

**ARTICLE VII
UNBUNDLED NETWORK ELEMENTS (UNEs)**

1. General.

On January 25, 1999, the Supreme Court of the United States issued its decision in AT&T v. Iowa Utilities Board, 119 S. Ct. 721 (1999). Among other things, the Court vacated the FCC's list of unbundled network elements (UNEs) set forth in Rule 51.319, holding that the FCC failed to apply the Act's "necessary" or "impair" standard in creating its list. On November 5, 1999, the FCC issued an order establishing a new Rule 51.319 that reflects a new list of UNEs (the "UNE Remand Order"). On December 9, 1999, the FCC released a separate order that adds the high frequency portion of the local loop, or "line sharing," to this list (the "Line Sharing Order"). With the exception of dark fiber loops, subloops, inside wire, packet switching, dark fiber transport, access to the calling name, 911 and E911 databases, access to loop qualification information and line sharing (collectively, the "additional UNEs"), the UNEs established by the FCC in its new Rule 51.319 pursuant to the UNE Remand and Line Sharing Orders became effective February 17, 2000. With the exception of line sharing, the Additional UNEs become effective May 17, 2000. Verizon may not be able to make line sharing available as a UNE before June 6, 2000.

Unless otherwise specified in this Article, the ordering, provisioning, billing and maintenance of UNEs will be governed by the Verizon Guide. Verizon will provide UNE offerings pursuant to this Article only to the extent they are Currently Available in Verizon's network. Verizon will not construct new facilities to offer any UNE or combination of UNEs.

Notwithstanding anything to the contrary in this Article, Verizon does not waive, and hereby expressly reserves, its rights: (a) to challenge the legality of Rule 51.319, the UNE Remand and Line Sharing Orders and/or any other related FCC orders or rules; (b) to appeal of the FCC pricing rules; (c) to assert or continue to assert that certain provisions of the FCC's First and Second Report and Order in FCC Docket No. 96-98 and other FCC orders or rules are unlawful, illegal and improper; and (d) to take any appropriate action, including, without limitation, requiring retroactive pricing adjustments relating to the offering of UNEs and UNE combinations, based on the outcome of any of the actions or challenges described in subparagraphs (a)-(c) above or any other actions.

The UNEs, including combinations of UNEs, hereunder shall only be made available and shall only be used, for the provision of Telecommunication Service, as that term is defined by the Act.

2. Description of UNE Offerings.

2.1 Individual UNEs.

Verizon will provide KMC with the following UNEs pursuant to this Article:

2.1.1 Local Loops. The local loop UNE is defined as the transmission facility (or channel or group of channels on such facility) that extends from a Main Distribution Frame (MDF), or its equivalent, in a Verizon end office or wire center up to and including the loop "demarcation point", including inside wire owned by Verizon. The loop demarcation point is that point on the loop facility where Verizon's ownership and control ends and the subscriber's ownership and control begins. Generally, loops are provisioned as 2-wire or 4-wire copper pairs running from the end office MDF to the subscriber's premises. However, a loop may be provided via other means, including radio frequencies, as a channel on a high-capacity feeder/distribution

facility which may, in turn, be distributed from a node location to the subscriber's premises via a copper or coaxial drop or other facility. The loop includes all features, functions and capabilities of such transmission facilities, including attached electronics (except those electronics used for the provision of advanced services, such as digital subscriber line access multiplexers ("DSLAMs")) and line conditioning.

2.1.1.1 Types of Loops. The types of unbundled loops made available to KMC under this Article are:

2.1.1.1.1 "2-Wire Analog Loop" is a voice grade transmission facility that is suitable for transporting analog voice signals between approximately 300-3000 Hz, with loss not to exceed 8.5 db. A 2-wire analog loop may include load coils, bridge taps, etc. This facility also may include carrier derived facility components (i.e., pair gain applications, loop concentrators/multiplexers). This type of unbundled loop is commonly used for local dial tone services. Verizon does not guarantee data modem speeds on a 2-wire analog loop. In addition, Verizon does not guarantee CLASS features will perform properly on a 2-wire analog loop provisioned over subscriber analog carrier.

2.1.1.1.2 "4-Wire Analog Loop" conforms to the characteristics of a 2-wire voice grade loop and, in addition, can support simultaneous independent transmission in both directions. Verizon does not guarantee data modem speeds on a 4-wire analog loop. In addition, Verizon does not guarantee CLASS features will perform properly on a 4-wire analog loop provisioned over subscriber analog carrier.

