

EXHIBIT 2

RHYTHMS'

Craig J. Brown
Assistant General Counsel

April 7, 2000

By Facsimile

Kristin A. Ohlson
Senior Counsel
Pacific Telesis Group
140 New Montgomery Street, Room 1526
San Francisco, CA 94105

Dear Kristin:

This letter confirms our telephone call yesterday, where we discussed Rhythms' efforts to negotiate line sharing amendments to its interconnection agreements with SBC. Based on our conversation, as well as our meeting last week, it is clear that SBC is unwilling to engage in meaningful negotiations on any material term related to line sharing.

In its line sharing meetings with CLECs, SBC has insisted that CLECs obtain amendments to their interconnection agreements before ordering line sharing on a commercial basis. SBC has also refused to engage in multi-party negotiations. Although Rhythms objected to SBC's positions on these issues, it agreed to try to negotiate contract amendments to begin line sharing on June 6, 2000, as provided for in the *Line Sharing Order*. As a result, Rhythms requested a meeting with SBC to negotiate line sharing amendments for the SBC states. On March 30, the parties finally met.

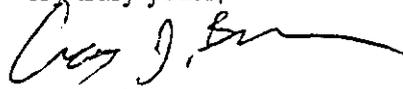
At the March 30 meeting, SBC agreed to negotiate interim language for line sharing, which would be subject to true up and could be put in place prior to June 6, 2000. While this was a positive development, it was tempered by SBC's suggestion that it would only be willing to sign interim language identical to the contract language that it had proposed in the California line sharing proceeding. This suggestion was confirmed in our telephone conversation yesterday.

You indicated that SBC is unwilling to move off its proposed language on any of the issues that have been raised in the California arbitration. Thus, for example, SBC refuses to modify its proposed language in any manner regarding price, provisioning intervals, alternative network architectures, provision of line sharing on non-copper loops, intervals for cable augments, or liability. In fact, you were unable to point to any substantive issue on which SBC is willing to depart from its proposed language. As we told you at the March 30 meeting, we believe that SBC's language is unreasonable and inconsistent with the *Line Sharing Order* on numerous points. Thus, SBC's current position clearly constitutes a failure to negotiate in good faith in violation of sections 251 and 252 of the Communications Act of 1934, as amended, as well as the mandates of the *Line Sharing Order*.

Rhythms has indicated its willingness to enter into language making it clear that the terms of the amendment are subject to true up and will have no precedential effect on current or subsequent arbitrations or other proceedings. As a result, it is unreasonable for SBC to insist that it will not enter into language that differs from its positions in the California arbitration.

Rhythms requests that SBC reevaluate its current position and agree to meaningful negotiations. I look forward to your response.

Very truly yours,

A handwritten signature in black ink, appearing to read "Craig J. Brown", with a long horizontal flourish extending to the right.

Craig J. Brown

Kristin A. Ohlson
Senior Counsel
Legal Department

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San Francisco, California 94105
(415) 836-1470
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PACIFIC  TELESIS
Group

April 13, 2000

Via Facsimile

Craig J. Brown
Rhythms
Assistant General Counsel
6933 So. Revere Parkway
Englewood, CO 60112-3931

Dear Mr. Brown,

This responds to your letter to me dated April 7, 2000 regarding negotiations for line sharing amendments. I strongly disagree with your statement that SBC is unwilling to engage in meaningful negotiations for a line sharing amendment. On April 6, 2000, I e-mailed a stand alone line sharing amendment for your review and have yet to receive any redline comments on it from you.

Contrary to your letter our line sharing terms and conditions are entirely consistent with the Line Sharing Order and we are willing to offer them subject to modification based on subsequent arbitrations or other regulatory proceedings. However, it's unreasonable to insist that we agree to terms that are clearly inconsistent with the Line Sharing Order; e.g., provide line sharing facilities on other than copper and then claim that we are not willing to negotiate in good faith. In addition, in response to the CLECs' requests, SBC is voluntarily offering to provide the splitter in a network architecture not even required by the Line Sharing Order.

Attached is language we would add to a line sharing amendment regarding no waiver or precedent. At your earliest convenience, please, forward to me your specific comments on the proposed amendment I sent you.

Sincerely,



Kristin Ohlson
Senior Counsel/ks

Attachment

cc: Diane Johnson

RESERVATION OF RIGHTS

- 1.1 Nothing in this Attachment shall constitute a waiver by either Party of any positions it may have taken or will take in any pending regulatory or judicial proceeding or any subsequent interconnection agreement negotiations. This Attachment also shall not constitute a concession or admission by either Party and shall not foreclose either Party from taking any position in the future in any forum addressing any of the matters set forth herein.

- 1.2 The Parties acknowledge and agree that the provision of the HFPL and the associated rates, terms and conditions set forth above are subject to any legal or equitable rights of review and remedies (including agency reconsideration and court review). If any reconsideration, agency order, appeal, court order or opinion, stay, injunction or other action by any state or federal regulatory body or court of competent jurisdiction stays, modifies, or otherwise affects any of the rates, terms and conditions herein, specifically including those arising with respect to Federal Communications Commission orders (whether from the Memorandum Opinion and Order, and Notice of Proposed Rulemaking, FCC 98-188 (rel. August 7, 1998), in CC Docket No. 98-147, the FCC's First Report and Order and Further Notice of Proposed Rulemaking, FCC 99-48 (rel. March 31, 1999), in CC Docket 98-147, the FCC's 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 96-98 (FCC 99-370) (rel. November 24, 1999) ("the UNE Remand Order"), or the FCC's 99-355 Third Report and Order in CC Docket No. 98-147 and Fourth Report and Order in CC Docket No. 96-98 (rel. December 9, 1999) or R.93-04-003 (Line Sharing Phase) and I.93-04-002 pending before the Public Utilities Commission of California, or any other proceeding, the Parties shall negotiate in good faith to arrive at an agreement on conforming modifications to this Appendix. If negotiations fail, disputes between the Parties concerning the interpretation of the actions required or the provisions affected shall be handled under the Dispute Resolution procedures set forth in this Agreement

PACIFIC TELESIS GROUP - LEGAL DEPT.
140 New Montgomery St., Room 1526
San Francisco, CA 94105

Contact: Leah Lockhart (415) 836-1417
Facsimile Number: (415) 957-8744

Date: 4/13/2000

Number of Pages
(includes cover sheet)

3

From: KRISTIN OHLSON
(415) 836-1420 (Ofc)
(415) 957-8744 (Fax)

URGENT

CONFIDENTIAL

To:
Craig J. Brown
Rhythms
Assistant General Counsel
6933 So. Revere Parkway
Englewood, CO 60112-3931

Phone
(303) 876-5335

Fax:
(303) 476-2272

COMMENTS

Please see attached...

STATEMENT OF CONFIDENTIALITY

The information contained in this facsimile message is confidential intended only for the use of the individual(s) named above. If the reader(s) of this message is not the intended recipient(s), you are hereby notified that any copying, dissemination or distribution of confidential or privileged information is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone, and we will arrange for its return. Thank you.

RHYTHMS*

Craig J. Brown
Assistant General Counsel

April 21, 2000

By Facsimile and U.S. Mail

Kristin A. Ohlson
Senior Counsel
Pacific Telesis Group
140 New Montgomery Street, Room 1526
San Francisco, CA 94105

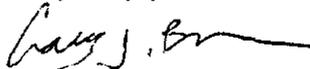
Dear Kristin:

This letter responds to your letter to me dated April 13, 2000 regarding Rhythms' negotiations with SBC for line sharing. I have reviewed the stand alone line sharing amendment that you sent me by e-mail on April 6. If you recall, Rhythms provided you detailed comments at our negotiation session on March 30 on the line sharing language that SBC proposed in the California line sharing proceeding. Based upon my review, it appears that the stand alone amendment that you sent me by e-mail is identical to the California language that you proposed earlier, except that you have omitted the provisions not related to line sharing. While this language is an improvement for that reason, I do not see any utility in providing you the same comments that we provided at the March 30 meeting.

As we discussed at the March 30 meeting, Rhythms would like SBC to consider the proposed line sharing language that was submitted by Rhythms in the California line sharing proceeding. This language is appropriate for all SBC states, including the Ameritech, SNET, and SWBT states.

As I discussed in my April 7, 2000 letter, you have indicated that SBC is not willing to modify its proposed line sharing language on any of the substantive issues that we have discussed. If SBC changes this position, we would be happy to meet again to negotiate.

