

AMENDMENT NO. 1
to the
INTERCONNECTION AGREEMENT –ILLINOIS
by and between
AMERITECH ILLINOIS
AND
XO ILLINOIS, INC.

The Interconnection Agreement (“the Agreement”) by and between Ameritech Illinois (“Ameritech”) and XO Illinois, Inc. (“CLEC”) which is being submitted to the Illinois Commerce Commission concurrently with this Amendment No. 1 (“Amendment”) is hereby amended as follows:

- 1.1 Add Appendix DSL and update List of Schedules in the Table of Contents to reflect this addition. (See Attachment “A”).**
- 1.2 Add Appendix Merger Conditions and update List of Schedules in Table of Contents to reflect this addition. (See Attachment “B”).**
- 1.3 Add Appendix DA and update List of Schedules in Table of Contents to reflect this addition. (See Attachment “C”).**
- 1.4 Add Pricing Table and update List of Schedules in the Table of Contents to reflect this addition. (See Attachment “D”).**
- 2.0 AMENDMENTS TO THE AGREEMENT**
- 2.1 Article 29 to the Agreement is amended by adding Section 29.6a:**

29.6a Intervening Law. This Agreement is entered into as a result of both private negotiation between the Parties and the incorporation of some of the results of arbitration by the Illinois Commerce Commission. In the event that any of the rates, terms and conditions herein, or any of the laws or regulations that were the basis or rationale for such rates, terms and/or conditions in the Agreement, are invalidated, modified or stayed by any action of any state or federal regulatory or legislative bodies or courts of competent jurisdiction, including but not limited to any decision by the Eighth Circuit relating to any of the costing/pricing rules adopted by the FCC in its First Report and Order, *In re: Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, 11 FCC Rcd 15499 (1996) (e.g., Section 51.501, et seq.), upon review and remand from the United States Supreme Court, in *AT&T Corp. v. Iowa Utilities Bd.*, 119 S. Ct. 721 (1999) or *Ameritech v. FCC*, No. 98-1381, 1999 WL 116994, 1999 Lexis 3671 (June 1, 1999), the affected provision shall be immediately

invalidated, modified, or stayed, consistent with the action of the legislative body, court, or regulatory agency upon the written request of either Party. In such event, the Parties shall expend diligent efforts to arrive at an agreement regarding the appropriate conforming modifications to the Agreement. If negotiations fail, disputes between the Parties concerning the interpretation of the actions required or provisions affected by such governmental actions shall be resolved pursuant to the dispute resolution process provided for in this Agreement. Without limiting the general applicability of the foregoing, the Parties acknowledge that on January 25, 1999, the United States Supreme Court issued its opinion in *AT&T Corp. v. Iowa Utilities Bd.*, 119 S. Ct. 721 (1999) or *Ameritech v. FCC*, No. 98-1381, 1999 WL 116994, 1999 Lexis 3671 (June 1, 1999), the affected provision shall be immediately invalidated, modified, or stayed, consistent with the action of the legislative body, court, or regulatory agency upon the written request of either Party. In such event, the Parties shall expend diligent efforts to arrive at an agreement regarding the appropriate conforming modifications to the Agreement. If negotiations fail, disputes between the Parties concerning the interpretation of the actions required or provisions affected by such governmental actions shall be resolved pursuant to the dispute resolution process provided for in this Agreement. Without limiting the general applicability of the foregoing, the Parties acknowledge that on January 25, 1999, the United States Supreme Court issued its opinion in *AT&T Corp. v. Iowa Utilities Bd.*, 119 S. Ct. 721 (1999) and on June 1, 1999, the United States Supreme Court issued its opinion in *Ameritech v. FCC*, No. 98-1381, 1999 WL 116994, 1999 Lexis 3671 (1999). In addition, the Parties acknowledge that on November 5, 1999, the FCC issued its Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-96 (FCC 99-238), including the FCC's Supplemental Order issued *In the Matter of the Local Competition Provisions of the Telecommunications Act of 1996*, in CC Docket No. 96-98 (FCC 99-370) (rel. November 24, 1999), portions of which become effective thirty (30) days following publication of such Order in the Federal Register (February 17, 2000) and other portions of which become effective 120 days following publication of such Order in the Federal Register (May 17, 2000). The Parties further acknowledge and agree that by executing this Agreement, neither Party waives any of its rights, remedies, or arguments with respect to such decisions and any remand thereof, including its right to seek legal review or a stay pending appeal of such decisions or its rights under this Intervening Law paragraph.