2.1.1.1.3 "2-Wire Digital Loop" is a transmission facility capable of transporting digital signals up to 160 kpbs, with no greater loss than 38 db. end-to-end, measured at 40 kHz. At KMC's request, line extension equipment may be added, in which case loss will be no greater than 76 db. at 40 kHz (ISDN-BRI). When utilizing ADSL technology, KMC is responsible for limiting the Power Spectral Density (PSD) of the signal to levels specified in Clause 6.13 of ANSI T1.413 ADSL Standards.

2.1.1.1.4 "4-Wire Digital Loop" is a transmission facility that is suitable for the transport of digital signals at rates up to 1.544 Mbps. 4-wire digital loops are only provisioned on copper facilities. When a 4-wire digital loop is used by KMC to provision HDSL technology, the insertion loss, measured between 100W termination at 200 kHz, in which case loss should be less than 34 db. The DC resistance of a single wire pair should not exceed 1100 ohms.

2.1.1.1.5 "DS-1 Loops" will support a digital transmission rate of 1.544 Mbps. The DS-1 loop will have no bridge taps or load coils and will employ special line treatment. DS-1 loops will include midspan line repeaters where required, office terminating repeaters, and DSX cross connects.

2.1.1.1.6 "DS-3 Loops" will support the transmission of isochronous bipolar serial data at a rate of 44.736 Mbps. The DS-3 loop provides the equivalent of 28 DS-1 channels and shall include the electronics at either end.

2.1.1.1.7 "Dark Fiber Loops" consist of fiber that has not been activated through connection to the electronics that "light" it, and thereby render it

capable of carrying communications services. In accordance with Rule 51.319(a)(1), Verizon will not make dark fiber loops available as an UNE before May 17, 2000. Upon written request by KMC or Verizon, the Parties shall engage in further good faith negotiations regarding the implementation of dark fiber as an UNE.

2.1.2 Subloops. The subloop UNE is defined as any portion of the loop, including inside wire, that is technically feasible to access at the drop pedestal, cross connect box and pair gain in Verizon's outside plant. In accordance with Rule 51.319(a)(2), Verizon will not make subloops available as an UNE before May 17, 2000. Upon written request by KMC or Verizon, the Parties shall engage in further good faith negotiations regarding the implementation of subloops as an UNE.

2.1.3 Inside wire. The inside wire UNE is defined as all loop plant owned by Verizon on an end-user Customer premises as far as the point of demarcation. In accordance with Rule 51.319(a)(2), Verizon will not make inside wire available as an UNE before May 17, 2000. Upon written request by KMC or Verizon, the Parties shall engage in further good faith negotiations regarding the implementation of inside wire as an UNE.

2.1.4 Network Interface Device (NID). The NID UNE is defined as any means of interconnection of end-user Customer inside wiring to Verizon's distribution plant. To gain access to an end-user's inside wiring, KMC may connect its own loop directly to Verizon's NID where KMC uses its own facilities to provide local service to an end-user formerly served by Verizon, as long as such direct connection does not adversely affect Verizon's network.

2.1.5 Local Circuit Switching. The local circuit switching UNE is defined as: (i) line-side facilities, which include, but are not limited to, the connection between a loop termination at a main distribution frame and a switch line card; (ii) trunk-side facilities, which include, but are not limited to, the connection between trunk termination at a trunk-side cross-connect panel and a switch trunk card; and (iii) all features, functions and capabilities of the switch. Verizon reserves the right not to provide circuit switching and shared transport as a UNE under the circumstances described in Rule 51.319(c)(2).

2.1.5.1 Types of Local Circuit Switching. At KMC's request, Verizon will make available the following types of Circuit Switching as UNEs:

2.1.5.1.1 Analog Line Side Port. An analog line side port¹ is a line side switch connection used to provide basic residential- and business-type exchange services.

2.1.5.1.2 ISDN BRI Digital Line Side Port. An ISDN BRI digital line side port is a basic rate interface (BRI) line side switch connection used to provide ISDN exchange services.