Very truly yours,



Craig J. Brown

Brown, Craig

From: Lopez, Ann
Sent: Tuesday, March 14, 2000 3:12 PM
To: Alee@Northpoint.com; Ann Lopez; Axyoun3@msg.pacbell.com; Bflinchu@covad.com; BI2494@sbc.com; Brad.b.Eujnowski@ameritech.com; Brent.spooner@ALGX.COM; canderson@northpoint.com; Cc8291@txmail.sbc.com; Christina.finnigan@ameritech.com; 'cmurphy@jato.net'; David.r.subject@Ameritech.com; Derek.Pollard@algx.com; Ekarr@jato.com; Gd5481@SBC.com; Grall@home.com; Grawlings@northpoint.netq; hsiegel@IP-Communications.net; Jalcantara@northpoint.net; Jamuel@northpoint.com; Jb0431@txmail.sbc.com; jlewandowski@northpoint.net; Jlindgren@ip-communications.net; Jo Gentry; Jschambers@att.com; Jwhitley@northpoint.net; Ken.B.Edwards@Ameritech.com; Kh1532@txmail.sbc.com; Kschwart@covad.com; Lchase@covad.com; Linda.M.Hyneman@ait4.ameritech.com; Lwallace@northpoint.com; Mark.Willborn@algx.com; Mlandgraf@northpoint.net; mnelson@newedgenetworks.com; Ms8719@txmail.sbc.com; Msinha@northpoint.net; Mwgunnels@att.com; Mzulevic@covad.com; NB9957@TXMAIL.SBC.COM; PCOUGHLAN@att.com; R.Bartenstein@ameritech.com; Rbpayne@msg.pacbell.com; Rdequiroz@jato.net; Rebeccav@covad.com; RO2735@TXMAIL.SBC.COM; ronaldg@covad.com; Sbradley@covad.com; Sdunlap@covad.com; 'sgoldman@newedgenetworks.com'; sminter@IP-Communications.net; steve.taft@algx.com; Swalden@covad.com; Tshen@att.com; Umather@northpoint.com; umathur@northpoint.net; vs2421@sbc.com; wbluemling@dsl.net; William.M.Drake@wcom.com
Cc: Anita Taff-Rice (E-mail); Craig Brown; 'Dineen J. Majcher'; JGentry@rhythms.net; Katherine K. Mudge; Mike Kersh (E-mail); Roger Jewett; 'Steve Bowen'
Subject: FW: Line Sharing DSO Cabling

Allan,
Again I need to stress that this is Line Sharing and not collocation. Per our discussions and Ranking of the central offices, I expect that SBC is rolling out the process for all it's regions in parallel. Throughout our meetings you and the other SBC representatives have stated the process will be the same throughout the various regions. We all went through Rank and Rating for this roll out. It is too late to change your mind again. Rhythms is expecting Ameritech to place the cables for Line Sharing.
Ann

Ann M. Lopez
Rhythms Links
ILEC Manager
2680 Bishop Dr. Suite 124
San Ramon, CA 94583
Office: 925 244-0165
Cell: 925 202-7975

ALopez@Rhythms.net

-----Original Message-----

From: SAMSON, ALLAN (SBC-MSI) [mailto:VS2421@txmail.sbc.com]
Sent: Tuesday, March 14, 2000 5:47 AM
To: ALopez@rhythms.net
Cc: BRYAN LOEWEN; ROD CRUZ; BETTY SCHLACKMAN
Subject: RE: Line Sharing DSO Cabling

Ann:

Thanks for the input. I think we need to discuss. Normal collocation augments will be handled by using normal processes. I think in AIT, the CLECs have hired a vendor in the past to do this work. I think for the line sharing (potentially expedited) augment process being discussed in the trial, we should address how this would be handled.

Allan

> -----
> From: ALopez@rhythms.net[SMTP:ALopez@rhythms.net]
> Sent: Monday, March 13, 2000 8:43 PM
> To: Alee@Northpoint.com; ALopez@rhythms.net; YOUNG, ANNA (PB);
> Bflinchu@covad.com; BI2494@sbc.com; Brad.b.Eujnowski@ameritech.com;
> Brent.spooner@ALGX.COM; canderson@Northpoint.com; CHAPMAN, CAROL (SWBT);
> Christina.finnigan@ameritech.com; cmurphy@jato.net; SUBJECT, DAVID R:
> (AIT); Derek.Pollard@ALGX.COM; Ekarr@jato.com; Gd5481@sbc.com;
> Grall@home.com; Grawlings@northpoint.netq; hsiegel@IP-Communications.net;
> Jalcantara@northpoint.net; Jamuel@Northpoint.com; BROWN, JEFFREY H (SWBT);
> jlewandowski@northpoint.net; JIindgren@ip-communications.net;
> jgentry@rhythms.net; Jschambers@att.com; Jwhitley@northpoint.net; EDWARDS,
> KEN B. (AIT); HAMM, KIMBERLY S (SWBT); Kschwart@covad.com;
> Lchase@covad.com; HYNEMAN, LINDA M. (AIT); Lwallace@Northpoint.com;
> Mark.Willborn@ALGX.COM; Mlandgraf@northpoint.net;
> mnelson@newedgenetworks.com; SMITH, MELVIN A (SWBT);
> Msinha@northpoint.net; Mwgunnels@att.com; Mzulevic@covad.com; MEIERHOFF,
> NANCY L (SWBT); PCOUGHLAN@att.com; R.Bartenstein@ameritech.com; PAYNE, RON
> (PB); Rdequiroz@jato.net; Rebeccav@covad.com; OWENS, RONALD C (SBC-MSI);
> ronaigd@covad.com; Sbradley@covad.com; Sdunlap@covad.com;
> sgoldman@newedgenetworks.com; sminter@IP-Communications.net;
> steve.taft@ALGX.COM; Swalden@covad.com; Tshen@att.com;
> Umather@Northpoint.com; umathur@northpoint.net; vs2421@sbc.com;
> wbluemling@dsl.net; William.M.Drake@wcom.com
> Subject: Line Sharing DSO Cabling
>
> Bryan/Steve/Allan,
> I want to make it clear that when Rhythms submits augments for Line share
> cabling, Rhythms expects all DSO line sharing cabling to be completed by
> the
> regional ILEC (i.e.Ameritech, Pacific Bell, SWB and SNET).
>
> Should you have any questions please contact me at 925 244-0165.
> Ann
> Ann M. Lopez
> Rhythms Links
> ILEC Manager
> 2680 Bishop Dr. Suite 124
> San Ramon, CA 94583
> Office: 925 244-0165
> Cell: 925 202-7975
>
> ALopez@Rhythms.net
>

Brown, Craig

From: Lopez, Ann
Sent: Friday, March 10, 2000 12:59 PM
To: Alee@Northpoint.com; Ann Lopez; Axyoun3@msg.pacbell.com; Bflinchu@covad.com; BI2494@sbc.com; Brad.b.Eujnowski@ameritech.com; Brent.spooner@ALGX.COM; canderson@northpoint.com; Cc8291@txmail.sbc.com; Christina.finnigan@ameritech.com; 'cmurphy@jato.net'; David.r.subject@Ameritech.com; Derek.Pollard@algx.com; Ekarr@jato.com; Gd5481@SBC.com; Grall@home.com; Grawlings@northpoint.netq; hsiegel@IP-Communications.net; Jalcantara@northpoint.net; Jamuel@northpoint.com; Jb0431@txmail.sbc.com; jlewandowski@northpoint.net; Jlindgren@ip-communications.net; Jo Gentry; Jschambers@att.com; Jwhitley@northpoint.net; Ken.B.Edwards@Ameritech.com; Kh1532@txmail.sbc.com; Kschwart@covad.com; Lchase@covad.com; Linda.M.Hyneman@ait4.ameritech.com; Lwallace@northpoint.com; Mark.Willborn@algx.com; Mlandgraf@northpoint.net; Ms8719@txmail.sbc.com; Msinha@northpoint.net; Mwgunnels@att.com; Mzulevic@covad.com; NB9957@TXMAIL.SBC.COM; PCOUGHLAN@att.com; R.Bartenstein@ameritech.com; Rbpayne@msg.pacbell.com; Rdequiroz@jato.net; Rebeccav@covad.com; RO2735@TXMAIL.SBC.COM; ronaldg@covad.com; Sbradley@covad.com; Sdunlap@covad.com; 'sgoldman@newedgenetworks.com'; sminter@IP-Communications.net; steve.taft@algx.com; Swalden@covad.com; Tshen@att.com; Umather@northpoint.com; umathur@northpoint.net; vs2421@sbc.com; wbluemling@dsl.net; William.M.Drake@wcom.com

Cc: Brown, Craig; 'Anita Taff-Rice'
Subject: FW: Liability Language for Line Sharing

Bryan/Allan,

In response to your request of interest to meet as a group to discuss liability language, Rhythms is willing to talk about Liability language and other issues of negotiation with SBC and other CLECs.

However, to restate our position, Rhythms believes that it is not necessary to include liability language in the line sharing contract modification. Line sharing should be governed by the existing liability and indemnification provisions in the interconnection agreement (e.g., indemnification for negligence and willful misconduct).

