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SECTION 7 - RECIPROCAL COMPENSATION ARRANGEMENTS

7.1 GENERAL

Reciprocal Compensation Arrangements are available to Other Network Providers (ONP) who are also certified providers of local exchange service. Under a Reciprocal Compensation Arrangement, the Company compensates the ONP for Company traffic terminating on the ONP's network and the ONP compensates the Company for ONP traffic terminating on the Company's network.

The Company will negotiate reciprocal compensation arrangements with ONPs pursuant to NYPSC Opinion No. 99-10 in Docket 99-C-0529 and 47 CFR ' 51.711.

In compliance with the NYPSC Order Approving Tariffs in Docket 99-C-0529 dated March 27, 2000, and in the absence of negotiated arrangements between the Company and ONPs, the Company's Reciprocal Compensation Arrangements to ONPs will be no higher than those of the incumbent carrier for the region in which that incumbent is providing service.

The Reciprocal Compensation Rate is specified in the Current Rate section at the end of the tariff.

The Local Transport termination element will apply to Reciprocal Compensation arrangements. The Local Transport element does not apply to traffic delivered over direct trunks to an switching office where the ONP has ordered Direct Trunking at a Company end office switch or the Company has obtained similar interconnection at an ONP location.

Recognizing the technical constraints of cellular carriers and other smaller carriers where it is not technically possible for the Company to Interconnect directly to each of another carrier's switching offices, the Company will pay transport charges for traffic that it terminates on such carrier's network as specified above until such time as that carrier interconnects, through its own facilities or a third carrier's facilities, directly to a Company switching office.

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