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January 14, 2003

**VIA FEDERAL EXPRESS AND E-MAIL**

Bruce P. Beausejour, Esq.  
Verizon  
Vice President & General Counsel  
185 Franklin Street  
13<sup>th</sup> Floor  
Boston, MA 02110

Re: D.T.E. 02-45

Global NAPs, Inc. Petition for Arbitration Pursuant to Section 252(b) of the  
Telecommunications Act of 1996 to Establish an Interconnection Agreement with  
Verizon New England, Inc. d/b/a Verizon Massachusetts f/k/a New England Telephone  
& Telegraph Co., Inc. d/b/a Bell Atlantic Massachusetts

Dear Mr. Beausejour:

The purpose of this letter is to clarify how our networks will interconnect in  
Massachusetts, including compensation arrangements, for the exchange of ISP-bound traffic,  
going forward into the future. This letter is necessary because it might be possible to read the  
recent order of the Massachusetts Department of Telecommunications and Energy (DTE) as  
affecting arrangements for jurisdictionally interstate traffic subject to the FCC's exclusive  
regulatory authority.

Today Verizon brings ISP-bound traffic from points within each Massachusetts LATA to  
Global NAPs' designated location for receiving such traffic in each LATA. Operational and  
financial responsibility for getting that traffic to a single point of interconnection within each  
LATA rests with Verizon. Verizon is not presently compensating Global NAPs for ISP-bound  
traffic in Massachusetts. However, I believe that we agree that if our just-expired  
interconnection agreement calls for compensation for such traffic, then compensation is due

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(recognizing that we disagree as to the interpretation of that agreement). Similarly, while we disagree as to the proper interpretation of our initial interconnection agreement (with that matter still in litigation), we agree that if that agreement calls for compensation, then compensation is due.

I believe we also agree that, going forward, compensation (if any) is governed by the terms of the FCC's rules regarding compensation for ISP-bound traffic set out in its April 2001 *ISP Remand Order. Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Intercarrier Compensation for ISP-Bound Traffic*, Order on Remand and Report and Order, 16 FCC Rcd 9151 (2001) ("*ISP Remand Order*").

As to physical interconnection arrangements, the FCC has made clear that its rules permit a CLEC to designate a single point of interconnection within a LATA for the receipt of traffic and that the ILEC is financially and operationally responsible for getting ILEC-originated traffic to that point. *In the Matter of Developing a Unified Intercarrier Compensation Regime, Notice of Proposed Rulemaking*, CC Docket No. 01-92, FCC 01-132 (2001) at ¶¶ 72, 112. These rules regarding physical interconnection arrangements apply to ISP-bound traffic. *ISP Remand Order* at n.149. Indeed, the FCC has ruled that state regulators no longer have authority to consider compensation arrangements for ISP-bound traffic in arbitrations of interconnection agreements. *Id.* at ¶ 82.

It follows that — whatever interconnection architecture and compensation arrangements (including transport costs) that might apply to non-ISP-bound traffic — for ISP-bound traffic, the parties' existing arrangement, under which Verizon delivers such traffic to Global NAPs' LATA-wide single point of interconnection — with compensation, if any, determined as above — must remain in place.

The discussion above should be relatively non-controversial, based as it is on binding and unambiguous FCC rulings. However, the history of disputes between our two companies makes it prudent to clarify this matter now rather than wait until some future events bring a dispute to the fore. Therefore, I request that Verizon respond in writing to this letter, either indicating its agreement with it, or laying out precisely — with appropriate citations to FCC rules and rulings — where Verizon might disagree. We expect such a response within five (5) business days.

Global NAPs looks forward to receiving your response. In the absence of such a response, Global NAPs will have no choice but to bring this matter to the attention of the FCC.

Please do not hesitate to contact me if you would like to discuss this matter. I can be reached on 617-504-5513.

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Sincerely,

A handwritten signature in black ink, appearing to read "James R. J. Scheltema", written over a faint, larger signature.

James R. J. Scheltema  
Director – Regulatory Affairs  
Global NAPs, Inc.  
10861 Lockwood Drive  
Silver Spring, MD 20901  
Tel. 617-504-5513  
Fax 617-507-5713

CC: Gregory M. Romano, Esq.  
David K. Hall, Esq.

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