2.2 Schedule 9.2.1 is amended with the addition of Section 11.0:

11.0 Reservation of Rights Relating to UNEs. Ameritech's provision of UNEs identified in this Agreement is subject to the provisions of the Federal Act, including but not limited to, Section 251(d). The Parties acknowledge and agree that on November 5, 1999, the FCC issued its Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-96 (FCC 99-238), including the FCC's Supplemental Order issued *In the Matter of the Local Competition Provisions of the Telecommunications Act of 1996*, in CC Docket No. 96-98 (FCC 99-370) (rel. November 24, 1999), ("the UNE Remand Order"), portions of which become effective thirty (30) days following publication of such Order in the Federal Register (February 17, 2000) and other portions of which become effective 120 days following publication of such Order in

the Federal Register (May 17, 2000). By entering into this Agreement which makes available certain UNEs, or any Amendment to this Agreement to conform such Agreement to the UNE Remand Order within the time frames specified in such Order, neither Party waives any of its rights to seek legal review or a stay pending appeal of the Order. In addition, both Parties reserve the right to dispute whether any UNEs identified in the Agreement must be provided under Section 251(c)(3) and Section 251(d) of the Act, and under this Agreement. In the event that the FCC, a state regulatory agency or a court of competent jurisdiction, in any proceeding, based upon any action by any telecommunications carrier, finds, rules and/or otherwise orders ("order") that any of the UNEs and/or UNE combinations provided for under this Agreement do not meet the necessary and impair standards set forth in Section 251(d)(2) of the Act, the affected provision will be invalidated, modified or stayed as required to immediately effectuate the subject order upon written request of either Party. In such event, the Parties shall expend diligent efforts to arrive at an agreement on the modifications required to the Agreement to immediately effectuate such order. If negotiations fail, disputes between the Parties concerning the interpretations of the actions required or the provisions affected by such order shall be handled under the Dispute Resolution Procedures set forth in this Agreement. In addition, the Parties agree that in the event the UNE Remand Order is stayed pending appeal, neither Party shall be obligated to implement the terms of such Order until such time as the stay is lifted.

2.3 Schedule 1.2 to the Agreement is amended by adding thereto in alphabetical order the following:

SBC Communications Inc. (SBC) means the holding company which owns the following ILECs: Illinois Bell Telephone Company, Indiana Bell Telephone Company Incorporated, Michigan Bell Telephone Company, Nevada Bell Telephone Company, the Ohio Bell Telephone Company, Pacific Bell Telephone Company, The Southern New England Telephone Company, Southwestern Bell Telephone Company, and/or Wisconsin Bell, Inc. d/b/a Ameritech Wisconsin. As used herein, **SBC-13STATE** means the applicable above listed ILECs doing business Arkansas, California, Connecticut, Illinois, Kansas, Michigan, Missouri, Nevada, Ohio, Oklahoma, Texas, and Wisconsin.

SBC-12STATE – As used herein, **SBC-12STATE** means the applicable above listed ILEC(s) doing business in Arkansas, California, Illinois, Indiana, Kansas, Michigan, Missouri, Nevada, Ohio, Oklahoma, Texas, and Wisconsin.

SNET – As used herein, **SNET** means the applicable above listed ILEC doing business in Connecticut.

2.4 Schedule 1.2 to the Agreement is also amended by replacing the definition of “Local Loop Transmission” or “Loop” with the following:

“Local Loop Transmission” or “Loop” is, pursuant to applicable FCC rules, a local loop unbundled network element that is a dedicated transmission facility between a