

AMENDMENT NO. 2

to the

INTERCONNECTION AGREEMENT

between

**VERIZON NORTHWEST INC.,
F/K/A GTE NORTHWEST INCORPORATED**

and

AMERICAN FIBER NETWORK INC.

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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

This Amendment No. 2 (the "Amendment") is made by and between Verizon Northwest Inc., f/k/a GTE Northwest Incorporated ("Verizon"), a Washington corporation with offices at 1800 41st Street, Everett, Washington 98201, and American Fiber Network Inc., a corporation with offices at 9401 Indian Creek Pkwy, Suite 140, Overland Park, Kansas 66210 ("AFN"), and shall be deemed effective on October 12, 2004 (the "Amendment Effective Date"). Verizon and AFN are hereinafter referred to collectively as the "Parties" and individually as a "Party". This Amendment covers services in Verizon's service territory in the State of Washington (the "State").

WITNESSETH:

WHEREAS, pursuant to an adoption letter dated June 12, 2000 (the "Adoption Letter"), AFN adopted in the State of Washington, the interconnection agreement between Northwest Telephone Inc. and Verizon (such Adoption Letter and underlying adopted interconnection agreement referred to herein collectively as the "Agreement"); and

WHEREAS, the Federal Communications Commission (the "FCC") released an order on August 21, 2003 in CC Docket Nos. 01-338, 96-98, and 98-147 (the "Triennial Review Order" or "TRO"), which became effective as of October 2, 2003; and

WHEREAS, on March 2, 2004, the U.S. Court of Appeals for the District of Columbia Circuit (the "D.C. Circuit") issued a decision affirming in part and vacating in part the TRO (the "D.C. Circuit Decision"); and

WHEREAS, on August 20, 2004, the FCC released an Order in WC Docket No. 04-313 and CC Docket No. 01-338 (the "Interim Rules Order") setting forth certain interim rules regarding the temporary reinstatement of unbundling obligations for certain network elements with respect to which the D.C. Circuit Decision holds that the FCC has made no lawful impairment finding under Section 251 of the Act; and

WHEREAS, pursuant to Section 252(a) of the Communications Act of 1934, as amended, (the "Act"), the Parties wish to amend the Agreement in order to give contractual effect to the provisions of the TRO and certain aspects of the D.C. Circuit Decision as set forth herein; and

NOW, THEREFORE, in consideration of the promises and mutual agreements set forth herein, the Parties agree to amend the Agreement as follows:

1. Amendment to Agreement. The Agreement is amended to include the following provisions, which shall apply to and be a part of the Agreement notwithstanding any other provision of the Agreement or a Verizon tariff or a Verizon Statement of Generally Available Terms and Conditions ("SGAT").
2. General Conditions.
 - 2.1 Notwithstanding any other provision of the Agreement, this Amendment, or any Verizon tariff or SGAT: (a) Verizon shall be obligated to provide access to unbundled Network Elements ("UNEs") and combinations of unbundled Network Elements ("Combinations") to AFN under the terms of this Amended Agreement only to the extent required by the Federal Unbundling Rules, and (b) Verizon may decline to provide access to UNEs and Combinations to AFN to the extent that provision of access to such UNEs or Combinations is not required by the Federal Unbundling Rules.
 - 2.2 AFN may use a UNE or a Combination only for those purposes for which Verizon is required by the Federal Unbundling Rules to provide such UNE or Combination to AFN.
 - 2.3 Notwithstanding any other provision of the Agreement, this Amendment, or any Verizon tariff or SGAT, to the extent Verizon becomes obligated to provide to AFN pursuant to the Federal Unbundling Rules a Discontinued Facility or a UNE, Combination, or related service that, as of the Amendment Effective Date, Verizon is not required to provide to AFN under the Amended Agreement and the Federal Unbundling Rules, the rates, terms, conditions for such Discontinued Facility, UNE, Combination, or related service shall be as provided in an applicable Verizon tariff that Verizon, after the Amendment Effective Date, establishes or revises to provide for such rates, terms, and conditions, or (in the absence of an applicable Verizon tariff that Verizon, after the Amendment Effective Date, establishes or revises to provide for such rates, terms, and conditions) as mutually agreed by the Parties in a written amendment to the Amended Agreement. For the avoidance of doubt, notwithstanding any other provision of the Agreement, this Amendment, or any Verizon tariff or SGAT, Verizon, unless and until such time as Verizon is required to do so by an applicable Verizon tariff that Verizon, after the Amendment Effective Date, establishes or revises to provide for the applicable rates, terms, and conditions or by a mutually agreed written amendment to the Amended Agreement setting forth the applicable rates, terms, and conditions, shall not be required under the Amended Agreement (a) to perform any routine network modification that the Agreement does not expressly and specifically require Verizon to perform (including, but not limited to, any routine network modification required under 47 C.F.R. § 51.319(a)(8) or 47 C.F.R. § 51.319(e)(5)), (b) to commingle, or to permit the commingling of, UNEs or Combinations with other wholesale services obtained from Verizon under a Verizon access tariff, separate non-251 agreement, or otherwise, or (c) to offer or provide, for any period of time not required under Section 3 of this Amendment, any facility that is or becomes a Discontinued Facility.
3. Discontinued Facilities.
 - 3.1 Generally. Notwithstanding any other provision of the Agreement, this Amendment, or any Verizon tariff or SGAT, Verizon shall not be obligated to offer or provide access on an unbundled basis at rates prescribed under Section 251 of the Act to any facility that is or becomes a Discontinued Facility, whether as a stand-alone UNE, as part of a Combination, or otherwise. To the extent Verizon has not already ceased providing a particular Discontinued Facility to AFN, Verizon, provided it has given at least ninety (90) days written notice of discontinuance of such Discontinued Facility, will continue to provide such Discontinued Facility under the Amended Agreement only through the effective date of the notice of discontinuance, and not beyond that date. To the extent a facility is (or becomes) a Discontinued Facility only as to new orders that AFN may place

for such a facility, Verizon, to the extent it has not already discontinued its acceptance of such new orders and provided it has given at least ninety (90) days written notice of its intention to do so, may reject such new orders on the effective date of the notice of discontinuance and thereafter. Verizon may, but shall not be required to, issue the foregoing notice in advance of the date on which the facility shall become a Discontinued Facility as to new orders that AFN may place, so as to give effect to Verizon's right to reject such new orders immediately on that date. The Parties acknowledge that Verizon, prior to the Amendment Effective Date, has provided AFN with any required notices of discontinuance of certain Discontinued Facilities, and that Verizon, to the extent it has not already done so pursuant to a pre-existing or independent right it may have under the Agreement, a Verizon SGAT or tariff, or otherwise, may, at any time and without further notice to AFN, cease providing any such Discontinued Facilities. This Section 3.1 is intended to limit any obligation Verizon might otherwise have to provide to AFN (or to notify AFN of the discontinuance of) any facility that is or becomes a Discontinued Facility, and nothing contained in this Section 3.1 or elsewhere in this Amendment shall be deemed to establish in the first instance or to extend any obligation of Verizon to provide any facility or Discontinued Facility. This Section 3.1 shall apply notwithstanding anything contained in the Agreement, this Amendment, or any Verizon tariff or SGAT, but without limiting any other right Verizon may have under the Agreement, this Amendment, or any Verizon tariff or SGAT to cease providing a facility that is or becomes a Discontinued Facility.