Sincerely,
Ann Lopez

Ann M. Lopez
Rhythms Links
ILEC Manager
2680 Bishop Dr. Suite 124
San Ramon, CA 94583
Office: 925 244-0165
Cell: 925 202-7975

ALopez@Rhythms.net

Brown, Craig

From: Lopez, Ann
Sent: Monday, February 14, 2000 3:19 PM
To: 'BABER, MELINDA J (SWBT)'; brent.spooner@algx.com; bob.buerrosse@algx.com; mark.willborn@algx.com; steve.taff@algx.com; iina.carreiro@algx.com; pbewick@newedgenetworks.com; mnelson@newedgenetworks.com; mslater@newedgenetworks.com; kvevesky@newedgenetworks.com; sswett@newedgenetworks.com; avidin@newedgenetworks.com; pbewick@newedgenetworks.com; michael.d.west@mail.sprint.com; joyce.a.frost@mail.sprint.com; vicki.foshee@telocity.net; jennifer.hancock@telocity.net; mstepovich@telocity.net; dtucker@telocity.net; chagler@telocity.net; Larry-Gurley@vectris.com; cindy.mccall@wcom.com; roy.lathrop@wcom.com; william.m.drake@wcom.com; Jmiller@wcom.com; sminter@ip-communications.net; hsiegel@ip-communications.net; jlindgren@ip-communications.net; Kenneth.j.edwards@ameritech.com; Lopez, Ann; Gentry, Jo; grall@home.com; jschambers@att.com; bcbennett@att.com; deyoung@att.com; tshen@att.com; mwgunnels@att.com; jsamonek@att.com; Jwhitley@northpoint.net; jlewandowski@northpoint.net; umathur@northpoint.net; Jalacantara@northpoint.net; Mlandgraf@northpoint.net; Msinha@northpoint.net; Grawlings@northpoint.net; walker@ameritech.net; becky.oliver@wcom.com; deryholland@vectris.com; rdavis@fw-law.com; connolly@crl.com; Brown, Craig; mzulevic@covad.com; natalie.d.wales@mail.sprint.com; rmcmillin@newedgenetworks.com; rboyer@uswest.com; jmilnor@uswest.com; wej@cpuc.ca.gov; canderson@northpoint.net; bfinchu@covad.com; maryscherer@att.com; fettig@att.com; pgreen@jato.net; drichards@jato.net; kschwartz@covad.com; rhelmick@telepacific.com; denise.delong@firstworld.com; jmartin@mgcicorp.com; mca@cpuc.ca.gov; tmoya@covad.com; lisak@technologylaw.com; bkargoll@att.com; dgentry@primarynetwork.com; tpy@cpuc.ca.gov; genter@acn.com; agonzalez@nextlink.com; lhopper@nextlink.com; psun@dsl.net; wbluemling@dsl.net; JACOBS, RICK (SBC-MSI); MATHES, DOUGLAS (SBC-MSI); DARLING, GARY D (SBC-MSI); OWENS, RONALD C (SBC-MSI); HYNEMAN, LINDA M. (AIT); ZOLLINGER, JAY B. (AIT); WALSH, DIANE X. (AIT); SUBJECT, DAVID R. (AIT); BUJNOWSKI, BRAD B. (AIT); FINNIGAN, CHRISTINE A. (AIT); HAMM, KIMBERLY S (SWBT); SCHUPPERT, STEPHEN M (PB); BROWN, JEFFREY H (SWBT); WEINERT, STEVE (SWBT); SCHLACKMAN, BETTY (SBC-MSI); SAMSON, ALLAN (SBC-MSI); LOEWEN, BRYAN (SWBT); CRUZ, ROD (SBC-MSI); SADROSADAT, HADI (PB); LUETSCHER, PRISCILLA (AIT); rebeccav@covad.com; lchase@covad.com; NEELY, C DENNIS (SWBT)
Subject: RE: Important Line Sharing Trial Information***** Please Read*****
Importance: High

Melinda,

I need to have the minutes corrected. Rhythms did not agree that they wanted to trial a splitter with direct cabling to DSLAM at SNFCCA12. I and the other CLECs said we would get back to SBC on Monday.

For the record here is our official answer.

At this time, Rhythms does not want to trial direct cabling from the DSLAM to our cage at SNFCCA12. We have already started to put processes put in place on the two proposed scenarios. A change of this magnitude would cause us substantial delays. Rhythms would like to move forward with the original plan to have SNFCCA12 as the splitter in the common area cabled to the IDF/MDF.

This may be something that can be trialed in phase 2.

Ann

Ann M. Lopez
Rhythms Links
ILEC Manager
2680 Bishop Dr. Suite 124
San Ramon, CA 94583
Office: 925 244-0165

Cell: 925 202-7975

ALopez@Rhythms.net

-----Original Message-----

From: BABER, MELINDA J (SWBT) [mailto:mb4673@txmail.sbc.com]

Sent: Friday, February 11, 2000 4:46 PM

To: brent.spooner@algx.com; bob.buerrosse@algx.com;
mark.willborn@algx.com; steve.taff@algx.com; iina.carreiro@algx.com;
pbewick@newedgenetworks.com; mnelson@newedgenetworks.com;
mslater@newedgenetworks.com; kvevesky@newedgenetworks.com;
sswett@newedgenetworks.com; avidin@newedgenetworks.com;
pbewick@newedgenetworks.com; michael.d.west@mail.sprint.com;
joyce.a.frost@mail.sprint.com; vicki.foshee@telocity.net;
jennifer.hancock@telocity.net; mstepovich@telocity.net;
dtucker@telocity.net; chagler@telocity.net; Larry-Gurley@vectris.com;
cindy.mccall@wcom.com; roy.lathrop@wcom.com; william.m.drake@wcom.com;
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jsamonek@att.com; Jwhitley@northpoint.net; jlewandowski@northpoint.net;
umathur@northpoint.net; Jalacantara@northpoint.net;
Mlandgraf@northpoint.net; Msinha@northpoint.net;
Grawlings@northpoint.net; rwalker@ameritech.net; becky.oliver@wcom.com;
deryholland@vectris.com; rdavis@fw-law.com; connolly@crl.com;
cbrown@rhythms.net; mzulevic@covad.com; natalie.d.wales@mail.sprint.com;
rmcmillin@newedgenetworks.com; rboyer@uswest.com; jmilnor@uswest.com;
wej@cpuc.ca.gov; canderson@northpoint.net; bfinchu@covad.com;
maryscherer@att.com; fettig@att.com; pgreen@jato.net;
drichards@jato.net; kschwartz@covad.com; rhelmick@telepacific.com;
denise.delong@firstworld.com; jmartin@mgcicorp.com; mca@cpuc.ca.gov;
tmoya@covad.com; lisak@technologylaw.com; bkargoll@att.com;
dgentry@primarynetwork.com; tpy@cpuc.ca.gov; genter@acn.com;
agonzalez@nextlink.com; lhopper@nextlink.com; psun@dsl.net;
wbluemling@dsl.net; JACOBS, RICK (SBC-MSI); MATHES, DOUGLAS (SBC-MSI);
DARLING, GARY D (SBC-MSI); OWENS, RONALD C (SBC-MSI); HYNEMAN, LINDA M.
(AIT); ZOLLINGER, JAY B. (AIT); WALSH, DIANE X. (AIT); SUBJECT, DAVID R.
(AIT); BUJNOWSKI, BRAD B. (AIT); FINNIGAN, CHRISTINE A. (AIT); HAMM,
KIMBERLY S (SWBT); SCHUPPERT, STEPHEN M (PB); BROWN, JEFFREY H (SWBT);
WEINERT, STEVE (SWBT); SCHLACKMAN, BETTY (SBC-MSI); SAMSON, ALLAN
(SBC-MSI); LOEWEN, BRYAN (SWBT); CRUZ, ROD (SBC-MSI); SADROSADAT, HADI
(PB); LUETSCHER, PRISCILLA (AIT); rebeccav@covad.com; lchase@covad.com;
NEELY, C DENNIS (SWBT)

Subject: Important Line Sharing Trial Information***** Please Read*****

The meeting scheduled for Friday, February 18, 2000 has been rescheduled
for Thursday, February 17, 2000.

(Meeting conference call and room information is contained in attached
minutes)

This e-mail contains three separate Word attachments

Please e-mail Melinda Baber at mb4673@txmail.sbc.com if we have an incorrect
e-mail address listed or if additional names should be added or deleted from
this distribution list.

The attached document is the collocation application. The highlighted
fields must be filled out for processing.

