

APPENDIX MESSAGE EXCHANGE

TABLE OF CONTENTS

1. INTRODUCTION.....3

2. DEFINITIONS3

3. DESCRIPTION OF BILLING SERVICES.....4

4. COLLECTION SERVICES.....5

5. CHANGES TO PROVIDER SERVICES & RATES.....5

6. SETTLEMENT ARRANGEMENT & PAYMENT –PACIFIC & NEVADA.....6

7. SETTLEMENT ARRANGEMENT & PAYMENT –SBC-AMERITECH.....8

8. APPLICABILITY OF OTHER RATES, TERMS AND CONDITIONS.....9

**MESSAGE EXCHANGE AND SETTLEMENT OF RATED MESSAGE DETAIL
AND/OR THE SETTLEMENT OF MESSAGE REVENUE FOR RESALE AND
UNBUNDLED SERVICE**

1. INTRODUCTION

- 1.1 This Appendix sets forth terms and conditions for the exchange record detail and settlement of revenues for call detail messages provided to CLEC as a result of CLEC's purchase of Resale Services or appropriate Unbundled Network Elements from an AT&T Inc. (SBC) owned Incumbent Local Exchange Carrier (ILEC).
- 1.2 Definitions of terms used in this Appendix are contained in the General Terms and Conditions, except as specifically identified herein. The following definitions from the General Terms and Conditions are legitimately related to this Appendix: SBC-13STATE, SBC-SWBT, PACIFIC, NEVADA, SNET, SBC-AMERITECH.

2. DEFINITIONS:

- 2.1 "555" is an **SBC-AMERITECH** service by which Providers offer information services for a fee to a CLEC End-User who dials a number using the "555" prefix.
- 2.2 "900" is a **PACIFIC** and **NEVADA** service by which Providers offer audio services for a fee to a CLEC End-User who dials a number using the "900" prefix.
- 2.3 "976" is an **SBC-AMERITECH**, **PACIFIC** and **NEVADA** service by which Providers offer audio services for a fee to a CLEC End-User who dials a number using the "976" prefix.
- 2.4 "Abbreviated Dialing" is an **SBC-AMERITECH** service by which Providers offer information services for a fee to a CLEC End-User who dials a telephone number with less than seven digits.
- 2.5 "Adjustments" are dollar amounts that are credited to an End-User account. The primary reason for an adjustment is typically an End-User denying that the call was made from their telephone.
- 2.6 "Ancillary Message Services" available in **SBC-AMERITECH**, **PACIFIC**, and **NEVADA**. Included in **SBC-AMERITECH** offerings are Abbreviated Dialing, 555 services, 976 services, CPP Cellular services and CPP Paging services. **PACIFIC** and **NEVADA** provide 900/976.
- 2.7 "Calling Party Pays Cellular" or "CPP Cellular" is an **SBC-AMERITECH** service where an End-User placing a call to a cellular telephone agrees to pay the

charges for the call. Typically, an announcement is played to the End-User giving the End-User the option to accept the charges or to end the call without incurring charges.

- 2.8 “**Calling Party Pays Paging**” or “**CPP Paging**” is an **SBC-AMERITECH** service where an End-User placing a call to a pager agrees to pay the charges for the call. Typically, an announcement is played to the End-User giving the End-User the option to accept the charges or to end the call without incurring charges.
- 2.9 “**CLEC CATS Messages**” means intraLATA Calling Card and third number billed messages billed to a CLEC End-User telephone where the LEC carrying the call is Pacific or any other LEC, and the originating and billed telephone numbers are located in different Telcordia Client Company territories.
- 2.10 “**Provider**” is the entity that offers an **SBC-AMERITECH**, **PACIFIC**, or **NEVADA** Ancillary Message Service to an End-User.
- 2.11 “**Uncollectibles**” are amounts billed to CLEC’s End-Users, which after standard intervals and application of standard collection procedures, are determined by CLEC to be impracticable of collection and are written off as bad debt on final accounts. Uncollectibles are recouped back to the Provider.
- 2.12 “**CLEC Non-CATS Messages** are IntraLATA collect, calling card, or third number-billed messages where the charges are billed to the CLEC’s End-User and the originating Party is an End-User of SBC or that of another LEC and both End-Users are located in the same Telcordia Client Company territory.

3. DESCRIPTION OF BILLING SERVICES

- 3.1 **SBC-13STATE** will receive LEC carried ABS messages being billed to CLEC End-User lines as detailed in the General Terms and Conditions of the Agreement to which this Appendix is attached. **SBC-13STATE** shall forward rated messages to CLEC on the Daily Usage File (DUF).
- 3.2 **PACIFIC** and **NEVADA** shall provide revenue settlement for all messages supplied to CLEC on DUF; provided, however, that revenue settlement for CLEC Non-CATS Messages shall only be provided by **PACIFIC** with those LECs with whom **PACIFIC** has executed an Agreement covering the Settlement of Non-CATS Messages. Pacific shall provide CLEC with a list of all such LECs upon request.
- 3.3 **SBC-SWBT**, **SNET**, and **SBC-AMERITECH** shall bill charges to the CLEC Resale or UNE port account to recover revenue that it has paid to another carrier for ABS messages billing to a CLEC Resale or UNE port End-User account.