- 3.2 Continuation of Facilities Under Separate Arrangement. To the extent AFN wishes to continue to obtain access to a Discontinued Facility under a separate arrangement (e.g., a separate agreement at market-based rates, an arrangement under a Verizon access tariff, or resale), AFN shall have promptly undertaken and concluded such efforts as may be required to secure such arrangement prior to the date on which Verizon is permitted to cease providing the Discontinued Facility; provided, however, that in no event shall AFN's failure to secure such an arrangement affect Verizon's right to cease providing a facility that is or becomes a Discontinued Facility. If Verizon is permitted to cease providing a Discontinued Facility under this Section 3 and AFN has not submitted an LSR or ASR, as appropriate, to Verizon requesting disconnection of the Discontinued Facility and has not separately secured from Verizon an alternative arrangement to replace the Discontinued Facility, then Verizon, to the extent it has not already done so prior to execution of this Amendment, shall reprice the subject Discontinued Facility by application of a new rate (or, in Verizon's sole discretion, by application of a surcharge) to be equivalent to access, resale, or other analogous arrangement that Verizon shall identify in a written notice to AFN. The rates, terms, and conditions of any such arrangements shall apply and be binding upon AFN as of the date specified in the written notice issued by Verizon. The Parties acknowledge that Verizon has, in such written notices issued to AFN prior to the Amendment Effective Date, identified such arrangements to replace certain Discontinued Facilities and that Verizon, to the extent it has not already done so, may implement such arrangements without further notice.
- 3.3 Limitation With Respect to Replacement Arrangements. Notwithstanding any other provision of this Amended Agreement, any negotiations regarding any replacement arrangement or other facility or service that Verizon is not required to provide under the Federal Unbundling Rules shall be deemed not to have been conducted pursuant to the Amended Agreement, 47 U.S.C. § 252(a)(1), or 47 C.F.R. Part 51, and shall not be subject to arbitration pursuant to 47 U.S.C. § 252(b). Any reference in this Amended Agreement to Verizon's provision of a facility, service, or arrangement that Verizon is not required to provide under the Federal Unbundling Rules is solely for the convenience of the Parties and shall not be construed to require or permit arbitration of such rates, terms, or conditions pursuant to 47 U.S.C. § 252(b).

- 3.4 Pre-Existing and Independent Discontinuance Rights. Verizon's rights as to discontinuance of Discontinued Facilities pursuant to this Section 3 are in addition to, and not in limitation of, any rights Verizon may have as to discontinuance of Discontinued Facilities under the Agreement, a Verizon tariff or SGAT, or otherwise. Nothing contained herein shall be construed to prohibit, limit, or delay Verizon's exercise of any pre-existing or independent right it may have under the Agreement, a Verizon tariff or SGAT, or otherwise to cease providing a Discontinued Facility.
- 3.5 Implementation of Rate Changes. Notwithstanding any other provision of the Amended Agreement (including, but not limited to, the rates and charges set forth therein), Verizon may, but shall not be required to, implement any rate increases or new charges that may be established by the FCC in its Interim Rules Order or subsequent rulemakings, once effective, for unbundled network elements, combinations of unbundled network elements, or related services, by issuing to AFN a schedule of such rate increases and/or new charges, provided that the rate provisions of such FCC orders and/or rulemakings are not subject to a stay issued by any court of competent jurisdiction. Any such rate increases or new charges shall take effect on the date indicated in the schedule issued by Verizon, but no earlier than the date established by the FCC, and shall be paid by AFN in accordance with the terms of the Amended Agreement. Any such rate increases and new charges that the FCC may establish shall be in addition to, and not in limitation of, any rate increases and new charges that the Washington Utilities & Transportation Commission may approve or that Verizon may otherwise implement under the Amended Agreement or applicable tariffs. Nothing set forth in this Section 3.5 shall be deemed an admission of Verizon or limit Verizon's right to appeal, seek reconsideration of, or otherwise seek to have stayed, modified, reversed, or invalidated any limit the FCC may impose on Verizon's rates and charges.