<<APP Physical Issue 13states--LINE SHARE.doc>>

Minutes for 2/11/00 Network Engineering Sub Team

<<2.11Network Engineering Sub.doc>>

Technical Service Description, Issue 2.0

<<POTS-SPLITTER FOR TRIAL IN SBC.doc>>

**APPENDIX DSL
(Including Line Sharing or HFPL)**

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APPENDIX DSL
Digital Subscriber Line (DSL) Capable Loops

1. INTRODUCTION

- 1.1 This Appendix sets forth terms and conditions for providing DSL and the High Frequency Portion of the Loop (HFPL) by the applicable SBC Communications Inc. (SBC) owned Incumbent Local Exchange Carrier (ILEC) and Competitive Local Exchange Carrier (CLEC.).
- 1.2 SBC Communications Inc. (SBC) means the holding company which owns the following ILECs: Ameritech Illinois, Ameritech Indiana, Ameritech Michigan, Ameritech Ohio, Ameritech Wisconsin, Nevada Bell, Pacific Bell Telephone Company, The Southern New England Telephone Company and/or Southwestern Bell Telephone Company.
- 1.3 As used herein, SBC-12 STATE means the above listed ILECs doing business in Arkansas, California, Illinois, Indiana, Kansas, Michigan, Missouri, Nevada, Ohio, Oklahoma, Texas and Wisconsin.
- 1.4 Southern New England Telephone (SNET) as used herein, SNET means the applicable above listed ILEC doing business in Connecticut.
- 1.5 The prices at which SBC-12 STATE agrees to provide CLEC with DSL and HFPL are contained in the applicable Appendix and/or the applicable Commission ordered tariff where stated.
- 1.6 The prices, terms, and conditions herein are not applicable in SNET. SNET's unbundled DSL offering may be found in the Commission-ordered Connecticut Access Service Tariff, Section 18.2.
- 1.7 SBC-12 STATE agrees to provide CLEC with access to UNEs (including the unbundled xDSL Capable Loop and HFPL offerings) in accordance with the rates, terms and conditions set forth in this xDSL Attachment and the general terms and conditions applicable to UNEs under this Appendix, for CLEC to use in conjunction with its desired xDSL technologies and equipment to provide xDSL services to its end user customers.

2. DEFINITIONS

- 2.1 For purposes of this Appendix, a "loop" is defined as a transmission facility between a distribution frame (or its equivalent) in a central office and the loop demarcation point at an end user customer premises.
- 2.2 For purposes of this Appendix, a "subloop" is defined as any portion of the loop from SBC-12 STATE's F1/F2 interface to the demarcation point at the customer premise that can be accessed at a terminal in SBC-12 STATE's outside plant. An accessible terminal is a point on the loop where technicians can access the wire or fiber within the cable without removing a splice closure to reach the wire within. The Parties recognize that this is only one form of subloop (defined as the F1/F2 interface to the customer premise) as set forth in the FCC's 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"). Additional subloop types may be negotiated and agreed to by the Parties consistent with the UNE Remand Order. Subloops discussed in this Appendix will be effective in accordance with the dates set out in the UNE Remand Order.
- 2.3 The term "Digital Subscriber Line" ("DSL") describes various technologies and services. The "x" in "xDSL" is a place holder for the various types of DSL services, including, but not limited to ADSL (Asymmetric Digital Subscriber Line), HDSL (High-Speed Digital Subscriber Line), IDSL (ISDN Digital Subscriber Line), SDSL (Symmetrical Digital Subscriber Line), UDSL (Universal Digital Subscriber Line), VDSL (Very High-Speed Digital Subscriber Line), and RADSL (Rate-Adaptive Digital Subscriber Line)
- 2.4 "High Frequency Portion of the Loop" ("HFPL") is defined as the frequency above the voice band on a copper loop facility that is being used to carry traditional POTS analog circuit-switched voice band transmissions. The FCC's Third Report and Order in CC Docket No.98-147 and Fourth Report and Order in CC Docket No. 96-98 (rel. December 9, 1999) (the "Line Sharing Order") references the voice band frequency of the spectrum as 300 to 3000 Hertz (and possibly up to 3400 Hertz) and provides that DSL technologies which operate at frequencies generally above 20,000 Hertz will not interfere with voice band transmission. SBC-12 STATE shall only make the HFPL available to CLEC in those instances where SBC-12 STATE also is providing retail POTS (voice band circuit switched) service on the same local loop facility to the same end user.
- 2.5 A loop technology that is "presumed acceptable for deployment" is one that either complies with existing industry standards, has been successfully deployed by another carrier in any state without significantly degrading the performance of other

services, or has been approved by the FCC, any state commission, or an industry standards body.

- 2.6 A "non-standard xDSL-based technology" is a loop technology that is not presumed acceptable for deployment under Section 2.5 of this Appendix.
- 2.7 "Continuity" shall be defined as a single, uninterrupted path along a circuit, from the Minimum Point of Entry (MPOE) or other demarcation point to the Point of Interface (POI) located on the horizontal side of the Main Distribution Frame (MDF).
- 2.8 "Proof of Continuity" shall be determined by performing a physical fault test from the MPOE or other demarcation point to the POI located on the horizontal side of the MDF by providing a short across the circuit on the tip and ring, and registering whether it can be received at the far end. This test will be known hereafter as "Proof of Continuity" or "Continuity Test."
- 2.9 A xDSL Capable Loop is a loop that a CLEC may use to deploy xDSL technologies.
- 2.10 "Cooperative Acceptance Testing" shall be defined as the joint testing between SBC-12 STATE's Technician, its Local Operations Center ("LOC"), and the CLECs designated test representative for the purpose of verifying Continuity as more specifically described in Section 8.
- 2.11 Plan of Record for Pre-Ordering and Ordering of xDSL and other Advanced Services ("Plan of Record" or "POR") refers to SBC-12STATE's December 7, 1999 filing with the FCC, including any subsequent modifications or additions to such filing.
- 2.12 The "Splitter" is a device that divides the data and voice signals concurrently moving across the loop, directing the voice traffic through copper tie cables to the switch and the data traffic through another pair of copper tie cables to multiplexing equipment for delivery to the packet-switched network. The Splitter may be directly integrated into the Digital Subscriber Line Access Multiplexer (DSLAM) equipment or may be externally mounted.
- 2.13 "Digital Subscriber Line Access Multiplexer" ("DSLAM") is a piece of equipment that links end-user DSL connections to a single high-speed packet switch, typically ATM or IP.

3. GENERAL TERMS AND CONDITIONS RELATING TO UNBUNDLED xDSL-CAPABLE LOOPS

- 3.1 Unless otherwise noted, all references to "loop" in Sections 3.1-3.8 include SBC-12 STATE's HFPL offering unless otherwise noted.
- 3.2 SBC-12 STATE will provide a loop for CLEC to deploy xDSL technologies presumed acceptable for deployment or non-standard xDSL technology as defined in this Appendix. SBC-12 STATE will not impose limitations on the transmission speeds of xDSL services; provided, however, SBC-12 STATE does not guarantee transmission speeds, available bandwidth nor imply any service level. Consistent with the Line Sharing Order, CLEC may only deploy xDSL technologies on HFPL loops that do not interfere with analog voice band transmission.
- 3.3 SBC-12 STATE shall not deny CLEC's request to deploy any loop technology that is presumed acceptable for deployment unless SBC-12 STATE has demonstrated to the state commissions in accordance with FCC orders that CLEC's deployment of the specific loop technology will significantly degrade the performance of other advanced services or traditional voice band services.
- 3.4 In the event the CLEC wishes to introduce a technology that has been approved by another state commission or the FCC, or successfully deployed elsewhere, the CLEC will provide documentation describing that action to SBC-12 STATE and the state commission before or at the time of its request to deploy such technology within SBC-12 STATE. The documentation should include the date of approval or deployment, any limitations included in its deployment, and a sworn attestation that the deployment did not significantly degrade the performance of other services.
- 3.5 In the event the CLEC wishes to introduce a technology that does not conform to existing industry standards and has not been approved by an industry standards body, the FCC, or a state commission, the burden is on the CLEC to demonstrate that its proposed deployment meets the threshold for a presumption of acceptability and will not, in fact, significantly degrade the performance of other advanced services or traditional voice band services.
- 3.6 Liability
- 3.6.1 Notwithstanding any other provision of this Appendix, each Party, whether a CLEC or SBC-12 STATE, agrees that should it cause any non-standard xDSL technologies to be deployed or used in connection with or on SBC-12 STATE facilities, the Party ("Indemnifying Party") will pay all costs associated with any damage, service interruption or other telecommunications service degradation, or damage to the other Party's ("Indemnitee") facilities. Notwithstanding any other provision of this Appendix, CLEC ("Indemnifying

Party”) shall release, defend and indemnify SBC-12 STATE (“Indemnitee”) and hold Indemnitee harmless against any Loss, including any Loss to a Third Party such as another CLEC or SBC-12 STATE end user, arising out of the negligence or willful misconduct of CLEC, its agents, its end users, contractors, or others retained by CLEC, in connection with CLEC’s provision of splitter functionality under this Appendix.

- 3.6.2 For any technology, CLEC’s use of any SBC-12 STATE network element, or its own equipment or facilities in conjunction with any SBC-12 STATE network element, will not materially interfere with or impair service over any facilities of SBC-12 STATE, its affiliated companies or connecting and concurring carriers involved in SBC-12 STATE services, cause damage to SBC-12 STATE’s plant, impair the privacy of a communications carried over SBC-12 STATE’s facilities or create hazards to employees or the public. Upon reasonable written notice and after a reasonable opportunity to cure, SBC-12 STATE may discontinue or refuse service if CLEC violates this provision, provided that such termination of service will be limited to CLEC’s use of the element(s) causing the violation. Subject to Section 9.3 for HFPL, SBC-12 STATE will not disconnect the elements causing the violation if, after receipt of written notice and opportunity to cure, the CLEC demonstrates that their use of the network element is not the cause of the network harm. If SBC-12 STATE does not believe the CLEC has made the sufficient showing of harm, or if CLEC contests the basis for the disconnection, either Party must first submit the matter to dispute resolution under the Dispute Resolution Procedures set forth in this Appendix. Any claims of network harm by SBC-12 STATE must be supported with specific and verifiable supporting information.