¹A Port provides for the interconnection of individual Loops to the switching components of Verizon's network. In general, the port is a line card or trunk card and associated peripheral equipment on a Verizon end office switch that serves as the hardware termination for the end-user's Exchange Service on that switch, generates dial tone, and provides the end-user access to the Public Switched Telecommunications Network (PSTN). Each line-side port is typically associated with one (or more) telephone numbers(s), which serve as the end-user's network address. A port also includes local switching, which provides the basic switching functions to originate, route and terminate traffic and any signaling deployed in the switch. When KMC orders an unbundled port, the KMC has the option to submit a Directory Service Request (DSR) to have the listings included in Verizon's Directory Assistance database. The applicable ordering charge will be applied for processing the DSR. Verizon will honor KMC Customers' preferences for listing status, including non-published and unlisted, and will enter the listing in the Verizon database which is used to perform DA functions as it appears on the LSR.

- 2.1.5.1.3 Coin Line Side Port. A coin line side port is a line side switch connection used to provide coin services.
- 2.1.5.1.4 DS-1 Digital Trunk Side Port. A DS-1 digital trunk side port is a trunk side switch connection used to provide the equivalent of 24 analog incoming trunk ports.
- 2.1.5.1.5 ISDN PRI Digital Trunk Side Port. An ISDN PRI digital trunk side port is a primary rate interface (PRI) trunk side switch connection used to provide ISDN exchange services.
- 2.1.6 Local Tandem Switching. The local tandem switching UNE is defined as: (i) trunk-connect facilities, which include, but are not limited to, the connection between trunk termination at a cross connect panel and switch trunk card; (ii) the basic switch trunk function of the connecting trunks to trunks; and (iii) the functions that are centralized in tandem switches (as distinguished from separate end office switches).
- 2.1.7 Packet Switching. The packet switching UNE is defined as the basic packet switching function of routing or forwarding packets, frames, cells or other data units based on address or other routing information contained in the packets, frames, cells or other data units, and the functions that are performed by the DSLAM. Verizon reserves the right not to provide packet switching as a UNE under the circumstances described in Rule 51.319(c)(5). In accordance with Rule 51.319(c)(5), Verizon will not make packet switching available as an UNE before May 17, 2000. Upon written request by KMC or Verizon, the Parties shall engage in further good faith negotiations regarding the implementation of packet switching as an UNE.
- 2.1.8 Dedicated Transport. The dedicated transport UNE is defined as Verizon interoffice transmission facilities, including all technically feasible capacity-related services, including, but not limited to, DS1, DS3 and OCN levels, dedicated to a particular Customer or carrier, that provide telecommunications between wire centers owned by Verizon or KMC, between switches owned by Verizon or KMC.
- 2.1.9 Dark Fiber Transport. The dark fiber transport UNE is defined as Verizon optical interoffice transmission facilities without attached multiplexing, aggregation or other electronics. In accordance with Rule 51.319(d), Verizon will not make dark fiber available as an UNE before May 17, 2000. Upon written request by KMC or Verizon, the Parties shall engage in further good faith negotiations regarding the implementation of dark fiber transport as an UNE.
- 2.1.10 Shared Transport. The shared transport UNE is defined as interoffice transmission facilities shared by more than one carrier, including Verizon, between end office switches, between end office switches and tandem switches, and between tandem switches, in Verizon's network. shared transport (also known as common transport) provides the shared use of interoffice trunk groups and tandem switching that are used to transport switched traffic, originating or terminating on a Verizon port, between central office switching entities. Shared transport will include tandem switching if Verizon's standard network configuration includes tandem routing for traffic between these points. Shared transport is provided automatically in conjunction with port and local circuit switching. Verizon reserves the right not to provide circuit switching and shared transport as an UNE under the circumstances described in Rule 51.319(c)(2).
- 2.1.11 Signaling Networks. The signaling network UNE is defined as access to Verizon

signaling networks and signaling transfer points. SS7 transport and signaling shall be provided in accordance with the terms and conditions of a separately executed agreement, or via GTOC Tariff FCC No. 1.

