

Gary Librizzi
Director-Negotiations
Partner Solutions
Interconnection Services Policy & Planning



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February 26, 2007

Stan Efferding
Secretary/Treasurer
VCI Company
2228 S. 78th Street
Tacoma, WA 98409-9050

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

Dear Mr. Efferding:

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 correspondence stating that VCI Company ("VCI"), a Washington corporation, with principal place of business at 2228 S. 78th Street, Tacoma, WA 98409-9050 wishes, pursuant to Section 252(i) of the Communications Act, to adopt the terms of the Interconnection Agreement between Budget Phone Inc. ("Budget Phone") 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 VCI has a copy of the Terms. Please note the following with respect to VCI's adoption of the Terms.

1. By VCI's countersignature on this letter, VCI hereby represents and agrees to the following seven points:
 - A. VCI adopts (and agrees to be bound by) the Terms and, in applying the Terms, agrees that VCI shall be substituted in place of Budget Phone Inc. and Budget Phone in the Terms wherever appropriate.

- B. For the avoidance of any doubt, adoption of the Terms does not include adoption of any provision imposing an unbundling obligation on Verizon (i) that no longer applies to Verizon 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"), or the Order on Remand in WC Docket No. 04-313 and CC Docket No. 01-338, released by the FCC on February 4, 2005 (the "TRO Remand Order"), or (ii) that is otherwise not required by 47 U.S.C. Section 251(c)(3) or by 47 C.F.R. Part 51.
- C. Notice to VCI and Verizon as may be required or permitted under the Terms shall be provided as follows:

To VCI Company:

Attention: Stan Efferding
Secretary/Treasurer
2228 S. 78th Street
Tacoma, WA 98409-9050
Telephone Number: (206) 419-5948, Ext.: None
Facsimile Number: (253) 475-6328
Internet Address: vilair@comcast.net

To Verizon:

Director-Negotiations
Verizon Partner Solutions
600 Hidden Ridge
HQEWMNOTICES
Irving, TX 75038
Facsimile Number: (972) 719-1519
Internet Address: wmnotices@verizon.com

with a copy to:

Vice President and Deputy General Counsel
Verizon Partner Solutions
1515 N. Court House Road
Suite 500
Arlington, VA 22201
Facsimile: (703) 351-3664

- D. VCI 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 VCI 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 A hereto) shall apply to VCI's adoption of the Terms. VCI 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 different wording or phrasing in the pricing schedule does not alter the obligations and rights set forth in the Terms.
 - G. VCI's adoption of the Terms shall become effective on January 24, 2007. Verizon shall file this adoption letter with the Commission promptly upon receipt of an original of this letter countersigned by VCI as to the points set out in Paragraph One hereof. The term and termination provisions of the Terms shall govern VCI's adoption of the Terms.
2. As the Terms are being adopted by VCI pursuant to Section 252(i) of the Act, 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 the Terms as a result of VCI's adoption of the Terms.
 3. 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 Commission, 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.
 4. Verizon reserves the right to deny VCI's application of the Terms, in whole or in part, at any time:
 - A. when the costs of providing the Terms to VCI are greater than the costs of providing them to Budget Phone;
 - B. if the provision of the Terms to VCI is not technically feasible; and/or
 - C. to the extent that Verizon otherwise is not required to make the Terms available to VCI under applicable law.
 5. For the avoidance of any 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

6. Should VCI attempt to apply the Terms in a manner that conflicts with Paragraphs Two through Paragraphs Five above, Verizon reserves its rights to seek appropriate legal and/or equitable relief.
7. In the event that a voluntary or involuntary petition has been or is in the future filed against VCI 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: (A) all rights of Verizon under such laws, including, without limitation, all rights of Verizon under 11 U.S.C. § 366, shall be preserved, and VCI's adoption of the Terms shall in no way impair such rights of Verizon; and (B) all rights of VCI resulting from VCI's adoption of the 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.

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).

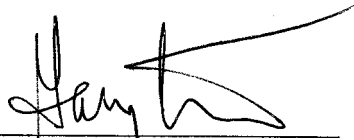
⁴ *FCC Internet Order* ¶ 82.