- 3.4 As a part of provisioning local service for CLEC, **SBC-13STATE** will block End-User access to 900/976 numbers upon specific written request by CLEC for each separate End User line.
- 3.5 CLEC shall block End-User access to Ancillary Message Services upon **SBC-13STATE**'s written request.
- 3.6 If blocking is not requested, **SBC-13STATE** shall record all Ancillary Message Service calls transported by SBC that originate from a CLEC's End-User's telephone number. SBC shall provide CLEC with formatted records for each Ancillary Message Service billable call in accordance with each Provider's requested rates. In the case where CLEC's switch generates call information, CLEC will provide **SBC-AMERITECH**, **PACIFIC** or **NEVADA** with call information for each call on a daily basis. **SBC-AMERITECH**, **PACIFIC** or **NEVADA** will rate the call with each Provider's requested rates and return a formatted record to CLEC. CLEC shall confirm receipt of such formatted records within twenty-four (24) hours of receipt.

4. COLLECTION SERVICES

- 4.1 CLEC shall exercise good faith efforts to bill and collect all amounts due from its End-Users for messages distributed under this Appendix. CLEC warrants that the billing and collection for messages distributed under this Appendix shall be at a performance level no less than CLEC uses for the billing of its own local Telecommunication Services, which in no event shall be inconsistent with generally accepted industry standards of operation for the provision of billing and collection services.
- 4.2 All messages should be billed within 30 days of receipt. CLEC further agrees that the billing and collection process for messages distributed under this Appendix shall comply with all Applicable Laws.

5. CHANGES TO PROVIDER'S SERVICES AND RATES

- 5.1 CLEC acknowledges and understands that the amount which a Provider elects to charge those who place calls to an Ancillary Message Service is at Provider's sole discretion.

6. SETTLEMENT ARRANGEMENT AND PAYMENT—PACIFIC AND NEVADA

- 6.1 For messages billed to CLEC End-Users that **PACIFIC** or **NEVADA** forward to CLEC as set forth in Section 3 above, **PACIFIC** or **NEVADA** shall calculate the amount due based on the following formula:

	Rated Value of 900/976 Messages (if applicable)
+	Rated Value of CLEC CATS and Non-CATS Messages
-	Rejected/Unbillable/Uncollectible Messages
-	CLEC Billing Charge
+	PACIFIC or NEVADA Settlement Charge

=	Amount Due PACIFIC or NEVADA

6.1.1 As used in Subsection 6.1 above the following terms are defined as set forth below:

6.1.1.1 Rated Value of CLEC CATS Messages and Non-CATS Messages means the total computed charges for CLEC CATS and Non-CATS Messages based on the schedule of rates for the LEC which carried the call. Settlement of Non-CATS Messages is contingent on the conditions set forth in Section 3.2 hereof being satisfied.

6.1.1.2 Rejected Messages means the rated value of CLEC CATS Messages and Non-CATS Messages that failed to pass the edits within CLEC's system and were returned to **PACIFIC** or **NEVADA** via the daily feed within 10 days of originally being received from **PACIFIC** or **NEVADA**.

6.1.1.3 Unbillable Messages means the rated value of CLEC CATS Messages and Non-CATS Messages that were not billable to a CLEC End-User because of missing information in the billing record or other billing error, not the result of an error by CLEC, that are returned to **PACIFIC** or **NEVADA** via the daily feed within 30 days of originally being received from **PACIFIC** or **NEVADA**.

6.1.1.4 Uncollectible Messages means the rated value of CLEC CATS Messages and Non-CATS Messages billed by CLEC to subscribers that are unpaid, have been debited to final write-off by CLEC and have been returned to **PACIFIC** or **NEVADA** via the daily feed within 20 days of final write-off.

6.1.1.5 CLEC Billing Charge means the CLEC per message billing rate, as set forth in Appendix Pricing under CLEC Billing Rate, times the number of CLEC CATS and Non-CATS Messages forwarded by **PACIFIC** or **NEVADA** to CLEC.

6.1.1.6 **PACIFIC** or **NEVADA** Settlement Charge means the **PACIFIC** or **NEVADA** per message settlement charge, set forth in Appendix

Pricing, times the number of CLEC CATS and Non-CATS Messages forwarded by **PACIFIC** or **NEVADA** to CLEC. Only CLEC CATS and Non-CATS Messages for which the Transporting LEC is other than **PACIFIC** or **NEVADA** shall be included in the calculation of the **PACIFIC** or **NEVADA** Settlement Charge.