- 2.1.12 Call-Related Databases. The call-related database UNE is defined as a database, other than OSS, that are used in signaling networks for billing and collection, or the transmission, routing, or other provision of a telecommunications service. These databases include the calling name database, 911 database, E-911 database, line information database, toll free calling database, advanced intelligent network database and downstream number portability databases by means of physical access at the signaling transfer point linked to the unbundled databases. LIDB services and database 800 type services shall be provided in accordance with the rates, terms and conditions of GTOC Tariff FCC No. 1. In accordance with Rule 51.319(e)(2)(i), Verizon will not make the calling name database, 911 database or E-911 database as an UNE before May 17, 2000. Upon written request by KMC or Verizon, the Parties shall engage in further good faith negotiations regarding the implementation of such databases as an UNE. In addition, Verizon reserves the right not to unbundle the services created in the AIN platform and architecture that qualify for proprietary treatment.
- 2.1.13 Service Management Systems. The service management system database system UNE is defined as a computer database or system not part of the public switched network that: (i) interconnects to the service control point and sends to that service control point the information and call processing instructions needed for a network switch to process and complete a telephone call and (ii) provides telecommunications carriers with the capability of entering and storing data regarding the processing and completing of a telephone call.
- 2.1.14 OS/DA. The OS/DA UNE is defined as: (a) any automatic or live assistance to a consumer to arrange for billing or completion, or both, of a telephone call (OS); and (b) a service that allows subscribers to retrieve telephone numbers of other subscribers (DA). In accordance with Rule 51.319(f), Verizon will not provide OS/DA as a UNE when it offers customized routing. Where KMC provides its own OS and DA platform, KMC is required to route its OS and DA traffic to its platform over customized routing. Verizon shall: (a) provide KMC a list of switches that can provide customized routing using line class codes or similar method (regardless of current capacity limitations) and a schedule for customized routing in the switches with existing capabilities and capacity; (b) provide KMC with applicable charges, and terms and conditions, for providing customized routing; and (c) choose the method of implementing customized routing of OS and DA calls. When Verizon offers customized routing to KMC, KMC will be required to establish dedicated transport in order to route OS/DA traffic to the designated platform. If a dedicated transport UNE is used to route OS/DA traffic to the designated platform, KMC must purchase a trunk side port and establish a collocation arrangement in accordance with the Collocation Article. If the dedicated transport UNE used to route OS/DA traffic to the designated platform is ordered out of the applicable access tariff, no collocation arrangement or trunk side port is required.
- 2.1.15 OSS. The OSS UNE is defined as operations support system functions consisting of pre-ordering (including nondiscriminatory access to the same detailed information about loop qualification information that is available to Verizon), ordering, provisioning, maintenance and repair, and billing functions supported by Verizon's databases and information. In accordance with Rule 51.319(g), Verizon will not make the loop qualification information available as an UNE before May 17, 2000. Upon written request by KMC or Verizon, the Parties shall engage in further good faith negotiations regarding the implementation of such information as an

UNE.

2.1.16 Line Sharing. The line sharing UNE is defined as the frequency range above the voiceband on a copper loop facility that is being used to carry analog circuit-switched voiceband transmissions. Upon written request by KMC or Verizon, the Parties shall engage in further good faith negotiations regarding, and take all reasonable steps necessary to ensure, the implementation of line sharing as an UNE. In accordance with par. 161 of the Line Sharing Order, Verizon may not be able to make Line Sharing available as an UNE before June 6, 2000.

2.2 Combinations. Verizon will offer combinations of UNEs (UNE-P) where the elements are already combined in Verizon's network, subject to the limitations, requirements and restrictions of applicable law, including, without limitation, Rule 51.319, the Line Sharing Order, the UNE Remand Order and the Act. Verizon is no longer required to provide OS/DA as a UNE where Verizon offers customized routing. Nevertheless, Verizon will continue to provide OS/DA based on market rates (see Appendix D) until the Parties negotiate a separate OS/DA agreement. In the alternative, KMC can obtain an alternative provider. In addition, KMC may not use any UNE combination as a substitute for special access service pending the FCC's resolution of this issue in its Fourth FNPRM in Docket No. 96-98. KMC shall not have physical access to the combined UNEs in Verizon's premises. However, KMC may use UNE combinations to provide a significant amount of local exchange service, in addition to exchange access service, to a particular Customer. The following are not offered in UNE-P arrangements: (a) Frame Relay; (b) ATM; (c) ADSL; and (d) AIN. KMC may order the following standard UNE-Ps pursuant to this Article:

2.2.1 UNE Basic Analog Voice Grade Platform, which consists of:

2.2.1.1 UNE 2-Wire Loop;

2.2.1.2 UNE Basic Analog Line Side Port; and

2.2.1.3 UNE Shared Transport.

2.2.2 UNE ISDN BRI Platform, which consists of:

2.2.2.1 UNE 2-Wire Digital Loop;

2.2.2.2 UNE ISDN BRI Digital Line Side Port; and

2.2.2.3 UNE Shared Transport.

2.2.3 UNE ISDN PRI Platform, which consists of:

2.2.3.1 UNE DS-1 Loop;

2.2.3.2 UNE ISDN PRI Digital Trunk Side Port; and

2.2.3.3 UNE Shared Transport.

2.2.4 UNE DS-1 Platform, which consists of:

2.2.4.1 UNE DS-1 Loop;

2.2.4.2 UNE DS-1 Digital Trunk Side Port; and

2.2.4.3 UNE Shared Transport.

3. Operations Matters.

3.1 Ordering.

The ordering procedures for UNEs and UNE-P's are described in the Verizon Guide found on Verizon's wise website <http://www.gte.com/wise>). Verizon will continue to participate in industry forums for developing service order/disconnect order formats and will incorporate appropriate industry standards. Complete and accurate forms (containing the requisite end-user information as described in the Guide) must be provided by KMC before a request can be processed. ASRs and/or LSRs submitted by KMC will be reviewed by Verizon for validation and correction of errors. Errors will be referred back to KMC. KMC will then correct any errors that Verizon has identified and resubmit the request to Verizon electronically through a supplemental ASR/LSR.

3.2 Unauthorized Changes.

If KMC submits an order for UNEs or UNE -Ps under this Agreement in order to provide service to an end-user that at the time the order is submitted is obtaining its local services from Verizon or another LEC using Verizon resold services or unbundled elements, and the end-user notifies Verizon that the end-user did not authorize KMC to provide local exchange services to the end-user, KMC must provide Verizon with written documentation of authorization from that end-user within thirty (30) Business Days of notification by Verizon. If KMC cannot provide written documentation of authorization within such time frame, KMC must within three (3) Business Days thereafter:

- 3.2.1 notify Verizon to change the end-user back to the LEC providing service to the end-user before the change to KMC was made;
- 3.2.2 provide any end-user information and billing records KMC has obtained relating to the end-user to the LEC previously serving the end-user; and
- 3.2.3 notify the end-user and Verizon that the change back to the previous LEC has been made.

Furthermore, Verizon will bill KMC fifty dollars (\$50.00) per affected line to compensate Verizon for switching the end-user back to the original LEC.

3.3 Letter of Authorization.

Verizon will not release the Customer Service Record (CSR) containing Customer proprietary network information (CPNI) to KMC on Verizon end-user Customer accounts unless KMC first provides to Verizon a written Letter of Authorization (LOA). Such LOA may be a blanket LOA or other form agreed upon between Verizon and KMC authorizing the release of such information to KMC or if state or federal law provides otherwise, in accordance with such law. An LOA will be required before Verizon will process an order for UNEs or UNE-Ps provided in cases in which the subscriber currently receives Exchange Service from Verizon or from a local service provider other than KMC. Such LOA may be a blanket LOA or such other form as agreed upon between Verizon and KMC.

3.4 Provisioning.

Verizon agrees to provide UNEs and UNE -Ps in a timely manner, considering the need and volume of requests, pursuant to agreed upon service provisioning intervals. Verizon shall provide power to ordered UNEs and UNE -Ps on the same basis as Verizon provides power to itself. UNEs and UNE -Ps will be provided only when facilities are Currently Available. If facilities are not Currently Available, KMC will be notified and the order will be rejected. The determination of whether or not facilities are Currently Available will be made on a case-by-case basis. KMC may use the Bona Fide Request (BFR) process to request Verizon to construct facilities at KMC's expense. Verizon will use the following guidelines to determine if facilities are Currently Available to provision a requested UNE or UNE-P:

- 3.4.1 Verizon will not place new interoffice facilities or outside plant feeder or distribution facilities.
- 3.4.2 Verizon will not breach existing interoffice facilities, outside plant feeder or distribution facilities or central office cabling or wiring to install new electronics or housing for plug-in electronic cards or modules. Verizon will install new plug-in cards or modules when the housing already exists and is wired into the network.
- 3.4.3 In most circumstances, Verizon will install drops and NIDs to connect outside plant facilities to an end-user's premises to provide a UNE loop. Verizon will use the same procedures its uses to determine when a drop would routinely be installed for a Verizon Customer to determine if a drop will be installed for a UNE loop. Drops will not be installed when conditions such as excessive length, size of cable or use of fiber optics would require Verizon outside plant construction personnel to install the drop.
- 3.4.4 Verizon will not install new switches or augment switching capacity.
- 3.4.5 Verizon will not install new software or activate software requiring a new right to use fee in switching equipment. Verizon will activate software that is currently loaded in a switch but is not in use.
- 3.4.6 In certain situations, Verizon utilizes pair gain technology, such as Integrated Digital Loop Carrier (IDLC)² or analog carrier, to provision facilities. Verizon may not be able to provision a loop UNE in such cases. Where Verizon can provision a loop UNE using pair gain technology, the capabilities of such loop UNE may be limited. If KMC orders a loop UNE that would normally be provisioned over facilities using pair gain technology, Verizon will use alternate facilities to provision the loop UNE if alternate facilities are Currently Available. If alternate facilities are not Currently Available, Verizon will advise KMC that facilities are not available to provision the requested loop UNE.