SIGNATURE PAGE

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

Sincerely,

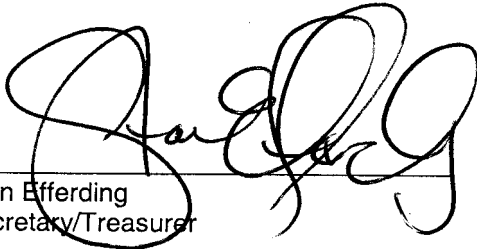
VERIZON NEW ENGLAND INC., D/B/A VERIZON MASSACHUSETTS



Gary Librizzi
Director Negotiations
Interconnection Services Policy & Planning

Reviewed and countersigned as to Paragraph 1:

VCI COMPANY



Stan Efferding
Secretary/Treasurer

Attachment

APPENDIX A¹
(MASSACHUSETTS)
V1.11

A. INTERCONNECTION²

I. Call Transport & Termination

	Verizon Service	Non-recurring	Recurring
1.	Reciprocal Compensation Traffic Tandem or End Office Rate	Rates for Reciprocal Compensation are as set forth in Verizon Massachusetts DTE No. 17 Tariff, as amended from time to time	
2.	Access charges f Intrastate and/or Interstate	Per Verizon FCC Interstate Tariff No. 11 and intrastate Verizon Massachusetts DTE No. 15 access tariffs for Feature Group D service, as amended from time to time	
3.	Entrance facilities, and transport, as appropriate, for Interconnection at Verizon End Office, Tandem Office, Serving Wire Center, or other Point of Interconnection	Per Verizon FCC Interstate Tariff No. 11 and intrastate Verizon Massachusetts DTE No. 15 intrastate access tariffs for Feature Group D service, as amended from time to time	

II. Transit Service

- a. Tandem Transit Traffic Service** (Switching) rates are found in DTE MA No. 17, as amended from time to time.
- b. Dedicated Transit Service** rates are found in DTE MA No. 17, as amended from time to time.

¹ This Appendix may contain rates for (and/or reference) services, facilities, arrangements and the like that Verizon does not have an obligation to provide under the Agreement (e.g., services, facilities, arrangements and the like that Verizon is not required to provide under Section 251 of the Act). Notwithstanding any such rates (and/or references) and, for the avoidance of any doubt, nothing in this Appendix shall be deemed to require Verizon to provide a service, facility, arrangement or the like that the Agreement does not require Verizon to provide, or to provide a service, facility, arrangement or the like upon rates, terms or conditions other than those that may be required by the Agreement.

All rates and charges set forth in this Appendix shall apply until such time as they are replaced by new rates and/or charges as the Commission or the FCC may approve or allow to go into effect from time to time, subject however, to any stay or other order issued by any court of competent jurisdiction. In addition to any rates and charges set forth herein, Verizon, effective as of March 11, 2005, may, but shall not be required to, charge (and VCI shall pay) any rates and charges that apply to a CLEC's embedded base of certain UNEs pursuant to the FCC's Order on Remand, *Unbundled Access to Network Elements; Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, WC Docket No. 04-313, CC Docket No. 01-338 (FCC rel. Feb. 4, 2005) (the "TRRO"), the foregoing being without limitation of other rates and charges that may apply under subsequent FCC orders or otherwise. In addition, as set forth in Industry Notices, access tariff rates and/or other applicable non-UNE rates may apply for certain facilities and arrangements that are no longer available as unbundled network elements or combinations thereof.

² All rates and charges specified herein are pertaining to the Interconnection Attachment.

B. UNBUNDLED NETWORK ELEMENTS^{3 4}

I. Ordering of Service rates are found in DTE MA No. 17.

II. Issuance, payment and Crediting of Customer Bills rates are found in DTE MA No. 17.

III. Unbundled Local Loops

- (a) Monthly and Non-Recurring rates for Two Wire, Four Wire, (including analog, digital (xDSL), premium and High Capacity Links and related Loop elements) are found in DTE MA No. 17, as amended from time to time.
- (b) Rates for Line and Station Transfer⁵ are as set forth in Verizon's DTE MA No. 17 Tariff, as amended from time to time, subject to the provisions of the Network Elements Attachment.

IV. Intrastate Collocation

All rates for intrastate collocation shall be charged at rates found in Verizon's DTE MA No. 17 Tariff, as amended from time to time.