3.7 Indemnification

- 3.7.1 Covered Claim: Indemnifying Party will indemnify, defend and hold harmless Indemnitee from any claim for damages, including but not limited to direct, indirect or consequential damages, made against Indemnitee by any telecommunications service provider or telecommunications user (other than claims for damages or other losses made by an end-user of Indemnitee for which Indemnitee has sole responsibility and liability) arising from the use of such non-standard xDSL technologies by the Indemnifying Party, or Indemnifying Party’s (i.e. CLECs) provision of splitter functionality under this Appendix, or the Indemnifying Party’s retention of the loop used to provide the HFPL when the end user terminates voice service from Indemnitee and Indemnitee is requested by another telecommunications provider to provide a voice grade service or facility to the end user.

- 3.7.2 Indemnifying Party is permitted to fully control the defense or settlement of any Covered Claim, including the selection of defense counsel. Notwithstanding the foregoing, Indemnifying Party will consult with Indemnitee on the selection of defense counsel and consider any applicable conflicts of interest. Indemnifying Party is required to assume all costs of the defense and any damages resulting from the use of any non-standard xDSL technologies in connection with or on Indemnitee's facilities or Indemnifying Party's (i.e. CLEC's) provision of splitter functionality under this Appendix, or the Indemnifying Party's retention of the loop used to provide the HFPL when the end user terminates voice service from Indemnitee and Indemnitee is requested by another telecommunications provider to provide a voice grade service or facility to the end user, and Indemnitee will bear no financial or legal responsibility whatsoever arising from such claims.
- 3.7.3 Indemnity agrees to fully cooperate with the defense of any Covered Claim. Indemnitee will provide written notice to Indemnifying Party of any Covered Claim at the address for notice assigned herein within ten days of receipt, and, in the case of receipt of service of process, will deliver such process to Indemnifying Party not later than 10 business days prior to the date for response to the process. Indemnitee will provide to Indemnifying Party reasonable access to or copies of any relevant physical and electronic documents or records related to the deployment of non-standard xDSL technologies used by Indemnitee in the area affected by the claim, or Indemnifying Party's (i.e. CLEC's) provision of splitter functionality under this Appendix, all other documents or records determined to be discoverable, and all other relevant documents or records that defense counsel may reasonably request in preparation and defense of the Covered Claim. Indemnitee will further cooperate with Indemnifying Party's investigation and defense of the Covered Claim by responding to the reasonable requests to make its employees with knowledge relevant to the Covered Claim available as witnesses for preparation and participation in discovery and trial during regular weekday business hours. Indemnitee will promptly notify Indemnifying Party of any settlement communications, offers or proposals received from claimants.
- 3.7.4 Indemnity agrees that Indemnifying Party will have no indemnity obligation, and Indemnitee will reimburse Indemnifying Party's defense costs, in any case in which Indemnifying Party's technology is determined not to be the cause of any Indemnitee liability and in any case which Indemnifying Party's (i.e. CLECs) provision of splitter functionality under this Appendix is

determined not to be the cause of any Indemnity (i.e. SBC-12 STATE) liability.

3.8 Claims Not Covered: No Party hereunder agrees to indemnify or defend any other Party against claims based on the other Party's gross negligence or intentional misconduct.

4. UNBUNDLED xDSL-CAPABLE LOOP OFFERINGS

4.1 DSL-Capable Loops: For each of the loop types described in sections 4.1.1– 4.1.4 below, CLEC will, at the time of ordering, notify SBC-12 STATE as to the Power Spectrum Density (PSD) mask of the technology the CLEC will deploy.

4.1.1 2-Wire xDSL Loop: A 2-wire xDSL loop for purposes of this section, is a copper loop over which a CLEC may provision various DSL technologies. A copper loop used for such purposes will meet basic electrical standards such as metallic connectivity and capacitive and resistive balance, and will not include load coils, mid-span repeaters or excessive bridged tap (bridged tap in excess of 2,500 feet in length). However removal of load coils, repeaters or excessive bridged tap on an existing loop is optional, subject to conditioning charges, and will be performed at CLEC's request. The rates set forth in Appendix PRICING shall apply to this 2-Wire xDSL Loop.

4.1.2 2-Wire Digital Loop (e.g., ISDN/IDSL): A 2-Wire Digital Loop for purposes of this Section is 160 Kbps and supports Basic Rate ISDN (BRI) digital exchange services. The terms and conditions for the 2-Wire Digital Loop are set forth in the UNE Appendix and the rates in the associated Pricing Appendix.

4.1.3 4-Wire xDSL Loop: A 4-Wire xDSL loop for purposes of this section, is a copper loop over which a CLEC may provision DSL technologies. A copper loop used for such purposes will meet basic electrical standards such as metallic connectivity and capacitive and resistive balance, and will not include load coils, mid-span repeaters or excessive bridged tap (bridged tap in excess of 2,500 feet in length). However removal of load coils, repeaters or excessive bridged tap on an existing loop is optional and will be performed at CLEC's request. The rates set forth in Appendix PRICING shall apply to this 4-Wire xDSL Loop.

4.1.4 Sub-Loop: In locations where SBC-12 STATE has deployed: (1) Digital Loop Carrier systems and an uninterrupted copper loop is replaced with a fiber segment or shared copper in the distribution section of the loop; (2) Digital

Added Main Line ("DAML") technology to derive multiple voice-grade POTS circuits from a single copper pair; or (3) entirely fiber optic facilities to the end user, SBC-12 STATE will make the following options available to CLEC:

- 4.1.4.1 Where spare copper facilities are available, and the facilities meet the necessary technical requirements for the provisioning of DSL, the CLEC has the option of requesting SBC-12 STATE to make copper facilities available (subject to Section 4.6 below).
- 4.1.4.2 The CLEC has the option of collocating a DSLAM in SBC-12 STATE's Remote Terminal ("RT") at the fiber/copper interface point, pursuant to collocation terms and conditions. When the CLEC collocates its DSLAM at SBC-12 STATE RTs, SBC-12 STATE will provide CLEC with unbundled access to subloops to allow CLEC to access the copper wire portion of the loop.
- 4.1.4.3 Where the CLEC is unable to obtain spare copper loops necessary to provision a DSL service, and SBC-12 STATE has placed a DSLAM in the RT, SBC-12 STATE must unbundle and provide access to its DSLAM. SBC-12 STATE is relieved of this requirement to unbundle its DSLAM if it permits the CLEC to collocate its DSLAM in the RT on the same terms and conditions that apply to its own DSLAM. The rates set forth in Appendix PRICING shall apply to this subloop.
- 4.1.5 When SBC-12 STATE is the provider of the retail POTS analog voice service on the same loop to the same end-user, HFPL access will be offered on loops that meet the loop requirements as defined in Sections 4.1.1-4.1.4 above. The CLEC will provide SBC-12 STATE with the type of technology it seeks to deploy, at the time of ordering, including the PSD of the technology the CLEC will deploy. If the technology does not have a PSD mask, CLEC shall provide SBC-12 STATE with a technical description of the technology (including power mask) for inventory purposes
 - 4.1.5.1 xDSL technologies may only reside in the higher frequency ranges, preserving a "buffer zone" to ensure the integrity of voice band traffic.
- 4.2 When SBC 12-State traditional retail POTS services are disconnected at the request of the end user or POTS service is suspended due to "denial for non-pay", SBC-12 STATE will notify the CLEC that the broadband service will be converted from a Line Sharing Circuit, or HFPL, to a full stand alone UNE loop or will be disconnected at CLEC's option.

- 4.3 SBC-12 STATE shall be under no obligation to provide multi-carrier or multi-service line sharing arrangements as referenced in FCC 99-35, paragraph 75.
- 4.4 HFPL is not available in conjunction with a combination of network elements known as the platform or UNE-P (including loop and switch port combinations) or unbundled local switching or any arrangement where SBC-12 STATE is not the retail POTS provider.
- 4.5 SBC-12 STATE shall not be required to provide narrowband service to CLEC "A" and broadband service to CLEC "B" on the same loop. Any line sharing between two CLECs shall be accomplished between those parties and shall not utilize any SBC-12 STATE splitters, equipment, cross connects or OSS systems to facilitate line sharing between such CLECs.
- 4.6 SBC-12 STATE shall be under no obligation to provision xDSL capable loops in any instance where physical facilities do not exist. SBC-12 STATE shall be under no obligation to provide HFPL where SBC-12 STATE is not the existing retail provider of the traditional, analog voice service (POTS). This shall not apply where physical facilities exist, but conditioning is required. In that event, CLEC will be given the opportunity to evaluate the parameters of the xDSL or HFPL service to be provided, and determine whether and what type of conditioning should be performed at its request at their cost.
- 4.7 For each loop, CLEC shall at the time of ordering notify SBC-12 STATE as to the PSD mask of the technology the CLEC intends to deploy on the loop. If and when a change in PSD mask is made, CLEC will immediately notify SBC-12 STATE. Likewise, SBC-12 STATE will disclose to CLEC upon request information with respect to the number of loops using advanced services technology within the binder and type of technology deployed on those loops. SBC-12 STATE will use this information for the sole purpose of maintaining an inventory of advanced services present in the cable sheath. If the technology does not fit within a national standard PSD mask, CLEC shall provide SBC-12 STATE with a technical description of the technology (including power mask) for inventory purposes. Additional information on the use of PSD masks can be found in Section 10 below.
- 4.8 In the event that SBC-12 STATE rejects a request by CLEC for provisioning of advanced services, SBC-12 STATE will disclose to the requesting CLEC information with respect to the number of loops using advanced services technology within the binder and type of technology deployed on those loops, including the specific reason for the denial, within 48 hours of the denial.