3.5 Bona Fide Request Process.

The Bona Fide Request (BFR) process shall be used when KMC requests certain services, features, capabilities or functionality defined and agreed upon by the Parties as services to be ordered via BFR. The following guidelines shall apply to the BFR process.

² See Telcordia Technologies TR-TSY-000008, Digital Interface Between the SLC-96 Digital Loop Carrier System and Local Digital Switch and TR-TSY-000303, Integrated Digital Loop Carrier (IDLC) Requirements, Objectives and Interface.

- 3.5.1 A BFR shall be submitted in writing by KMC and shall specifically identify the need to include technical requirements, space requirements and/or other such specifications that clearly define the request such that Verizon has sufficient information to analyze and prepare a response.
- 3.5.2 KMC may cancel a BFR in writing at any time prior to KMC and Verizon agreeing to price and availability. Verizon will then cease analysis of the request.
- 3.5.3 Within five (5) Business Days of Verizon's receipt of the BFR, Verizon shall acknowledge in writing its receipt of same and identify a single point of contact and any additional information needed to process the request.
- 3.5.4 Except under extraordinary circumstances, within thirty (30) Business Days of Verizon's receipt of the BFR, Verizon shall provide a proposed price and availability date, or Verizon will provide an explanation as to why Verizon elects not to meet KMC's request. In cases of extraordinary circumstances, Verizon will inform KMC as soon as it realizes that it cannot meet the thirty (30) Business Day response due date. KMC and Verizon will then determine a mutually agreeable date for receipt of the request.
- 3.5.5 Unless KMC agrees otherwise, all proposed prices shall be consistent with the pricing principles of the Act, FCC and/or Commission. Payments for services purchased under a BFR will be made upon delivery, unless otherwise agreed to by KMC, in accordance with the applicable provisions of this Agreement.
- 3.5.6 Upon affirmative response from Verizon, KMC will submit in writing its acceptance or rejection of Verizon's proposal. If at any time an agreement cannot be reached as to the terms and conditions and/or price of the request Verizon agrees to meet, the Dispute Resolution procedures described in Article III, Section 18 herein may be used by a Party to reach a resolution.

3.6 Connections.

- 3.6.1 With the exception of shared transport, the UNEs specified above may be directly connected to KMC facilities or to a third-party's facilities designated by KMC to the extent technically feasible. Direct access to loops, port and local switching, and dedicated transport, that terminate in a Verizon Wire Center or other Verizon premises, must be accomplished via a collocation arrangement in that Wire Center or premise. In circumstances where collocation cannot be accomplished in the Wire Center or premise, the Parties agree to negotiate for possible alternative arrangements. Removal of existing cable pairs required for KMC to connect service is the responsibility of KMC.
- 3.6.2 In order to minimize adverse effects to Verizon's network, the following procedures shall apply regarding NID connection:
- 3.6.2.1 When connecting its own loop facility directly to Verizon's NID for a residence or business Customer, KMC must make a clean cut on the Verizon drop wire at the NID so that no bare wire is exposed. KMC shall not remove or disconnect Verizon's drop wire from the NID or take any other action that might cause Verizon's drop wire to be left lying on the ground.
- 3.6.2.2 At multi-tenant Customer locations, KMC must remove the jumper wire from the distribution block (i.e., the NID) to the Verizon cable termination block. If KMC cannot gain access to the cable termination block, KMC must make a

clean cut at the closest point to the cable termination block. At KMC's request and discretion, Verizon will determine the cable pair to be removed at the NID in multi-tenant locations. KMC will compensate Verizon for the trip charge necessary to identify the cable pair to be removed.

