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STATE OF WASH. UTIL. AND TRANSP. COMMISSION CONTRACT NUMBER: VGN-02-P-0071

SUBORDINATE AGREEMENT

**BETWEEN** 

VERIZON GLOBAL NETWORKS INC.

AND

MCI WORLDCOM NETWORK SERVICES, INC.

REDACTED COPY



#### SUBORDINATE AGREEMENT

This Subordinate Agreement is made by and between Verizon Global Networks Inc. ("Customer") and MCI WorldCom Network Services, Inc. (Provider) and is subordinate to and incorporates all terms and conditions of that certain Telecommunications Services Agreement (Contract No. TSA010302-1) (Agreement). Capitalized terms not defined herein shall have the meaning ascribed to them in the Agreement.

In the event there is any conflict between the terms and conditions of this Subordinate Agreement and the Agreement the terms and conditions of this Subordinate Agreement shall govern.

The term of this Subordinate Agreement shall run coterminous with the Agreement.

### 1. SCOPE

- 1.1 Customer owns the Carrier Identification Codes (CIC) along with Automated Customer Names and Addresses (ACNA) (collectively, "Customer's CIC") set forth in **Exhibit A**.
- 1.2 In order to effectively manage the processing of primary interexchange carrier ("PIC") designations with respect to Customer's CIC, Customer desires to "pic" its end users ("End Users") to Customer's CIC and then have Customer's CIC translated to Provider's trunk groups ("Provider's Trunk Groups"). Provider agrees to direct the local exchange carriers ("LECs") on a tandem by tandem basis with respect to each specific LEC to translate Customer's CIC to Provider's Trunk Groups in accordance with the terms and conditions contained herein.
- 1.3 Provider also agrees to allow Customer to directly handle PIC order processing for its End Users associated with Customer's CIC, or upon request by Customer, Provider will directly handle PIC order processing on Customer's behalf.
- 1.4 Each of the parties hereto agrees to take such further actions and execute, deliver and file such agreements, documents or instruments as the other party may reasonably request or require in order to carry out and effectuate the transactions contemplated by this Section.

#### 2. CIC TRANSLATION PROCESS

- 2.1 Translation by Provider:
  - 2.1.1 Provider shall perform all services related to translating Customer's CIC; provided, however, Provider may, at its option, refuse to translate Customer's CIC for 900 Services and all specific Customer requests for CIC translation under this Section must be approved by Provider.
  - 2.1.2 Customer acknowledges that Provider's obligations described hereunder will only remain in effect as long as the Agreement is in effect.
  - 2.1.3 All usage charges ("Usage Charges") relative to End Users' traffic which is attributable to Customer's CIC and transported by Provider must be billed directly to Customer.

- 2.1.4 At least thirty (30) days prior to the initial translation in each LATA, Customer agrees to provide Provider with the number of existing End Users, if any, and the volume of traffic associated with such End Users within each tandem in each LATA for which Customer is requesting translation.
- 2.1.5 Upon Customer's written request for translations and identification of the tandems to be translated (as may be amended from time to time by Customer), Provider shall use reasonable efforts under the circumstances to ensure that Customer's CIC is promptly translated at LEC tandems (i.e., all LEC subtending equal access end offices, ITOCs, CLECs, etc.), to Provider's Trunk Groups for Feature Group D access services in accordance with such request.
- 2.1.6 Customer acknowledges that all of Customer's traffic associated with each End User (e.g., 1+, 0+, 0-, etc.) must be directed to Provider's Trunk Groups for termination of calls solely over facilities comprising the Provider network (i.e., Switchless 1+), or for termination of calls to/from a Carrier Service Interconnection (i.e., Carrier Termination, Carrier Origination) which in some applications would require specialized routing. Provided, however, that Provider's obligation as described herein will not apply if the traffic derived from Customer's CIC is disruptive to or adversely affects the Provider network as determined by Provider, in its sole discretion, or the procedures set forth in Subsection 3.2.4 below are not followed by Customer resulting in a network blockage or disruption on the Provider network from traffic derived from Customer's CIC.
- 2.1.7 Nothing contained in this Section will be construed to require Provider to establish or maintain service with respect to any particular LEC.
- 2.2 Letter(s) of Agency: Customer and Provider shall execute letter(s) of agency (LOA) in a form substantially similar to **Exhibit B** attached hereto and/or such other document(s) (e.g., shared services agreement, etc.) as may be required by the LECs (collectively, the "Authorizations") to effect the translations contemplated herein. The Authorizations shall grant Provider the authority to order changes in and maintenance of access services (i.e., Feature Group D access) which the LECs may provide in connection with Customer's CIC including, without limitation, the irrevocable authority to disconnect or rearrange such access services and/or block or redirect traffic derived from Customer's CIC away from the Provider network. Provider and Customer agree that such LOAs may require modification in order to accommodate individual LEC requirements.
- 2.3 Change in Carrier: In the event Customer desires to change its long distance service provider and/or translate Customer's CIC to another carrier, in order to allow Provider to issue a proper disconnect notice to the applicable LEC and to insure Usage Charges (as defined in **Subsection 2.1** above) are billed to the correct party, Customer agrees to notify Provider in writing at least thirty (30) days prior to such change (the "Carrier Change Effective Date"). The notice provided to Provider as described herein shall identify all tandems in which a change of carriers will occur. Further, Customer agrees to provide Provider with an appropriate LOA sufficient to allow Provider to deal directly with the LECs with respect to the timing of billing changes associated with such carrier changes, provided, however, Customer shall be responsible for all Usage Charges