- 4.9 SBC-12 STATE will not deny a requesting CLEC's right to deploy new xDSL technologies that do not conform to the national standards and have not yet been approved by a standards body (or otherwise authorized by the FCC, any state commission or which have not been successfully deployed by any carrier without significantly degrading the performance of other services) if the requesting CLEC can demonstrate to the Commission that the loop technology will not significantly degrade the performance of other advanced services or traditional voice band services.
- 4.9.1 Upon request by CLEC, SBC-12 STATE will cooperate in the testing and deployment of new xDSL technologies or may direct the CLEC, at CLEC's expense, to a third party laboratory of CLEC's choice for such evaluation.
- 4.9.2 If it is demonstrated that the new xDSL technology will not significantly degrade the other advanced services or traditional voice based services, SBC-12 STATE will provide a loop to support the new technology for CLEC as follows:
- 4.9.3 If the technology requires the use of a 2-Wire or a 4-Wire xDSL loop (as defined above), then SBC-12 STATE will provide an xDSL loop at the same rates listed for a 2-Wire or 4-Wire xDSL loop and associated loop conditioning as needed; provided, however, conditioning on HFPL DSL circuits shall be provided consistent with the terms of Section 6.3.4 below.
- 4.9.4 In the event that a xDSL technology requires a loop type that differs from that of a 2-Wire or 4-Wire xDSL loop (as defined in this Attachment, the Parties make a good faith effort to arrive at an Agreement as to the rates, terms and conditions for an unbundled loop capable of supporting the proposed xDSL technology. If negotiations fail, any dispute between the Parties concerning the rates, terms and conditions for an unbundled loop capable of supporting the proposed xDSL technology shall be resolved pursuant to the dispute resolution process provided for in this Appendix.
- 4.9.5 With the exception of HFPL access, which is addressed in Section 9 below, if SBC-12 STATE or another CLEC claims that a service is significantly degrading the performance of other advanced services or traditional voice band services, then SBC-12 STATE or that other CLEC must notify the causing carrier and allow that carrier a reasonable opportunity to correct the problem. Any claims of network harm must be supported with specific and verifiable supporting information. In the event that SBC-12 STATE or a CLEC demonstrates to the Commission that a deployed technology is significantly degrading the performance of other advanced

services or traditional voice band services, the carrier deploying the technology shall discontinue deployment of that technology and migrate its customers to technologies that will not significantly degrade the performance of such services.

- 4.9.6 SBC-12 STATE shall not impose its own standards for provisioning xDSL services, through Technical Publications or otherwise, until and unless approved by the Commission or the FCC prior to use. However, SBC-12 STATE will publish non-binding Technical Publications to communicate current standards and their application as set forth in Paragraph 72 of FCC Order 99-48 (rel. March 31, 1999), FCC Docket 98-147.

5. HFPL: SPLITTER OWNERSHIP AND RESPONSIBILITIES

5.1 Splitter ownership:

- 5.1.1 Option 1: CLEC will own and have sole responsibility to forecast, purchase, install, inventory, provision and maintain splitters. When physically collocating, splitters shall be installed in the CLECs collocation arrangement area (whether caged or cageless) consistent with SBC-12 STATE's standard collocation practices and procedure. When virtually collocated, SBC-12 STATE will install, provision and maintain splitters under the terms of virtual collocation.

- 5.1.2 Option 2: Although SBC-12 STATE maintains that Option 1 is wholly complete and compliant with FCC 99-355 line sharing order, SBC-12 STATE plans to offer an additional option whereby SBC-12 STATE will own the splitter. Terms and conditions for this additional option are being finalized and will be made available on or before April 1, 2000. At that time SBC-12 STATE will make available additional terms and conditions for this Option.

- 5.2 When physically collocated, splitters will be placed in traditional collocation areas as outlined in the physical collocation terms and conditions in this Appendix or applicable Commissioned-ordered tariff. In this arrangement, the CLEC will have test access to the line side of the splitter on the terminating end of the cross connect to the collocation arrangement. It is recommended that the CLEC provision splitter cards that provide test port capabilities. When virtually collocated, SBC-12 STATE will install the splitter in a SBC-12 STATE bay and SBC-12 STATE will access the splitter on behalf of the CLEC for line continuity tests. Additional testing capabilities (including remote testing) may be negotiated by the Parties. The CLEC is not permitted direct physical access to the MDF or the IDF for testing.

- 5.3 Splitter provisioning will use standard SBC configuration cabling and wiring in SBC-12 STATE locations. Connecting Block layouts will reflect standard recognizable arrangements that will work with SBC-12 STATE Operational Support Systems ("OSS").
- 5.4 Splitter technology needs to adhere to established industry standards for technical, test access, common size, configurations and shelf arrangements.
- 5.5 All splitter equipment must be compliant with applicable national standards and NEBS Level 1.

6. OPERATIONAL SUPPORT SYSTEMS: LOOP MAKE-UP INFORMATION AND ORDERING

- 6.1 General: SBC-12 STATE will provide CLEC with nondiscriminatory access that access is available by electronic or manual means, to its loop make-up information set forth in SBC-12 STATE's Plan of Record. In the interim, loop make-up data will be provided as set forth below. In accordance with the FCC's UNE Remand Order, CLEC will be given nondiscriminatory access to the same loop make-up information that SBC-12 STATE is providing any other CLEC and/or SBC-12 STATE or its advanced services affiliate.
- 6.2 Loop Pre-Qualification: Subject to 6.1 above, SBC-12 STATE's pre-qual will provide a near real time response to CLEC queries. Until replaced with OSS access as provided in 6.1, SBC-12 STATE will provide mechanized access to a loop length indicator via Verigate and DataGate in regions where Verigate/DataGate are generally available for use with xDSL-based, HFPL, or other advanced services. The loop length is an indication of the approximate loop length, based on a 26-gauge equivalent and is calculated on the basis of Distribution Area distance from the central office. This is an optional service to the CLEC and is available at no charge.
- 6.3 Loop Qualification: Subject to 6.1 above, SBC-12 STATE will develop and deploy enhancements to its existing DataGate and EDI interfaces that will allow CLECs, as well as SBC-12 STATE's retail operations or its advanced services affiliate, to have near real time electronic access as a preordering function to the loop make-up information, subject to the following:
- 6.3.1 For loops ordered under 12,000 feet in length, SBC-12 STATE will provide a process that does not require loop qualification. If load coils, repeaters or excessive bridged tap are present on a loop under 12,000 feet in length, conditioning to remove these elements will be performed at no charge.

- 6.3.2 If a CLEC elects to have SBC-12 STATE provide loop makeup through a manual process for information not available electronically, then the loop qualification interval will be 3-5 business days, or the interval provided to SBC-12 STATE's affiliate, whichever is less.
- 6.3.3 If the results of the loop qualification indicate that conditioning is available, CLEC may request that SBC-12 STATE perform conditioning at charges set forth in Appendix PRICING. The CLEC may order the loop without conditioning or with partial conditioning if desired.
- 6.3.4 For HFPL, if CLEC's requested conditioning will degrade the customer's analog voice service, SBC-12 STATE is not required to condition the loop. However, should SBC-12 STATE refuse the CLEC's request to condition a loop, SBC-12 STATE will make an affirmative showing to the relevant state commission that conditioning the specific loop in question will significantly degrade voice band services.
- 6.4 Electronic access to loop makeup data through OSS enhancements described in 6.1 above will return information in all fields described in the Plan of Record where information is contained in SBC-12 STATE's electronic databases. If manual loop qualification is requested, loop makeup data should include the following: (a) the actual loop length; (b) the length by gauge; and (c) the presence of repeaters, load coils, or bridged taps; and shall include, if noted on the individual loop record, (d) the total length of bridged taps, load coils, and repeaters; (e) the presence of pair gain devices, DLC, and/or DAML, and (f) the presence of disturbers in the same and/or adjacent binder groups. If a detailed manual loop qualification is requested, loop makeup data should include all of the fields described in the Plan of Record including those described above for manual loop qualification.