3.6.2.3 Verizon loop elements leased by KMC will be required to terminate only on a Verizon NID. If KMC leasing a Verizon loop wants to connect such loop to a KMC NID, KMC also will be required to lease a Verizon NID for the direct loop termination and effect a NID-to-NID cross connection.

3.6.2.4 Rather than connecting its own loop directly to Verizon's NID, KMC also may elect to install its own NID and effect a NID-to-NID cross connection to gain access to the end-user's inside wiring.

3.6.2.5 If KMC provides its own loop facilities, KMC may elect to move all inside wire terminated on a Verizon NID to one provided by KMC. In this instance, a NID-to-NID cross connection will not be required. KMC, or the end-user premise owner, can elect to leave the disconnected Verizon NID in place, or to remove the Verizon NID from the premises and dispose of it entirely.

3.6.2.6 Verizon agrees to offer its NIDs to KMC for lease, but not for sale. Therefore, KMC may remove Verizon identification from any Verizon NID to which it connects a KMC loop, but KMC shall not place its own identification on such NID.

3.7 Conditioning.

At KMC's request, and for the charge(s) described on Appendix D, Verizon will condition those lines that are unbundled pursuant to this Article to remove load coils, bridge taps, low pass filters, range extenders and other devices to allow such lines to be provisioned in a manner that will allow for the transmission of digital signals required for ISDN and ADSL services, or, in the case of analog lines, to meet specific transmission parameters (e.g., Type C, Type DA, Improved C). dedicated transport may be conditioned for DS-1 clear channel capability.

3.8 Line Testing.

Upon KMC's request, and for the charge(s) described on Appendix D, Verizon will test and report trouble for all features, functions, and capabilities of conditioned lines, subject to all of the following limitations and conditions:

3.8.1 Such testing must be technically feasible.

3.8.2 If KMC has directly connected its facilities to a loop, Verizon will not perform routine testing of the loop for maintenance purposes. KMC will be required to perform its own testing and notify Verizon of service problems. Verizon will perform repair and maintenance once trouble is identified by KMC. If the loop is combined with dedicated transport, KMC will not have access to the loop in the wire center. In this case, Verizon will perform routine testing of the loop and perform repair and maintenance once trouble is identified.

3.8.3 All loop facilities provided by Verizon on the premises of KMC's end-users, up to the network interface or demarcation point, are the property of Verizon. Verizon must have access to all such facilities for network management purposes. Verizon

employees and agents may enter said premises at any reasonable hour to test and inspect such facilities in conjunction with such purposes or, upon termination or cancellation of the loop, to remove such facility.

3.8.4 If KMC leases loops that are conditioned to transmit digital signals, as part of that conditioning, Verizon will test the loop UNE and provide recorded test results to KMC. In maintenance and repair cases, if loop tests are performed, Verizon will provide any recorded readings to KMC at the time the trouble ticket is closed in the same manner as Verizon provides the same to itself and/or its end-users.

3.9 Loop Interference and Maintenance.

If KMC's deployment of service enhancing technology interferes with existing or planned service enhancing technologies deployed by Verizon or other CLECs in the same cable sheath, Verizon will so notify KMC and KMC will immediately remove such interfering technology and shall reimburse Verizon for all costs and expenses incurred related to this interference. When KMC provides its own loop and connects directly to Verizon's NID, Verizon does not have the capability to perform routine maintenance. KMC can perform routine maintenance via its loop and inform Verizon once the trouble has been isolated to the Verizon NID and Verizon will repair (or replace) the NID, or, at KMC's option, effect a NID-to-NID cross connection, using the Verizon NID only to gain access to the inside wire at the Customer location.

4. Financial Matters.

4.1 Rates and Charges.

The monthly recurring charges (MRCs) and non-recurring charges (NRCs) applicable for the UNEs and UNE-Ps, and related services made available under this Article are set forth in Appendix D attached hereto and made a part of this Article. Compensation arrangements for the exchange of switched traffic between KMC and Verizon when KMC uses a Verizon port, local switching and shared transport shall be as set forth in Appendix D.

4.2 Billing.

Verizon will utilize CBSS to produce the required bills for UNEs ordered via the LSR process. This includes NIDs, loops, loops combined with port, ports and local switching and shared transport. State or sub-state level billing will include up to thirty (30) summary bill accounts. Timing of messages applicable to Verizon's port and circuit switching UNEs (usage sensitive services) will be recorded based on originating and terminating access. Verizon will utilize CABS to produce the required bills for UNEs and UNE-Ps ordered via the ASR process. This includes dedicated transport and loops combined with dedicated transport. Incollects are calls that are placed using the services of Verizon or another LEC or local service provider and billed to a UNE port, INP number, or LNP number of KMC. Outcollects are calls that are placed using a KMC UNE port and billed to a Verizon line or the line of another LEC or local service provider. Examples of an incollect or an outcollect are collect, credit card calls.