following any such change of carriers. Customer acknowledges that if it changes its long distance services provider and/or translates Customer's CIC to another carrier, such change or translation must be effective with respect to all tandems in a LATA simultaneously.

2.4 CIC Cost; Payment Terms:

**SECTION 2.4 REDACTED** 

- PIC ORDER PROCESSING.
  - 3.1 Processing: Either Customer or Provider (on Customer's behalf) may handle Customer's PIC order processing for Customer's end users in any specific area mutually agreed to by the parties.
  - 3.2 In the event Customer directly handles its own PIC order processing, (i) Provider agrees to provide Customer with reasonable assistance in performing its PIC order processing obligations as stated herein, (ii) Customer shall reimburse Provider for all third party costs incurred by Provider in handling such PIC order processing, and (iii) Customer shall be directly responsible for processing functions, including but not limited to:
    - 3.2.1 The provision of necessary personnel and systems.
    - 3.2.2 The direct transmittal of PIC orders to the LECs.
    - 3.2.3 Dispute resolution of PIC order processing with the LECs attributable to Customer's CIC.
    - 3.2.4 Customer agrees to provide notice to Provider, in a format acceptable to Provider, of all PIC processing orders for Customer's CIC prior to transmitting such orders to the LECs. Provider has the right in its sole discretion to reject or cause Customer to delay the transmittal of any order on a tandem by tandem basis. Upon Provider's request, Customer agrees to delay (until such time as specified by Provider) the processing of PIC transmittals to the LECs due to inadequate network capacity. Further, in the event order(s) are rejected by Provider, Customer agrees not to submit such order(s) to the LECs.
    - 3.2.5 The contacting of the appropriate LEC's business office to establish required parameters relative to Customer's CIC (e.g., whether Customer's network is an "open network" or "closed network", how Customer desires to handle direct contacts by End Users, etc.)
  - 2.3 Letter of Agency: In the event Provider handles Customer's PIC order processing, Customer agrees to execute an LOA in a form substantially similar to **Exhibit C** or such other documents as may be required by the LECs to effect the PIC order processing and give Provider the right to obtain information from the appropriate LEC regarding Customer (i.e., data gather) and to provide the LECs with an appropriate LOA designating Provider as its agent for purposes of handling Customer's PIC order processing. Provider agrees to provide status reports to Customer concerning such PIC order processing. Customer shall be solely responsible for resolving disputes with the LECs attributable to Customer's CIC. Further, Customer shall reimburse Provider for all third party costs incurred by Provider in handling such PIC order processing.

Network Blockage: If the traffic derived from Customer's CIC causes blockage of Provider's network, then to the extent that Provider must reconfigure its access arrangements to alleviate such blockage and as a result Provider incurs charges from other carriers for the termination of traffic, which it would not have otherwise incurred, Provider shall provide prompt written notice to Customer of such charges and Customer agrees to reimburse Provider for the full amount of any such valid charges within thirty (30) days of receipt of such notice.

## 4. INDEMNIFICATION

Notwithstanding any Indemnity provisions of the Agreement Provider shall defend, Indemnify, and hold harmless Customer and its shareholders, directors, officers, employees, contractors, and agents from all claims, suits, actions, demands, damages, liabilities, expenses (including reasonable attorney fees) judgments, settlements and penalties of every kind ("Claims") arising solely due to Provider's acts or omissions resulting in any violation or alleged violation of any applicable law or rules, regulation, order, or decree of a governmental or regulatory body of competent jurisdiction, including, but not limited to, those laws, rules and regulations, dealing with changes in preferred carriers without authorization ("slamming") and incorrect issuance of CIC translations requests.

IN WITNESS WHEREOF authorized parties on behalf of their respective entities have signed this Subordinate Agreement.

	MCI WORLDCOM NETWORK SERVICES, INC.	VERIZON GLOBAL NETWORKS INC.	
,		Mu	Lel 16w
	Signature Signature	Signature	000
4	Print Name	Print Name	Michael J. Crapp Director - Alliance Contract Management
rk <sup>B</sup>	Vice President Title January 28, 2003	Title	
	Date Date	Date	61454 04,2003

## **EXHIBIT A**

# CUSTOMER'S CARRIER IDENTIFICATION CODE (CIC) AND AUTOMATED CUSTOMER NAME AND ADDRESS (ACNA)

**EXHIBIT A REDACTED**