7. PROVISIONING

- 7.1 Provisioning: SBC-12 STATE will not guarantee that the local loop(s) ordered will perform as desired by CLEC for xDSL-based, HFPL, or other advanced services, but will guarantee basic metallic loop parameters, including continuity and pair balance. CLEC-requested testing by SBC-12 STATE beyond these parameters will be billed on a time and materials basis at the applicable tariffed rates. On loops where CLECs have requested that no conditioning be performed, SBC-12 STATE's maintenance will be limited to verifying loop suitability based on POTS design. For loops having had partial or extensive conditioning performed at CLEC's request, SBC-12 STATE will verify continuity, the completion of all requested conditioning, and will repair at no charge to CLEC any gross defects which would be unacceptable based on current POTS design criteria and which do not result from the loop's

modified design. For loops under 12,000 feet, SBC-12 STATE will remove load coils, repeaters, and excessive bridged tap at no charge to CLEC.

7.2 Subject to Section 6.3.4 above, CLEC shall designate, at the CLEC's sole option, what loop conditioning SBC-12 STATE is to perform in provisioning the xDSL loop(s), subloop(s), or HFPL on the loop order. Conditioning may be ordered on loop(s), subloop(s), or HFPL of any length at the Loop conditioning rates set forth in the Appendix PRICING. The loop, subloop, or HFPL will be provisioned to meet the basic metallic and electrical characteristics such as electrical conductivity and capacitive and resistive balance.

7.3 The provisioning intervals are applicable to every xDSL loop and HFPL regardless of the loop length. The Parties will meet to negotiate and agree upon subloop provisioning intervals.

7.3.1 The provisioning and installation interval for xDSL-capable loops and HFPL, where no conditioning is requested (including outside plant rearrangements that involve moving a working service to an alternate pair as the only possible solution to provide a DSL-capable loop or HFPL), on orders for 1-20 loops per order or per end-user location, will be 5 business days, or the provisioning and installation interval applicable to SBC-12 STATE's tariffed xDSL-based services, or its affiliate's, whichever is less.

7.3.2 The provisioning and installation intervals for xDSL-capable loops and HFPL where conditioning is requested or outside plant rearrangements are necessary, as defined above, on orders for 1-20 loops per order or per end-user customer location, will be ten (10) business days, or the provisioning and installation interval applicable to SBC-12 STATE's tariffed xDSL-based services or its affiliate's xDSL-based services where conditioning is required, whichever is less. For HFPL orders, intervals are contingent upon CLEC's end user customer release during normal working hours. In the event the end user customer should require conditioning during non-working hours, the due date may be adjusted consistent with end user release of circuit and out-of-hours charges may apply.

7.3.3 Orders for more than 20 loops per order or per end user location, where no conditioning is requested will have a provisioning and installation interval of 15 business days, or as agreed upon by the Parties. For HFPL orders, intervals are contingent upon end user release during normal working hours. In the event the CLEC's end user customers require conditioning during non-working hours, the due date may be adjusted consistent with end user release of circuit and out-of-hours charges may apply.

- 7.3.4 Orders for more than 20 loops per order which require conditioning will have a provisioning and installation interval agreed by the parties in each instance.
- 7.3.5 Subsequent to the initial order for a xDSL capable loop, subloop, or HFPL additional conditioning may be requested on such loop(s) at the rates set forth in the Appendix PRICING and the applicable service order charges will apply; provided, however, when requests to add or modify conditioning are received for a pending xDSL capable loop(s) order, no additional service order charges shall be assessed, but the due date may be adjusted if necessary to meet standard provisioning intervals. The provisioning interval for additional requests for conditioning pursuant to this subsection will be the same as set forth above.
- 7.4 The CLEC, at its sole option, may request shielded cross-connects for central office wiring for use with 2-wire xDSL loop or HFPL when used to provision ADSL over a DSL-capable Loop or HFPL provided for herein at the rates set forth in the Appendix PRICING.

8. ACCEPTANCE TESTING AND COOPERATIVE TESTING

- 8.1 SBC-12 STATE and the CLEC agree to implement Acceptance Testing during the provisioning cycle for xDSL loop delivery. When SBC-12 STATE provides HFPL, continuity is generally assumed as SBC-12 STATE retail POTS service is operating at the time of the order. Therefore, acceptance testing is unnecessary. Generally, SBC-12 STATE would not dispatch to provision HFPL, thus would not have a technician at the customer site to perform an acceptance test.
- 8.2 Should the CLEC desire Acceptance Testing, it shall request such testing on a per xDSL loop basis upon issuance of the Local Service Request (LSR). Acceptance Testing will be conducted at the time of installation of the service request.
- 8.2.1 If the LSR was placed without a request for Acceptance Testing, and the CLEC should determine that it is desired or needed during any subsequent phase of provisioning, the request may be added at any time; however, this may cause a new standard due date to be calculated for the service order.
- 8.3 Acceptance Testing Procedure:

- 8.3.1 Upon delivery of a loop to/for the CLEC, SBC-12 STATE's field technician will call the LOC and the LOC tester will call a toll free number provided by the CLEC to initiate performance of a series of Acceptance Tests.
- 8.3.1.1 For 2-wire digital loops that are not provisioned through repeaters or digital loop carriers, the SBC-12 STATE field technician will provide a solid short across the tip and ring of the circuit and then open the loop circuit.
- 8.3.1.2 For 2-wire digital loops that are provisioned through repeaters or Digital Loop Carrier, the SBC-12 STATE field technician will not perform a short or open circuit due to technical limitations.
- 8.3.2 If the loop passes the "Proof of Continuity" parameters, as defined by this Appendix for DSL loops, the CLEC will provide SBC-12 STATE with a confirmation number and SBC-12 STATE will complete the order. The CLEC will be billed for the Acceptance Test as specified below under Acceptance Testing Billing at the applicable rates as set forth in Appendix PRICING.
- 8.3.3 If the Acceptance Test fails loop Continuity Test parameters, as defined by this Appendix for DSL loops, the LOC technician will take any or all reasonable steps to immediately resolve the problem with the CLEC on the line including, but not limited to, calling the central office to perform work or troubleshooting for physical faults. If the problem cannot be resolved in an expedient manner, the technician will release the CLEC representative, and perform the work necessary to correct the situation. Once the loop is correctly provisioned, SBC-12 STATE will re-contact the CLEC representative to repeat the Acceptance Test. When the aforementioned test parameters are met, the CLEC will provide SBC-12 STATE with a confirmation number and SBC-12 STATE will complete the order. If CLEC xDSL service does not function as desired, yet test parameters are met, SBC-12 STATE will still close the order. SBC-12 STATE will not complete an order that fails Acceptance Testing.
- 8.3.4 Until such time as the CLEC and SBC-12 STATE agree, or industry standards establish, that their test equipment can accurately and consistently send signals through repeaters or Digital Loop Carriers, the CLEC agrees to accept 2-wire digital loops, designed with such reach extenders, without testing the complete circuit. Consequently, SBC-12 STATE agrees that should the CLEC open a trouble ticket and a SBC-12 STATE network fault be found by standard testing procedures on such a loop within ten (10) business

days (in which it is determined by standard testing to be a SBC-12 STATE fault), SBC-12 STATE, upon CLEC request, will adjust the CLEC's bill to refund the recurring charge of such a loop until the fault has been resolved and the trouble ticket is closed.

8.3.5 SBC-12 STATE will be relieved of the obligation to perform Acceptance Testing on a particular loop and will assume acceptance of the loop by the CLEC when the CLEC cannot provide a "live" representative (through no answer or placement on hold) for over ten (10) minutes. SBC-12 STATE may then close the order utilizing existing procedures, document the time and reason, and may bill the CLEC as if the Acceptance Test had been completed and the loop accepted, subject to Section 8.4 below.

8.3.6 If, however, a trouble ticket is opened on the loop within 24 hours and the trouble resulted from SBC-12 STATE error as determined through standard testing procedures, the CLEC will be credited for the cost of the Acceptance Test. Additionally, the CLEC may request SBC-12 STATE to re-perform the Acceptance Test at the conclusion of the repair phase again at no charge. This loop will not be counted as a successful completion for the purposes of the calculations discussed in Section 8.4 below.

8.3.7 Both Parties declare they will work together, in good faith, to implement Acceptance Testing procedures that are efficient and effective. If the Parties mutually agree to additional testing, procedures and/or standards not covered by this Appendix or any Public Utilities Commission or FCC ordered tariff, the Parties will negotiate terms and conditions to implement such additional testing, procedures and/or standards. Additional charges may apply if any accepted changes in Acceptance Testing procedures require additional time and/or expense.

8.4 Acceptance Testing Billing

8.4.1 The CLEC will be billed for Acceptance Testing upon the effective date of this Appendix for loops that are installed correctly by the committed interval without the benefit of corrective action due to acceptance testing. In any calendar month after the first sixty (60) days of the agreement, the CLEC may indicate that it believes that SBC-12 STATE is failing to install loops that are acceptable under the terms and definitions of this Appendix.

