

John C. Peterson, Director
Contract Performance and Administration
Wholesale Markets



Wholesale Markets
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john.c.peterson@verizon.com

February 3, 2004

John Leach
President
Covista, Inc.
721 Broad Street, Suite 200
Chattanooga, TN 37402

Re: Requested Adoption Under Section 252(i) of the TA96

Dear Mr. Leach:

Verizon New England Inc., d/b/a Verizon Massachusetts (“Verizon”), a New York corporation, with principal place of business at 185 Franklin Street, Boston, MA 02110, has received your letter stating that, under Section 252(i) of the Telecommunications Act of 1996 (the “Act”), Covista, Inc. (“Covista”), a New York corporation, with principal place of business at 721 Broad Street, Suite 200, Chattanooga, TN 37402, wishes to adopt the terms of the Interconnection Agreement between Z-Tel Communications, Inc. (“Z-Tel”) and Verizon that was approved by the Massachusetts Department of Telecommunications and Energy (the “Commission”) as an effective agreement in the Commonwealth of Massachusetts, as such agreement exists on the date hereof after giving effect to operation of law (the “Terms”). I understand Covista has a copy of the Terms. Please note the following with respect to Covista’s adoption of the Terms.

1. By Covista’s countersignature on this letter, Covista hereby represents and agrees to the following five points:
 - (A) Covista adopts (and agrees to be bound by) the Terms of the Z-Tel/Verizon agreement for interconnection as it is in effect on the date hereof after giving effect to operation of law, and in applying the Terms, agrees that Covista shall be substituted in place of Z-Tel Communications, Inc. and Z-Tel in the Terms wherever appropriate.

- (B) For avoidance of doubt, adoption of the Terms does not include adoption of any provision imposing an unbundling obligation on Verizon that no longer applies under the Report and Order and Order on Remand (FCC 03-36) released by the Federal Communications Commission (“FCC”) on August 21, 2003 in CC Docket Nos. 01-338, 96-98, 98-147 (“Triennial Review Order”), which became effective on October 2, 2003. In light of the effectiveness of the Triennial Review Order, any reasonable period of time for adopting such provisions has expired under the FCC’s rules implementing section 252(i) of the Act (see, e.g., 47 CFR Section 51.809(c)).
- (C) Notice to Covista and Verizon as may be required under the Terms shall be provided as follows:

To: Covista, Inc.

Law Office of Lance JM Steinhart, PC
Attention: Lance JM Steinhart
1720 Windward Concourse, Suite 250
Alpharetta, GA 30005
Telephone Number: 770-232-9200
Facsimile Number: 770-232-9208
Internet Address: lsteinhart@telecomcounsel.com

To Verizon:

Director-Contract Performance & Administration
Verizon Wholesale Markets
600 Hidden Ridge
HQEWMNOTICES
Irving, TX 75038
Telephone Number: 972-718-5988
Facsimile Number: 972-719-1519
Internet Address: wmnotices@verizon.com

with a copy to:

Vice President and Associate General Counsel
Verizon Wholesale Markets
1515 N. Court House Road
Suite 500
Arlington, VA 22201
Facsimile: 703-351-3664

- (D) Covista represents and warrants that it is a certified provider of local telecommunications service in the Commonwealth of Massachusetts, and

that its adoption of the Terms will cover services in the Commonwealth of Massachusetts only.

- (E) In the event an interconnection agreement between Verizon and Covista is currently in effect in the Commonwealth of Massachusetts (the "Original ICA"), this adoption shall be an amendment and restatement of the operating terms and conditions of the Original ICA, and shall replace in their entirety the terms of the Original ICA. This adoption is not intended to be, nor shall it be construed to create, a novation or accord and satisfaction with respect to the Original ICA. Any outstanding payment obligations of the parties that were incurred but not fully performed under the Original ICA shall constitute payment obligations of the parties under this adoption.
- (F) Verizon's standard pricing schedule for interconnection agreements in the Commonwealth of Massachusetts (as such schedule may be amended from time to time) (attached as Appendix 1 hereto) shall apply to Covista's adoption of the Terms. Covista should note that the aforementioned pricing schedule may contain rates for certain services the terms for which are not included in the Terms or that are otherwise not part of this adoption, and may include phrases or wording not identical to those utilized in the Terms. In an effort to expedite the adoption process, Verizon has not deleted such rates from the pricing schedule or attempted to customize the wording in the pricing schedule to match the Terms. However, the inclusion of such rates in no way obligates Verizon to provide the subject services and in no way waives Verizon's rights, and the use of slightly different wording or phrasing in the pricing schedule does not alter the obligations and rights set forth in the Terms.

