

SCHEDULE 4.1 FOREIGN EXCHANGE

1. INTRODUCTION

1.1 This sets forth the terms and conditions under which SBC and CLEC will compensate each other for the joint provision of intraLATA Foreign Exchange (FX) Services and/or FX-Like services. The compensation set forth in this Schedule does not apply to Internet-bound traffic directed to an Internet Service Provider (ISP) within the calling party's Local Service Area.

2. DEFINITIONS SPECIFIC TO THIS SCHEDULE 4.1

2.1 "Customer" – As used herein, the term "Customer" does not include any of the Parties to this Agreement with respect to any item or service obtained under this Schedule.

2.2 "Foreign Exchange (FX) Service"

2.2.1 FX Service permits a customer physically located in one exchange (serving or closed end exchange) to have a telephone number associated with another exchange (open end or foreign exchange). FX allows a customer to have a telephone number presence in a community other than the one where the customer equipment is physically located. FX Service does not include Internet-bound traffic directed to an Internet Service Provider (ISP) within the calling party's Local Service Area.

2.2.2 FX Service is generally provided in one of two ways. The "line haul" foreign exchange, where the customer is connected by an ordinary access line to its serving wire center and is then connected by a dedicated facility to the foreign exchange wire center which generates the dial tone.

2.2.3 Under a "dedicated prefix" arrangement, the customer's ordinary access line is assigned a prefix within its serving wire center which is dedicated to functioning as a prefix in a foreign exchange. The serving wire center routes the customer's traffic over dedicated or switched facilities to a switch or switches in the foreign exchange whereby it is connected to telephone numbers in the foreign exchange.

2.2.4 In either case, the total of all facilities which are used to connect the FX customer to the telephone numbers in the foreign exchange, i.e., the access line and local switch within the serving exchange, the facilities connecting the serving exchange local switch to the foreign exchange switch, and the foreign exchange switching facilities are considered as the facilities required to provide the foreign exchange service.

2.2.5 Foreign exchange facility arrangements, other than those described above, are possible. However, where different arrangements are used, the same principles apply. That is, the total of all facilities used in the connection of the FX customer to the

telephone number in the foreign exchange are considered as the facilities used to provide the foreign exchange service.

2.3 “Open End or Foreign Exchange” means the exchange from which the foreign service is rendered. That is, the exchange from which the foreign exchange service obtains switched access to other End Users.

2.4 “Primary Party” denotes the Party that bills the FX customer for the FX service when, by mutual agreement of the Parties, only one of the Parties bills the FX customer for the facilities provided by both Parties.

2.5 “Serving or Closed End Exchange” denotes the exchange in which the FX customer is physically located.

2.6 “Secondary Party” denotes the Party that does not bill the FX customer, when, by mutual agreement of the Parties, only one of the Parties bills the FX customer for the facilities provided by both Parties.

3. UNDERTAKING OF THE PARTIES

3.1 If mutually agreeable by the Parties, one Party may act as the Primary Party and bill the FX customer for the entire FX Service. In this case, the Primary Party will compensate the Secondary Party for the portion of the FX Service that the Secondary Party provides based on the Secondary Party’s applicable tariffed rates for the facilities that the Secondary Party provides. If the Secondary Party does not have tariff rates applicable for the facilities that it has provided for its portion of the FX Service, the Primary Party will reimburse the Secondary Party based on rates negotiated between the Parties.

3.2 Otherwise, each Party will separately bill the FX customer for the portion of the FX service facilities that it provides based on its applicable tariffed rates. If either Party does not have tariff rates applicable for the facilities that it has provided for its portion of the FX Service, that Party will bill the FX customer based on its costs of providing its portion of the FX Service facilities.

4. COMPENSATION AMOUNTS, MONTHLY STATEMENTS AND PAYMENTS

4.1 In the event that only one Party bills the FX customer for the entire FX service, within thirty (30) calendar days after the end of each billing period, the Primary Party will remit the compensation amount due the Secondary Party. Where more than one compensation amount is due, they may be combined into a single payment.

4.2 The amount of compensation due the Secondary Company maybe reduced due to uncollectibles attributable to FX Service billing experienced by the Primary Party for the jointly provided FX Services.