³ All rates and charges specified herein are pertaining to the Unbundled Network Element Attachment. Verizon does not agree that UNE prices must be based solely on forward-looking costs, and Verizon reserves the right to seek to change UNE prices to conform to any modification of the FCC's UNE pricing rules.

⁴ For the avoidance of any doubt, in addition to any rates and charges set forth herein, Verizon, effective as of March 11, 2005, may, but shall not be required to, charge (and VCI shall pay) any rates and charges that apply to a CLEC's embedded base of certain UNEs pursuant to the TRRO, the foregoing being without limitation of other rates and charges that may apply under subsequent FCC orders or otherwise; in addition, as set forth in Industry Notices, access tariff rates and/or other applicable non-UNE rates may apply for certain facilities and arrangements that are no longer available as unbundled network elements or combinations thereof.

⁵ Line and Station Transfer applies where Verizon swaps facilities in order to provision a Copper Facility.

V. Line Splitting (also referred to as “Loop Sharing”)⁶*

A. Unbundled Local Loops

As Applicable per this Appendix for UNE Local 2-Wire Digital (DSL qualified) Loops Monthly Recurring Charges and Non-Recurring Charges as amended from time to time. Includes, without limitation, Recurring 2-Wire Digital (DSL qualified) Loop Charges, Service Order Charge (per order), Service Connection Charge* (per loop), Service Connection-Other Charge* (per loop), and Provisioning charges. Also includes, without limitation, if applicable, Field Dispatch, TC Not Ready, Loop Qualification, Engineering Query, Engineering Work Order, Trouble Dispatch, Misdirects, Dispatch In, Out, and Dispatch Expedites, Installation Dispatch, Manual Intervention, Expedited, Digital Designed Recurring and Non-Recurring Charges

B. Other Charges

i. Regrade \$6.62 NRC

**ii. *Service Connection
*Service Connection/Other**

A second Service Connection NRC and Service Connection/Other NRC applies on New Loop Sharing Arrangements involving the connection of both voice and data connections.

iii. Disconnect A disconnect NRC applies, as applicable, on total Loop Sharing disconnects.

iv. Line and Station Transfers/Pair Swaps An LST/Pair Swap NRC applies, as applicable, on LST activity performed on New Loop Sharing Arrangements.

C. Collocation Rates

Collocation Rates (including, without limitation, Splitter Connection and Installation Rates)

As Applicable per this Appendix A.

D. Rates for Line Splitting are as set forth in Verizon's DTE MA No. 17 Tariff, as amended from time to time.

⁶ This Pricing Attachment incorporates by reference the rates set forth in the Agreement for the services and charges referenced herein. In the event this Pricing Attachment refers to a service that is not available under the Agreement, the Agreement shall control. Nothing in this Appendix A shall be deemed to require Verizon to provide a service that the Agreement does not require Verizon to provide.

* Both Option A and Option C assume there is an existing VCI Collocation arrangement.

VI. Unbundled IOF

Rates for Unbundled IOF are as set forth in Verizon's DTE MA No. 17 Tariff, as amended from time to time.

VII. Unbundled Multiplexer

Rates for Unbundled Multiplexer are as set forth in Verizon's DTE MA No. 17 Tariff, as amended from time to time.

VIII. Network Interface Device (NID) & House and Riser Cable

Rates for Network Interface Device (NID) & House and Riser Cable are as set forth in Verizon's DTE MA No. 17 Tariff, as amended from time to time.

IX. Expanded Extended Loop (EEL)

Rates for Expanded Extended Loop are as set forth in Verizon's DTE MA No. 17 Tariff, as amended from time to time.

X. Unbundled Dark Fiber

Rates for Unbundled Dark Fiber are as set forth in Verizon's DTE MA No. 17 Tariff, as amended from time to time.

XI. Unbundled Sub-Loop Arrangements

Per Verizon's DTE MA No. 17 Tariff, as amended from time to time.