2. Covista's adoption of the Z-Tel Terms shall become effective on February 17, 2004. Verizon shall file this adoption letter with the Commission promptly upon receipt of an original of this letter countersigned by an authorized officer of Covista. The term and termination provisions of the Z-Tel/Verizon agreement shall govern Covista's adoption of the Terms. The adoption of the Terms is currently scheduled to expire on June 1, 2004.
3. As the Terms are being adopted by you pursuant to your statutory rights under section 252(i), Verizon does not provide the Terms to you as either a voluntary or negotiated agreement. The filing and performance by Verizon of the Terms does not in any way constitute a waiver by Verizon of any position as to the Terms or a portion thereof, nor does it constitute a waiver by Verizon of all rights and remedies it may have to seek review of the Terms, or to seek review in any way of any provisions included in these Terms as a result of Covista's 252(i) election.
4. Nothing herein shall be construed as or is intended to be a concession or admission by Verizon that any provision in the Terms complies with the rights and duties

imposed by the Act, the decisions of the FCC and the Commissions, the decisions of the courts, or other law, and Verizon expressly reserves its full right to assert and pursue claims arising from or related to the Terms.

5. Verizon reserves the right to deny Covista's adoption and/or application of the Terms, in whole or in part, at any time:
 - (a) when the costs of providing the Terms to Covista are greater than the costs of providing them to Z-Tel;
 - (b) if the provision of the Terms to Covista is not technically feasible; and/or
 - (c) to the extent that Verizon otherwise is not required to make the Terms available to Covista under applicable law.

6. For avoidance of doubt, please note that adoption of the Terms will not result in reciprocal compensation payments for Internet traffic. Verizon has always taken the position that reciprocal compensation was not due to be paid for Internet traffic under section 251(b)(5) of the Act. Verizon's position that reciprocal compensation is not to be paid for Internet traffic was confirmed by the FCC in the Order on Remand and Report and Order adopted on April 18, 2001 ("*FCC Internet Order*"), which held that Internet traffic constitutes "information access" outside the scope of the reciprocal compensation obligations set forth in section 251(b)(5) of the Act.¹ Accordingly, any compensation to be paid for Internet traffic will be handled pursuant to the terms of the *FCC Internet Order*, not pursuant to adoption of the Terms.² Moreover, in light of the *FCC Internet Order*, even if the Terms include provisions invoking an intercarrier compensation mechanism for Internet traffic, any reasonable amount of time permitted for adopting such provisions has expired under the FCC's rules implementing section 252(i) of the Act.³ In fact, the *FCC Internet Order* made clear that carriers may not adopt provisions of an existing interconnection agreement to the extent that such provisions provide compensation for Internet traffic.⁴

7. Should Covista attempt to apply the Terms in a manner that conflicts with paragraphs 3-6 above, Verizon reserves its rights to seek appropriate legal and/or equitable relief.

¹ Order on Remand and Report and Order, In the Matters of: Implementation of the Local Competition Provisions in the Telecommunications Act of 1996 and Intercarrier Compensation for ISP-Bound Traffic, CC Docket No. 99-68 (rel. April 27, 2001) ("*FCC Remand Order*") ¶44, remanded, *WorldCom, Inc. v. FCC*, No. 01-1218 (D.C. Cir. May 3, 2002). Although the D.C. Circuit remanded the *FCC Remand Order* to permit the FCC to clarify its reasoning, it left the order in place as governing federal law. See *WorldCom, Inc. v. FCC*, No. 01-1218, slip op. at 5 (D.C. Cir. May 3, 2002).

² For your convenience, an industry letter distributed by Verizon explaining its plans to implement the *FCC Internet Order* can be viewed at Verizon's Customer Support Website at URL www.verizon.com/wise (select Verizon East Customer Support, Business Resources, Customer Documentation, Resources, Industry Letters, CLEC, May 21, 2001 Order on Remand).

³ See, e.g., 47 C.F.R. Section 51.809(c).

⁴ *FCC Internet Order* ¶ 82.

8. In the event that a voluntary or involuntary petition has been or is in the future filed against Covista under bankruptcy or insolvency laws, or any law relating to the relief of debtors, readjustment of indebtedness, debtor reorganization or composition or extension of debt (any such proceeding, an “Insolvency Proceeding”), then: (i) all rights of Verizon under such laws, including, without limitation, all rights of Verizon under 11 U.S.C. § 366, shall be preserved, and Covista’s adoption of the Verizon Terms shall in no way impair such rights of Verizon; and (ii) all rights of Covista resulting from Covista’s adoption of the Verizon terms shall be subject to and modified by any Stipulations and Orders entered in the Insolvency Proceeding, including, without limitation, any Stipulation or Order providing adequate assurance of payment to Verizon pursuant to 11 U.S.C. § 366.

SIGNATURE PAGE

Please arrange for a duly authorized representative of Covista to sign this letter in the space provided below and return it to Verizon.

Sincerely,

VERIZON NEW ENGLAND INC.,
D/B/A VERIZON MASSACHUSETTS

John C. Peterson, Director
Contract Performance and Administration
Wholesale Markets

Reviewed and countersigned as to points A, B, C, D, E and F of paragraph 1:

COVISTA, INC.

John Leach
President

c: Kathy Robertson – Verizon