4. Miscellaneous Provisions.

- 4.1 Conflict between this Amendment and the Agreement. This Amendment shall be deemed to revise the terms and provisions of the Agreement to the extent necessary to give effect to the terms and provisions of this Amendment. In the event of a conflict between the terms and provisions of this Amendment and the terms and provisions of the Agreement this Amendment shall govern, provided, however, that the fact that a term or provision appears in this Amendment but not in the Agreement, or in the Agreement but not in this Amendment, shall not be interpreted as, or deemed grounds for finding, a conflict for purposes of this Section 4.1.
- 4.2 Counterparts. This Amendment may be executed in one or more counterparts, each of which when so executed and delivered shall be an original and all of which together shall constitute one and the same instrument.
- 4.3 Captions. The Parties acknowledge that the captions in this Amendment have been inserted solely for convenience of reference and in no way define or limit the scope or substance of any term or provision of this Amendment.
- 4.4 Scope of Amendment. This Amendment shall amend, modify and revise the Agreement only to the extent set forth expressly herein. As used herein, the Agreement, as revised and supplemented by this Amendment, shall be referred to as the "Amended Agreement". Nothing in this Amendment shall be deemed to amend or extend the term of the Agreement, or to affect the right of a Party to exercise any right of termination it may have under the Agreement.
- 4.5 Reservation of Rights. Notwithstanding any contrary provision in the Agreement, this Amendment, or any Verizon tariff or SGAT, nothing contained in the Agreement, this Amendment, or any Verizon tariff or SGAT shall limit either Party's right to appeal, seek

reconsideration of or otherwise seek to have stayed, modified, reversed or invalidated any order, rule, regulation, decision, ordinance or statute issued by the Washington Utilities & Transportation Commission, the FCC, any court or any other governmental authority related to, concerning or that may affect either Party's rights or obligations under the Agreement, this Amendment, any Verizon tariff or SGAT, or Applicable Law.

4.6 Joint Work Product. This Amendment is a joint work product, and any ambiguities in this Amendment shall not be construed by operation of law against either Party.

4.7 Definitions. Notwithstanding any other provision in the Agreement or any Verizon tariff or SGAT, the following terms, as used in the Amended Agreement, shall have the meanings set forth below:

4.7.1 Call-Related Databases. Databases, other than operations support systems, that are used in signaling networks for billing and collection, or the transmission, routing; or other provision of a telecommunications service. Call-related databases include, but are not limited to, the calling name database, 911 database, E911 database, line information database, toll free calling database, advanced intelligent network databases, and downstream number portability databases.

4.7.2 Dedicated Transport. A DS1 or DS3 transmission facility between Verizon switches (as identified in the LERG) or wire centers, within a LATA, that is dedicated to a particular end user or carrier. Transmission facilities or services provided between (i) a Verizon wire center or switch and (ii) a switch or wire center of AFN or a third party are not Dedicated Transport.

4.7.3 Discontinued Facility. Any facility that Verizon, at any time, has provided or offered to provide to AFN on an unbundled basis pursuant to the Federal Unbundling Rules (whether under the Agreement, a Verizon tariff, or a Verizon SGAT), but which by operation of law has ceased or ceases to be subject to an unbundling requirement under the Federal Unbundling Rules. By way of example and not by way of limitation, Discontinued Facilities include the following, whether as stand-alone facilities or combined with other facilities: (a) any Entrance Facility; (b) Enterprise Switching; (c) Four-Line Carve Out Switching; (d) OCn Loops and OCn Dedicated Transport; (e) the Feeder portion of a Loop; (f) Line Sharing; (g) any Call-Related Database, other than the 911 and E911 databases, that is not provisioned in connection with AFN's use of Verizon's Mass Market Switching; (h) Signaling or Shared Transport that is provisioned in connection with AFN's use of Verizon's Enterprise Switching or Four-Line Carve Out Switching; (i) FTTP Loops (lit or unlit); (j) Hybrid Loops (subject to exceptions for narrowband services (i.e., equivalent to DS0 capacity); and (j) any other facility or class of facilities as to which the FCC has not made a finding of impairment that remains effective or otherwise addressed in the Interim Rules Order or similar order, or as to which the FCC has made a finding of nonimpairment.

4.7.4 Enterprise Switching. Local Switching or Tandem Switching that, if provided to AFN would be used for the purpose of serving AFN's customers using DS1 or above capacity Loops.

4.7.5 Entrance Facility. A transmission facility (lit or unlit) or service provided between (i) a Verizon wire center or switch and (ii) a switch or wire center of AFN or a third party.