Service or Element Description:	Recurring Charges:	Non-Recurring Charges:
XII. Routine Network Modifications⁷		
CLEAR DEFECTIVE PAIR (Where feasible)	N/A	TBD*
REASSIGNMENT OF NON-WORKING CABLE PAIR	N/A	TBD*
BINDER GROUP REARRANGEMENT	N/A	TBD*
REPEATER - INSTALLATION	N/A	TBD*
APPARATUS CASE - INSTALLATION	N/A	TBD*
RANGE EXTENDERS - DS-0 Installation	N/A	TBD*
RANGE EXTENDERS - DS-1 Installation	N/A	TBD*
CHANNEL UNIT TO UNIVERSAL/COTTED DLC SYSTEM (existing)	N/A	TBD*
SERVING TERMINAL - INSTALLATION / UPGRADE	N/A	TBD*
ACTIVATE DEAD COPPER PAIR	N/A	TBD*
MULTIPLEXER - 1/0 - INSTALLATION	N/A	TBD*
MULTIPLEXER - 1/0 - RECONFIGURATION	N/A	TBD*
MULTIPLEXER - 3/1 - INSTALLATION	N/A	TBD*
MULTIPLEXER - 3/1 - RECONFIGURATION	N/A	TBD*
MULTIPLEXER - OTHER - INSTALLATION	N/A	TBD*
MOVE DROP	N/A	TBD*
CROSS-CONNECTION - EXISTING FIBER FACILITY	N/A	TBD*
LINE CARD - INSTALLATION	N/A	TBD*
COPPER REARRANGEMENT	N/A	TBD*
CENTRAL OFFICE TERMINAL - INSTALLATION	N/A	TBD*
IDLC ONLY CONDITION	<u>N/A</u>	TBD*
OTHER REQUIRED MODIFICATIONS		TBD*
NO FACILITIES - Confirmation		TBD*
OTHER		
Commingled Arrangements – per circuit NRC	N/A	TBD*
Conversion - Service Order	N/A	TBD*
Conversion - Installation per circuit	N/A	TBD*
Circuit Retag - per circuit	N/A	TBD*
DARK FIBER		
Dark Fiber routine Network Modifications	<u>N/A</u>	TBD*

⁷ This Appendix may contain rates and charges for (and/or reference) services, facilities, arrangements and the like that Verizon does not have an obligation to provide under the Agreement (e.g., services, facilities, arrangements and the like for which an unbundling requirement does not exist under 47 U.S.C. Section 251(c)(3)). Notwithstanding any such rates and/or charges (and/or references) and, for the avoidance of any doubt, nothing in this Appendix shall be deemed to require Verizon to provide a service, facility, arrangement or the like that the Agreement does not require Verizon to provide, or to provide a service, facility, arrangement or the like upon rates, terms or conditions other than those that may be required by the Agreement.

* While Verizon is not pursuing charges associated with routine network modifications at this time. Verizon reserves the right to pursue such charges at a later date.

C. RESALE⁸

I. Wholesale Discounts

Wholesale discounts are as set forth in the Mass. DTE No.14 Tariff, as amended from time to time.

Month- to- month discounts (per qualifying retail rate):

- a. Where VCI purchases Verizon-provided Operator Services
 - (1) Business 24.99%
 - (2) Residence 24.99%
- b. Where VCI does not purchase Verizon Operator Services
 - (1) Business 29.47%
 - (2) Residence 29.47%

⁸ All rates and charges specified herein are pertaining to the Resale Attachment.

D. CUSTOMER USAGE DETAIL CHARGES

Record Charges

- Per record processed (EMR format) \$0.004085
- Per record processed (Tandem Subtending Arrangement/EMR) \$0.004085
- Per record transmitted \$0.000118
- Per tape/cartridge \$20.12

E. 911/E911 INTERCONNECTION

- I. Per Verizon's DTE MA No. 17 Tariff.

F. OPERATIONS SUPPORT SYSTEMS

a. 1. Rates for access to, development, maintenance and use of Operations Support Systems, as related to the provision of unbundled Network Elements, are as set forth in Verizon's DTE MA No. 17 Tariff, as amended from time to time, subject to the provisions of the Network Elements Attachment.

b. 1. Rates for all access to, development, maintenance and use of Operations Support Systems, as related to the provision of Resale, are as set forth in Verizon's DTE MA No. 14 Tariff, as amended from time to time.

G. TIME AND MATERIALS CHARGES

Rates for Time and Materials are as set forth in Verizon's DTE MA No. 17 Tariff, as amended from time to time.