- 6.2 Within 30 business days following the end of each calendar month, **PACIFIC** or **NEVADA** shall provide CLEC with:
 - 6.2.1 The Non-CMDS Outcollects Report that calculates the Amount Due **PACIFIC** or **NEVADA** as set forth in Section 6.1 and
 - 6.2.2 An Invoice setting forth the Amount Due **PACIFIC** or **NEVADA**.
- 6.3 CLEC shall have 22 calendar days from receipt of the Invoice to pay the Amount Due ("Invoice Due Date"). Any payment received by **PACIFIC** or **NEVADA** after the Invoice Due Date shall be subject to a Late Payment Charge as detailed in Section 8.1 of the General Terms and Conditions of the Agreement to which this Appendix is attached.
- 6.4 Disputes over any billed amount shall be handled as set forth in Section 10 of the General Terms and Conditions of the Agreement to which this Appendix is attached.
- 6.5 That portion of the Amount Due **PACIFIC** or **NEVADA**, calculated as set forth in Section 6.1 attributable to LECs for which **PACIFIC** or **NEVADA** is the CMDS Host or LECs with whom **PACIFIC** or **NEVADA** has an Agreement covering the Settlement of Non-CATS messages shall be settled between **PACIFIC** or **NEVADA** and the LECs as set forth in the Appendix **PACIFIC** or **NEVADA** shall provide CLEC with an updated list in writing of all LECs with which **PACIFIC** or **NEVADA** has such Agreements.
- 6.6 To the extent, but only to the extent, necessary to accurately bill, record, report, and Invoice as required by this Appendix, the Parties grant each other a limited exception to the prohibitions set forth in Section 20 of the General Terms and Conditions of the Agreement to which this Appendix is attached.

7. SETTLEMENT ARRANGEMENT AND PAYMENT – SBC-AMERITECH

- 7.1 Ameritech shall pay for the Billing and Collection Services for Ancillary Message Services described herein at the rates set forth in Appendix Pricing as "Ancillary Billing Message Compensation."

- 7.2 The amount due to **SBC-AMERITECH** under this Appendix shall be the total of all billable charges submitted to CLEC under this Appendix, less:
- 7.2.1 All charges due CLEC under subsection 7.1;
 - 7.2.2 Amounts declared Uncollectible as provided in subsection 7.5;
 - 7.2.3 Adjustments as provided in subsection 7.4;
 - 7.2.4 Taxes collected from CLEC End-Users.
- 7.3 CLEC shall provide **SBC-AMERITECH** with a monthly statement of amounts billed, amounts collected, amounts adjusted, uncollectible amounts and End-User taxes by taxing authority and by Provider including the program number and the amount of taxes applied to the services, as described in the Guidelines. The monthly statement should be received by **SBC-AMERITECH** on or before the fifth Business Day of every month. Payment of the amount owed to **SBC-AMERITECH** by CLEC as calculated in Section 7.2 hereof is due and shall be paid to **SBC-AMERITECH** on or before thirty (30) calendar days from the date of the monthly statement. Past due amounts shall accrue late charges at the rate set forth in Section 8.1 of the General Terms and Conditions of the Agreement to which this Appendix is attached.
- 7.4 Adjustments
- 7.4.1 CLEC may remove a disputed charge from an End-User's account within sixty (60) calendar days from the date of the message; provided that notice of the adjustment is received by **SBC-AMERITECH** within sixty (60) calendar days from the date of the message.
- 7.5 Uncollectibles
- 7.5.1 CLEC may recourse to **SBC-AMERITECH** an actual uncollectible amount from an End-User's account, provided that notice of the recourse of the uncollectible amount is given by CLEC to **SBC-AMERITECH** within one hundred twenty (120) calendar days from the date of the message.
- 7.6 Taxes
- 7.6.1 Taxes Imposed on Services Performed or Provided by CLEC. CLEC shall be responsible for payment of all sales, use or other taxes of a similar nature, including interest and penalties on all services performed or provided by CLEC.

7.6.2 Taxes on Ancillary Message Services. CLEC shall be responsible for applying taxes as determined by Provider for all Ancillary messages billed hereunder as specified in the Guidelines. Each Provider shall be responsible for determining what taxes apply to the service it provides and for notifying **SBC-AMERITECH** of those taxes. **SBC-AMERITECH** shall notify CLEC of this information and pursuant to this Agreement CLEC shall bill and collect such taxes based on information supplied by Provider and shall remit such taxes to **SBC-AMERITECH**. CLEC shall identify the amount of taxes and type of taxes, by Provider. **SBC-AMERITECH** shall then remit such collected taxes to the Provider. Provider shall remit any taxes it owes to the taxing authority.

8. APPLICABILITY OF OTHER RATES, TERMS AND CONDITIONS

8.1 Every interconnection, service and network element provided hereunder, shall be subject to all rates, terms and conditions contained in this Agreement which are legitimately related to such interconnection, service or network element as provided in Section 2.9 of General Terms and Conditions.