- 4.7.6 Federal Unbundling Rules. Any lawful requirement to provide access to unbundled network elements that is imposed upon Verizon by the FCC pursuant to both 47 U.S.C. § 251(c)(3) and 47 C.F.R. Part 51, or pursuant to the Interim Rules Order (but only once effective and only to the extent not stayed, vacated, reversed, modified or otherwise rendered ineffective by the FCC or a court of competent jurisdiction). Any reference in this Amendment to "Federal Unbundling Rules" shall not include an unbundling requirement if the unbundling requirement does not exist under both 47 U.S.C. § 251(c)(3) and 47 C.F.R. Part 51, or under the Interim Rules Order.
- 4.7.7 Feeder. The fiber optic cable (lit or unlit) or metallic portion of a Loop between a serving wire center and a remote terminal or feeder/distribution interface.
- 4.7.8 Four-Line Carve Out Switching. Local Switching that Verizon is not required to provide pursuant to 47 C.F.R. § 51.319(d)(3)(ii).
- 4.7.9 FTTP Loop. A Loop consisting entirely of fiber optic cable, whether dark or lit, that extends from (a) the main distribution frame (or its equivalent) in an end user's serving wire center to (b) the demarcation point at the end user's customer premises; provided, however, that in the case of predominantly residential multiple dwelling units (MDUs), an FTTP Loop is a Loop consisting entirely of fiber optic cable, whether dark or lit, that extends from the main distribution frame (or its equivalent) in the wire center that serves the multiunit premises, to or beyond the multiunit premises' minimum point of entry (MPOE), as defined in 47 C.F.R. § 68.105.
- 4.7.10 Hybrid Loop. A local Loop composed of both fiber optic cable and copper wire or cable.
- 4.7.11 Line Sharing. The process by which AFN provides xDSL service over the same copper Loop that Verizon uses to provide voice service by utilizing the frequency range on the copper loop above the range that carries analog circuit-switched voice transmissions (the High Frequency Portion of the Loop, or "HFPL"). The HFPL includes the features, functions, and capabilities of the copper Loop that are used to establish a complete transmission path between Verizon's main distribution frame (or its equivalent) in its serving Wire Center and the demarcation point at the end user's customer premises.
- 4.7.12 Local Switching. The line-side and trunk-side facilities associated with the line-side port, on a circuit switch in Verizon's network (as identified in the LERG), plus the features, functions, and capabilities of that switch, unbundled from loops and transmission facilities, including: (a) the line-side Port (including the capability to connect a Loop termination and a switch line card, telephone number assignment, dial tone, one primary directory listing, pre-subscription, and access to 911); (b) line and line group features (including all vertical features and line blocking options the switch and its associated deployed switch software are capable of providing that are provided to Verizon's local exchange service Customers served by that switch); (c) usage (including the connection of lines to lines, lines to trunks, trunks to lines, and trunks to trunks); and (d) trunk features (including the connection between the trunk termination and a trunk card).
- 4.7.13 Mass Market Switching. Local Switching or Tandem Switching that, if provided to AFN, would be used for the purpose of serving a AFN end user

customer with three or fewer DS0 Loops. Mass Market Switching does not include Four Line Carve Out Switching.

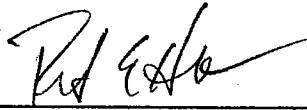
4.7.14 Signaling. Signaling includes, but is not limited to, signaling links and signaling transfer points.

4.7.15 Tandem Switching. The trunk-connect facilities on a Verizon circuit switch that functions as a tandem switch, plus the functions that are centralized in that switch, including the basic switching function of connecting trunks to trunks, unbundled from and not contiguous with loops and transmission facilities. Tandem Switching creates a temporary transmission path between interoffice trunks that are interconnected at a Verizon tandem switch for the purpose of routing a call. A tandem switch does not provide basic functions such as dial tone service.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be executed as of the Amendment Effective Date.

AMERICAN FIBER NETWORK INC.

VERIZON NORTHWEST INC.

By: 

By: 

Printed: Robert E. Heath

Printed: John C. Peterson

10/15/04

Title: EVP

Title: Director-Contract Performance and Administration