8.4.1.1 SBC-12 STATE will perform an unbiased random sampling of the CLEC's service orders (or any other statistically robust or mutually acceptable sampling process). If the sampling establishes that SBC-12

STATE is correctly provisioning loops with continuity and ordered conditioning eighty percent (80%) of the time, SBC-12 STATE may continue charging for Acceptance Testing for all. If the sampling results show that SBC-12 STATE is not correctly provisioning loops eighty percent (80%) of the time, or greater, SBC-12STATE may then perform a comprehensive analysis of the population.

- 8.4.1.2 If the sampling results from Section 8.4.1.1 above show that SBC-12 STATE is in non-compliance with the conditioning success rate, as defined in this Appendix, then the CLEC will not be billed for Acceptance Testing for the next sixty (60) days. When and if necessary, the Parties will negotiate, in good faith, to determine a mutually acceptable method for random sampling; however, orders placed within the first thirty (30) days of the CLEC's entry into any Metropolitan Statistical Area ("MSA") shall be excluded from any sampling population, whether random or comprehensive.
- 8.4.1.3 In any calendar month after the sixty (60) day no-charge period for Acceptance Testing, SBC-12 STATE may request another random sampling of orders, using the mutually acceptable random sampling method, as negotiated in Section 8.4.1.2 above, be performed to determine whether SBC-12 STATE can show compliance with the minimum success rates, as defined in Section 8.4.1.1 above. If the sampling result show SBC-12 STATE is again in compliance, billing for Acceptance Testing shall resume.
- 8.4.1.4 Regardless of whether SBC-12 STATE is in the period in which it may bill for Acceptance Testing, it will not bill for the Acceptance Testing for loop installs that did not pass the test parameters, as defined by this Appendix. SBC-12 STATE will not bill for loop repairs when the repair resulted from a SBC-12 STATE problem.
- 8.4.1.5 Beginning November 1, 2000, the SBC-12 STATE delivery commitment, as defined by this Appendix, changes from 80% to 90%.

8.4.2 The charges for Acceptance Testing shall be as follows:

REGION	TARIFF	USOC	FIRST HALF HR./FRACTION**	ADDITIONAL **
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Ameritech	FCC No. 2; Sec. 13.3.4 (C)(1)(a)	UBCX+	\$40.92	\$22.60
Nevada Bell*	FCC No. 1; Sec. 13.3.5 (B)(1)	UBC++	\$40.21/\$32.72	N/A
Pacific Bell	FCC No. 128; Sec. 13.3.5 (C)(1)(a)	UBC++	\$44.00	\$23.00
Southwestern Bell	FCC No. 73; Sec. 13.4.8 (A)	UBCX+	\$33.51	\$21.32

* Nevada Bell Charges represent I/R Technicians and Central Office Maintenance respectively.

**Rates subject to tariff changes.

If requested by the CLEC, Overtime or Premium time charges will apply for Acceptance Testing requests in off-hours at overtime time charges calculated at one and one half times the standard price and premium time being calculated at two times the standard price.

9. MAINTENANCE /SERVICE ASSURANCE

9.1 If requested by either Party, the parties will negotiate in good faith to arrive at terms and conditions for Acceptance Testing on repairs.

9.2 Narrowband/voice service: If the narrowband, or voice, portion of the loop becomes significantly degraded due to the broadband or high frequency portion of the loop, certain procedures as detailed below will be followed to restore the narrowband, or voice service. Should only the narrowband or voice service be reported as significantly degraded or out of service, SBC-12 STATE shall repair the narrowband portion of the loop without disturbing the broadband portion of the loop if possible. In any case, SBC-12 STATE shall attempt to notify the end user and CLEC any time SBC-12 STATE repair effort has the potential of affecting service on the broadband portion of the loop.

9.3 If SBC-12 STATE isolates a trouble (causing significant degradation or out of service condition to the POTS service) to the HFPL caused by the CLEC data equipment or splitter, SBC-12 STATE will attempt to notify the CLEC and request a trouble ticket and committed restoration time for clearing the reported trouble (no longer than 24 hours). The CLEC will allow the end user the option of restoring the POTS service if the end user is not satisfied with the repair interval provided by the CLEC. If the end user chooses to have the POTS service restored until such time as the HFPL problem can be corrected and notifies either CLEC or SBC-12 STATE (or if the CLEC has failed to restore service within 24 hours), either Party will notify the other and SBC-12 STATE will "cutaround" the POTS Splitter/DSLAM equipment to restore POTS. When the CLEC resolves the trouble condition in its equipment, the CLEC will contact SBC-12 STATE to restore the HFPL portion of the loop. In the

event the trouble is identified and corrected in the CLEC equipment, SBC-12 STATE will charge the CLEC upon closing the trouble ticket.

- 9.4 Maintenance, other than assuring loop continuity and balance on unconditioned or partially conditioned loops greater than 12,000 feet, will only be provided on a time and material basis. On loops where CLEC has requested recommended conditioning not be performed, SBC-12 STATE's maintenance will be limited to verifying loop suitability for POTS. For loops having had partial or extensive conditioning performed at CLEC's request, SBC-12 STATE will verify continuity, the completion of all requested conditioning, and will repair at no charge to CLEC any gross defects which would be unacceptable for POTS and which do not result from the loop's modified design.
- 9.5 Any CLEC testing of the retail-POTS service must be non-intrusive. The CLEC may use intrusive testing on its non-integrated DATA-only sections within its equipment. The retail POTS service must be continuous and cannot be opened by the CLEC.
- 9.6 The CLEC shall not rearrange or modify the retail-POTS within its equipment in any way beyond the original HFPL service.

10. SPECTRUM MANAGEMENT

- 10.1 CLEC will advise SBC-12 STATE of the PSD mask approved or proposed by T1.E1 that reflect the service performance parameters of the technology to be used. The CLEC, at its option, may provide any service compliant with that PSD mask so long as it stays within the allowed service performance parameters. At the time of ordering a xDSL-capable loop, CLEC will notify SBC-12 STATE as to the type of PSD mask CLEC intends to use on the ordering form, and if and when a change in PSD mask is made, CLEC will notify SBC-12 STATE. CLEC will abide by standards pertinent for the designated PSD mask type.
- 10.2 SBC-12 STATE agrees that as a part of spectrum management, it will maintain an inventory of the existing services provisioned on the cable. SBC-12 STATE may not segregate xDSL technologies into designated binder groups without Commission review and approval, or approved industry standard. SBC-12 STATE shall not deny CLEC a loop based upon spectrum management issues, subject to 10.3 below. In all cases, SBC-12 STATE will manage the spectrum in a competitively neutral manner consistent with all relevant industry standards regardless of whether the service is provided by a CLEC or by SBC-12 STATE, as well as competitively neutral as between different xDSL services. Where disputes arise, SBC-12 STATE and CLEC will put forth a good faith effort to resolve such disputes in a timely manner. As a

part of the dispute resolution process, SBC-12 STATE will, upon request from a CLEC, disclose within 3-5 business days information with respect to the number of loops using advanced services technology within the binder group and the type of technology deployed on those loops so that the involved parties may examine the deployment of services within the affected loop plant.

- 10.3. In the event that the FCC or the industry establishes long-term standards and practices and policies relating to spectrum compatibility and spectrum management that differ from those established in this Appendix, SBC-12 STATE and CLEC agree to comply with the FCC and/or industry standards, practices and policies and will establish a mutually agreeable transition plan and timeframe for achieving and implementing such industry standards, practices and policies.
- 10.4. Within thirty (30) days after general availability of equipment conforming to applicable industry standards or the mutually agreed upon standards developed by the industry in conjunction with the Commission or FCC, then SBC-12 STATE and/or CLEC must begin the process of bringing its deployed xDSL technologies and equipment into compliance with such standards at its own expense.

11. RESERVATION OF RIGHTS

The Parties acknowledge and agree that the provision of these DSL-Capable Loops and the associated rates, terms and conditions set forth above are subject to any legal or equitable rights of review and remedies (including agency reconsideration and court review). If any reconsideration, agency order, appeal, court order or opinion, stay, injunction or other action by any state or federal regulatory body or court of competent jurisdiction stays, modifies, or otherwise affects any of the rates, terms and conditions herein, specifically including those arising with respect to Federal Communications Commission orders (whether from the Memorandum Opinion and Order, and Notice of Proposed Rulemaking, FCC 98-188 (rel. August 7, 1998), in CC Docket No. 98-147, the FCC's First Report and Order and Further Notice of Proposed Rulemaking, FCC 99-48 (rel. March 31, 1999), in CC Docket 98-147, the FCC's 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 96-98 (FCC 99-370) (rel. November 24, 1999) ("the UNE Remand Order"), or the FCC's 99-355 Third Report and Order in CC Docket No. 98-147 and Fourth Report and Order in CC Docket No. 96-98 (rel. December 9, 1999), or any other proceeding, the Parties shall negotiate in good faith to arrive at an agreement on conforming modifications to this Appendix. If negotiations fail, disputes between the Parties concerning the interpretation of the actions required or

the provisions affected shall be handled under the Dispute Resolution procedures set forth in this Agreement.