4.2.1 Incollects. Verizon will provide the rated record it receives from the CMDS network, or which Verizon records (non-intercompany), to KMC for billing to KMC's end-users. Verizon will settle with the earning company, and will bill KMC the amount of each incollect record less the Billing & Collection (B&C) fee for end-user billing of

the incollects. The B&C credit associated with KMC's incollect messages that are incurred by Verizon will be billed to KMC on the monthly statement.

4.2.2 Outcollects. When the Verizon end office switch from which the UNE port is served utilizes a Verizon operator services platform, Verizon will provide to KMC the unrated message detail that originates from a KMC resale service line or UNE port, but which is billed to a telephone number other than the originating number (e.g., calling card, bill-to-third number, etc.). As the local service provider, KMC will be deemed the earning company and will be responsible for rating the message at KMC's rates and for providing the billing message detail to the billing company for end-user billing. KMC will pay to Verizon charges as agreed to for services purchased, and KMC will be compensated by the billing company for the revenue due to KMC. When a non-Verizon entity provides operator services to the Verizon end office from which the resale line or UNE port is provisioned, KMC must contract with the operator services provider to obtain any EMR records required by KMC.

4.3 Measurement of Originating Usage.

Verizon shall record usage data originating from KMC Customers that Verizon records with respect to its own retail Customers, using services order by KMC. On UNE port accounts, Verizon will provide usage in EMR format per existing file exchange schedules.

4.4 Measurement of Terminating Usage.

Until such time as industry standards are implemented for recording and measuring terminating local calls, the Parties agree to use factors to estimate terminating usage based on originating usage. Where originating usage cannot be measured, the Parties agree to use assumed minutes. The applicable factors and assumed minutes are set forth in Appendix D.

4.5 Switched Access Usage.

Verizon will provide KMC switched access usage records (AURs) in EMI Category 11 format for those UNEs which contain this switched access usage component. KMC agrees to follow applicable industry standards for the meet-point billing of switched access usage as defined in MECAB.

4.6 Impact of Payment of Charges on Service.

KMC is solely responsible for the payment of all charges for all services and facilities furnished under this Agreement, including, but not limited to, calls originated or accepted at its or its Customers' service locations. If KMC fails to pay when due any and all charges billed to KMC under this Agreement, including any late payment charges (collectively, "unpaid charges"), and any or all such charges remain unpaid more than forty-five (45) calendar days after the bill date of such unpaid charges excepting previously disputed charges for which KMC may withhold payment, Verizon shall notify KMC in writing that it must pay all unpaid charges to Verizon within seven (7) Business Days. If KMC disputes the billed charges, it shall, within said seven (7) day period, inform Verizon in writing of which portion of the unpaid charges it disputes, including the specific details and reasons for the dispute, unless such reasons have been previously provided, and shall immediately pay to Verizon all undisputed charges. If KMC and Verizon are unable, within thirty (30) Business Days thereafter, to resolve issues related to the disputed charges, then either KMC or Verizon may file a request for

arbitration under General Provisions of this Agreement to resolve those issues. Upon resolution of any dispute hereunder, if KMC owes payment it shall make such payment to Verizon with any late payment charge from the original payment due date. If KMC owes no payment, but has previously paid Verizon such disputed payment, then Verizon shall credit such payment including any late payment charges. If KMC fails to pay any undisputed unpaid charges, KMC shall, at its sole expense, within five (5) Business Days notify its Customers that their service may be disconnected for KMC's failure to pay unpaid charges, and that its Customers must select a new provider of local exchange services. Verizon may discontinue service to KMC upon failure to pay undisputed charges as provided in this Section 4.6 and shall have no liability to KMC or KMC's Customers in the event of such disconnection. If KMC fails to provide such notification or any of KMC's Customers fail to select a new provider of services within the applicable time period, Verizon may provide local exchange services to KMC's Customers under Verizon's applicable Customer tariff at the then current charges for the services being provided. In this circumstance, otherwise applicable service establishment charges will not apply to KMC's Customer, but will be assessed to KMC.