

Connie E. Nicholas
Attorney



**GTE Telephone
Operations**

600 Hidden Ridge, HQE03H44
P.O. Box 152092
Irving, TX 75015-2092
214 718-4586
FAX: 214 718-6372

April 29, 1996

**Joyce Beasley
AT&T
295 North Maple Avenue
Room 3258D2
Basking Ridge, NJ 07920**

**Re: Confidentiality Agreement Between AT&T and GTE Telephone Operating
Companies**

Dear Joyce:

As per your request, enclosed is one fully executed original of the agreement referenced above. If you have any questions, please call.

Very truly yours,

A handwritten signature in cursive script that reads "Connie E. Nicholas".

Connie E. Nicholas
Attorney

Enclosures

c: Donald W. McLeod

AGBR 003080

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CONFIDENTIALITY AGREEMENT

This AGREEMENT is entered into between the GTE telephone operating companies noted on Attachment A, Contel of California Incorporated ("GTE"), and AT&T Corp., on behalf of itself and its affiliated state companies ("AT&T") (collectively "the parties") in connection with AT&T's request for negotiation of interconnection arrangements, services, and network elements under Sections 251 and 252 of the Telecommunications Act of 1996 (the "negotiations"), and any proceedings before a state public utility commission or other state agency, before the Federal Communications Commission or the United States Department of Justice, or any judicial proceeding arising from or in connection with that request (the "related proceedings").

For the purposes of the negotiations or, as necessary, the related proceedings, if any, AT&T and GTE may disclose to each other certain information that the producing or disclosing party considers proprietary, confidential or trade secret information, and AT&T or GTE may designate that information as "Proprietary Information" as defined herein. This AGREEMENT is intended to facilitate production or disclosure of such information without jeopardizing its proprietary or confidential nature or protected status.

1. "Proprietary Information" means all information or data, regardless of the form of media in which it is provided, that is considered proprietary, confidential or trade secret, and is stamped, labeled, or otherwise designated as "Proprietary", "Confidential" or "Trade Secret" or which contains other words or symbols clearly indicating that the information is intended to be secure from public disclosure. "Proprietary Information" also includes information that is provided or disclosed orally or visually if it is identified as proprietary or confidential when provided or disclosed and is summarized in a writing so marked and delivered within ten (10) days following such disclosure. The fact of the pendency of the negotiations, their status and the issues under discussion shall not be considered Proprietary Information.

2. All Proprietary Information that GTE or AT&T disclose to each other shall be treated as confidential (unless such status is specifically waived in writing by the producing party), shall be held in confidence and used only for the purposes of the negotiations and related proceedings, and shall be treated in accordance with the restrictions in this AGREEMENT. Each party shall treat the other party's Proprietary Information as it treats its own similarly-classified materials.

3. When requested, a party shall provide a non-confidential resume of the Proprietary Information to enable the recipient to determine whether to accept it. Each party has the right to refuse to accept any information under this AGREEMENT, and nothing in this AGREEMENT obligates either party to disclose to the other party any particular information.

4. Neither the Proprietary Information, nor any summaries or compilations of the whole or any part thereof, shall be revealed or distributed to anyone other than the representatives of the parties to this AGREEMENT with a need to know for purposes of the negotiations or related proceedings, or to third parties charged with responsibility for conducting and/or adjudicating the related proceedings.

5. A party may, at the time specific Proprietary Information is disclosed, request that no, or a limited number of, copies be made of such specific Proprietary Information. Copies of Proprietary Information shall include the stamp, label or designation that indicates that the information is Proprietary Information, or shall otherwise prominently bear the statement that disclosure of the contents is restricted. With the exception of a single copy which may be retained and used for implementation or enforcement of an agreement resulting from the negotiations, all copies of Proprietary Information shall be destroyed or returned, at the request of the party producing the Proprietary Information, at the conclusion of the negotiations or related proceedings. Notes, memoranda, or other written or recorded materials of any kind containing Proprietary Information or summaries or compilations of the whole or any part thereof shall likewise be destroyed, except as necessary for implementation or enforcement of an agreement resulting from the negotiations.

6. Each party agrees not to reveal any Proprietary Information received pursuant to this AGREEMENT except as permitted under paragraph 4 of this AGREEMENT; to utilize any such Proprietary Information solely for purposes of preparation for and conduct of the negotiations and related proceedings, if any, and not for any other purpose; and to keep all such Proprietary Information secure at all times in accordance with the purpose and intent of this AGREEMENT. Nothing in this AGREEMENT shall prevent either party from advising an authorized official of any state or federal agency or court with jurisdiction of the status of the negotiations, or from responding to an inquiry from such official concerning the same.

7. In any related proceeding, the parties agree to enter a protective order providing for the confidentiality or protection of Proprietary Information, or to comply with established rules and procedures for the protection of Proprietary Information. A party seeking to submit or file Proprietary Information in a related proceeding shall comply with the terms of such protective order or with such rules and procedures.

8. No patent, copyright, trademark or other intellectual property right is licensed, granted or otherwise transferred by this AGREEMENT or any disclosure hereunder, except for the right to use information in accordance with this AGREEMENT. No warranties of any kind are given or implied with respect to Proprietary Information disclosed under this AGREEMENT or any use thereof, except that the party disclosing the Proprietary Information warrants that it has the authority to make the disclosures contemplated hereunder.

9. The obligations of this AGREEMENT shall not apply to any Proprietary Information which the recipient can demonstrate:

(a) is or becomes available to the public through no breach of this AGREEMENT;

(b) was previously known by the recipient without any obligation to hold it in confidence as evidenced by documentation in the recipient's possession;

(c) is received without restriction from another source free to disclose such information;

(d) is independently developed by the recipient without use of the Proprietary Information;

(e) is approved for release by written authorization of the disclosing party.

