as one rate element, the Parties will use such rates. This electrical facility shall also be subject to the same relative use calculation applicable to DTT facilities under this Agreement. The Parties agree that the rates for OCn DTT will be temporary until the appropriate interconnection rates are approved in a cost docket. Once the appropriate rates are approved, these rates will be applied upon the effective date of the cost docket. If Level 3 chooses to order OCn level DTT, these facilities will only be used to support LIS trunk groups, including EAS/Local Trunk groups and intraLATA toll Trunk groups. Qwest reserves the right to audit the use of these facilities pursuant to Section 18 of this Agreement.

7.3.2.1.2 When DTT is provided to a local or access tandem for Exchange Service (EAS/local traffic), or to an access tandem for Exchange Access (IntraLATA Toll), or Jointly Provided Switched Access traffic, the applicable DTT rate elements apply between the Serving Wire Center and the tandem. Additional rate elements for delivery of traffic to the terminating end office are Tandem Switching and Tandem Transmission. These rates are described below.

7.3.2.1.3 Mileage shall be measured for DTT based on V&H coordinates between the Serving Wire Center and the local/access tandem or end office.

7.3.2.1.4 Fixed Charges per DS0, DS1, DS3, or OCn and per mile charges are defined for DTT in Exhibit A of this Agreement.

7.3.2.2 If the Parties elect to establish LIS two-way DTT trunks, for reciprocal exchange of Exchange Service (EAS/Local) traffic, the cost of the LIS two-way DTT

facilities shall be shared among the Parties by reducing the LIS two-way DTT rate element charges as follows:

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Qwest proposed:

7.3.2.2.1 The provider of the LIS two-way DTT facility will initially share the cost of the LIS two-way DTT facility by assuming an initial relative use factor of fifty percent (50%) for a minimum of one quarter. The nominal charge to the other Party for the use of the DTT facility, as described in Exhibit A, shall be reduced by this initial relative use factor. Payments by the other Party will be according to this initial relative use factor for a minimum of one quarter. The initial relative use factor will continue for both bill reduction and payments until the Parties agree to a new factor, based upon actual minutes of use data for **non Internet related traffic** to substantiate a change in that factor. If either Party demonstrates **with non Internet Related data** that actual minutes of use during the first quarter justify a relative use factor other than fifty percent (50%), the Parties will **retroactively true up first quarter charges**. Once negotiation of new factor is finalized, the bill reductions and payments will apply going forward, for a minimum of one quarter. **By agreeing to this interim solution, Qwest does not waive its position that Internet related traffic is interstate in nature.**

Level 3 proposed:

7.3.2.2.1 The provider of the LIS two-way DTT facility will initially share the cost of the LIS two-way DTT facility by assuming an initial relative use factor of fifty percent (50%) for a minimum of one quarter. The nominal charge to the other Party for the use of the DTT facility, as described in Exhibit A, shall be reduced by this initial relative use factor. Payments by the other Party will be according to this initial relative use factor for a minimum of one quarter. The initial relative use factor will continue for both bill reduction and payments until the Parties agree to a new factor, based upon actual minutes of use data to substantiate a change in that factor. **(For example, if Level 3 originates 600 minutes of traffic and Qwest originates 400 minutes of traffic over the two-way EF, the new relative use factor for Level 3 would be 60% and the new relative use factor for Qwest would be 40%. Level 3 would then bear 60% of the cost of the two-way EF, and Qwest would bear 40% of the cost.)** If either Party demonstrates that actual minutes of use during the first quarter justify a relative use factor other than fifty percent (50%), the Parties will **apply the new factor going forward**. Once negotiation of new factor is finalized, the bill reductions and payments will apply going forward, for a minimum of one quarter.

7.3.2.3 Multiplexing options (DS1/DS3 MUX or DS0/DS1 MUX) are available at rates described in Exhibit A.

7.3.3 Trunk Nonrecurring charges

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Qwest proposed:

7.3.3.1 Installation nonrecurring charges may be assessed by the provider for each LIS trunk ordered. Qwest rates are specified in Exhibit A.

Level 3 proposed:

7.3.3.1 Non-recurring trunk charges will be assessed at a proportional rate equal to the relative use factor in effect for the quarter during which the trunk is ordered.

7.3.3.2 Nonrecurring charges for rearrangement may be assessed by the provider, for each LIS trunk rearrangement ordered, at one-half the rates specified in Exhibit A.