10. In the event that the receiving party becomes compelled by lawful process (such as interrogatories, subpoenas, or civil investigative demands) to disclose any Proprietary Information, the receiving party shall provide the disclosing party with prompt written notice so that the disclosing party may seek a protective order or other appropriate remedy, or both, or waive compliance with the provisions of this AGREEMENT. In the event that the disclosing party is unable to obtain a protective order or other appropriate remedy, or if the disclosing party so directs, the receiving party shall, and shall cause its employees to, exercise its reasonable best efforts to obtain a protective order or other appropriate remedy at the disclosing party's reasonable expense. Failing

the entry of a protective order or other appropriate remedy or receipt of a waiver hereunder, the receiving party shall furnish only that portion of the Proprietary Information which it is advised by written opinion of its counsel is legally required to be furnished and shall exercise its reasonable best efforts to obtain reliable assurance that confidential treatment shall be accorded such Proprietary Information.

11. This AGREEMENT is intended to establish a procedure for facilitating negotiations and shall not be construed as an agreement by the parties that any document or data provided under the terms of this AGREEMENT in fact contains proprietary, confidential or trade secret information. Both parties reserve the right to contest the designation of any particular document or any data as containing proprietary, confidential or trade secret information. The parties shall not be deemed to have waived, in the negotiations or in any related proceeding, any objections to the relevancy, materiality, or admissibility of the Proprietary Information furnished under this AGREEMENT.


12. Each party agrees that the disclosing party would be irreparably injured by a breach of this AGREEMENT by the receiving party or its representatives and that the disclosing party shall be entitled to equitable relief, including injunctive relief and specific performance, in the event of any breach of the provisions of this AGREEMENT. Such remedies shall not be deemed to be the exclusive remedies for a breach of this AGREEMENT, but shall be in addition to all other remedies available at law or in equity; provided, however, that absent a showing of a knowing or willful violation of this AGREEMENT, neither party shall be liable to the other, whether in contract, tort, or otherwise, for special, indirect, or consequential damages.

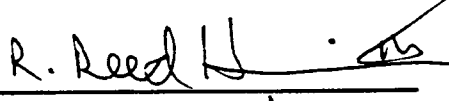
13. This AGREEMENT represents the entire understanding between the parties with respect to the subject matter hereof, and supersedes all prior communications, agreements and understandings relating thereto. The provisions of this AGREEMENT may not be modified, amended or waived except by a written instrument duly executed by both parties. This AGREEMENT shall be governed in all respects by the domestic laws of the State of Texas, (excluding its conflict of laws rules.)

14. This AGREEMENT shall be effective as of March 12, 1996 and shall continue until terminated by the conclusion of the negotiations or any related proceedings, or by either party electing to terminate upon thirty (30) days prior written notice. All obligations respecting Proprietary Information shall survive termination of this AGREEMENT for a period of three (3) years.

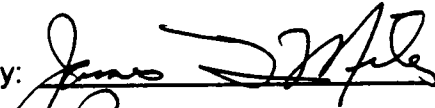
The GTE telephone operating
companies listed on Attachment A

AT&T

By: 
Larry J. Sparrow
Title: Vice President - Carrier
Markets
Date: 4/18/96

By: 
R. Reed H.
Title: VP - LIAM REG'L OPNS
Date: 4/18/96

Contel of California,
Incorporated

By: 
James D. McLe
Title: President
Date: 4/26/96

APPROVED AS TO FORM
Conrad E. Nichols
Attorney at Law
4/19/96

EXHIBIT A
GTE Telephone Operating Companies

1/31/96

GTE Alaska Incorporated
GTE Arkansas Incorporated, successor by merger with:
 Contel of Arkansas, Inc. d/b/a GTE Arkansas
GTE California Incorporated
 GTEL
GTE Florida Incorporated
 GTE Communications Corporation
GTE Hawaiian Telephone Company Incorporated
 The Micronesian Telecommunications Corporation
GTE Midwest Incorporated,
 successor by merger with:
 Contel of Iowa, Inc. d/b/a GTE Iowa
 Contel of Kansas, Inc. d/b/a Contel System of Arkansas, d/b/a GTE
 Systems of Arkansas; d/b/a Contel System of Iowa, d/b/a GTE
 Systems of Iowa
 Contel of Missouri, Inc. d/b/a GTE Missouri
 Contel System of Missouri, Inc. d/b/a GTE Systems of Missouri
 The Kansas State Telephone Company d/b/a Contel of Eastern Missouri,
 d/b/a GTE of Eastern Missouri
GTE North Incorporated,
 formerly Contel North Incorporated, successor to:
 Contel of Illinois, Inc. d/b/a GTE Illinois
 Contel of Indiana, Inc. d/b/a GTE Indiana
 Contel of Pennsylvania, Inc. d/b/a GTE Pennsylvania
GTE Northwest Incorporated,
 successor by merger with:
 Contel of the Northwest, Inc. d/b/a GTE Systems of the Northwest
 GTE West Coast Incorporated
GTE South Incorporated
 successor by merger with:
 Contel of Kentucky, Inc. d/b/a GTE Kentucky
 Contel of North Carolina, Inc. d/b/a GTE North Carolina
 Contel of South Carolina, Inc. d/b/a GTE South Carolina
 Contel of Virginia, Inc. d/b/a GTE Virginia
GTE Southwest Incorporated
 successor by merger with:
 Contel of Texas, Inc. d/b/a GTE Texas
 Contel of the West, Inc. d/b/a GTE West
Contel of Minnesota, Inc. d/b/a GTE Minnesota
Contel of the South, Inc. d/b/a GTE Systems of the South, d/b/a GTE Systems of
 Indiana, d/b/a GTE Systems of Michigan

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