BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Application of PARADISE MERGERSUB, INC., GTE CORPORATION, VERIZON HAWAII INC., BELL ATLANTIC COMMUNICATIONS, INC., AND VERIZON SELECT SERVICES INC. For approval of a merger transaction and related matters	)	Docket No. 04-0140

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PUBLIC UTILITIES COMMISSION

PARADISE MERGERSUB, INC., GTE CORPORATION, VERIZON HAWAII INC., BELL ATLANTIC COMMUNICATIONS, INC., AND VERIZON SELECT SERVICES INC.'S SUPPLEMENTAL RESPONSES TO THE DIVISION OF CONSUMER ADVOCACY'S FIRST SUBMISSION OF INFORMATION REQUESTS (CA-IR-59 AND CA-IR-60)

AND

CERTIFICATE OF SERVICE

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BEFORE THE PUBLIC UTILITIES COMMISSION

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COMES NOW, Paradise MergerSub, Inc., GTE Corporation, Verizon Hawaii Inc., Bell Atlantic Communications, Inc., and Verizon Select Services Inc., by and through their respective attorneys, hereby submit their Supplemental Responses to the Division of Consumer Advocacy's First Submission of Information Requests (CA-IR-59 and CA-IR-60).

DATED: Honolulu, Hawai`i, August 30, 2004.

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PARADISE MERGE...JB, INC., GTE CORPORATION, VER...N HAWAII INC., BELL ATLANTIC COMMUNICATIONS, INC., AND VERIZON SELECT SERVICES INC. RESPONSES TO THE DIVISION OF CONSUMER ADVOCACY'S FIRST SUBMISSION OF INFORMATION REQUESTS DOCKET NO. 04-0140

CA-IR-59 **Ref: Application Exhibit 1, Section 5.5(b) "Financial Statements."**

Please provide complete copies of all quarterly financial statements provided by Seller pursuant to this Section and supplement this response as additional financial statements become available.

Supplemental Response: As a supplement to this response, a copy of the consolidated financial statements for first quarter 2004 is provided as Supplemental Attachment CA-IR-59 filed confidentially under Protective Order. The statements contain information that has been redacted because it reflects the results of Seller's nonregulated entities and is highly sensitive and competitive.

Sponsor: Stephen E. Smith - Verizon

PARADISE MERGER SUB, INC., GTE CORPORATION, VERIZON HAWAII INC., BELL ATLANTIC COMMUNICATIONS, INC., AND VERIZON SELECT SERVICES INC.
RESPONSES TO THE DIVISION OF CONSUMER ADVOCACY'S FIRST SUBMISSION OF INFORMATION REQUESTS
DOCKET NO. 04-0140

CA-IR-60 **Ref: Application Exhibit 1, Section 5.11(b) "Cutover Planning Committee."**

Please identify all Buyer and Seller representatives on the Cutover Planning Committee, provide a listing of all issues identified by the Committee to date, and provide a copy of the most recent compilation of plans prepared to address all such issues.

Supplemental Response: As a supplement to this response, Applicants submit as Supplemental Attachment CA-IR-60 an updated Transition Services Schedule A of Exhibit C of Exhibit 1 of the Application, originally filed on June 21, 2004, portions of which are being filed confidentially under Protective Order.

Sponsor: Matthew Boyer – Carlyle
James Brophy – Verizon

SUPPLEMENTAL ATTACHMENT CA-IR-60

Transition Services Schedu...

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(A-1) TRANSITION SERVICES ADMINISTRATION

DESCRIPTION / REQUIREMENTS

Supplier will administer the Transition Services Delivery to the Surviving Corporation primarily by performing the activities described below:

1. Issue monthly invoice for all Transition Services to Surviving Corporation.
2. Investigate any billing disputes for Transition Services.
3. Maintain proper supporting documentation for invoices issued.
4. Provide Surviving Corporation with written Conforming Change notification.
5. Provide Surviving Corporation with a Single Point of Contact as provided for in the Transition Service Agreement and perform the related roles and responsibilities.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of **$[redacted] per month** for the services performed.

(B-1) ACCOUNTING SERVICES

DESCRIPTION

Supplier will provide Surviving Corporation:

1. Financial accounting services:
   a. Preparation of monthly GAAP based Income Statement, Balance Sheet and Cash Flow Statement. Financial statements will not be audited by an independent accounting firm.
   b. End financial statements will be the responsibility of the Surviving Corporation.
   c. Income Statement and Balance Sheet analysis shall be provided to the Surviving Corporation in the format consistent with Supplier's other West Region Telephone Companies on the SAP accounting system.
   d. Provide certain Balance Sheet account reconciliations to the Surviving Corporation forty-five (45) days after the close of the accounting period.
2. Managerial accounting services:
   a. Maintain and balance the SAP labor and materials distribution process within the SAP General Ledger system. Prepare related monthly adjusting entries in the SAP General Ledger.
   b. Supplier will adhere to its existing internal accounting accrual policies and procedures.
   c. Income Statement and Balance Sheet analysis will be provided to the Surviving Corporation in the format consistent with Supplier's other West Region Telephone Companies on the SAP accounting system.
3. Inventory accounting services:
   a. Verification and balancing the GTEAMS interface process into the SAP General Ledger. Preparation of monthly obsolescence, shrinkage and price correction entries into the SAP General Ledger.
   b. Surviving Corporation will be responsible for the observation of physical inventory counts.
   c. Income Statement and Balance Sheet analysis will be provided to the Surviving Corporation in the format consistent with Supplier's other West RegionTelephone Companies on the SAP accounting system.
4. Revenue and receivables accounting services:
   a. Record interface billing system files in the SAP General ledger.
   b. Revenue and associated Accounts Receivable analysis will be provided to the Surviving Corporation in the format consistent with Supplier's other West Region Telephone Companies on the SAP accounting system.
   c. Continue uncollectible analysis and uncollectible accounting accrual consistent with current methodology.
   d. Provide certain revenue related Balance Sheet account reconciliations, prepared in compliance with Supplier's policy, to the Buyer 45 days after the close of the accounting period.

5. Asset accounting services:
   a. Perform monthly settlement process in SAP.
   b. Book, review, monitor and maintain processes and systems necessary to record monthly depreciation reserve and expense.
   c. Prepare and analyze reserve exception reports.
   d. Update theoretical reserve ratios.
   e. Prepare certain account reconciliations and identify required corrections for all in-service, under construction and reserve accounts.
   f. Record network retirements and transfers through the AMPS interface into SAP.
   g. Maintain Network asset property records (using the AMPS, COEP and ICGS systems).
   h. Verify Continued Property Record (CPR).
   i. Track/process retirements of support and land and building assets.
   j. Record transfers of assets between locations or accounts.
   k. Record sales of plant.
   l. Provide financial data required for Federal Tax and Property Tax reporting.
   m. Provide financial data for the insurable value of assets.
   n. Analyze certain capital and operating leases and update databases.
   o. Reconcile rolling stock accounts to the vehicle tracking system.
6. Cost accounting services:
   a. Development of Part 64, Part 36, Part 69 and ARMIS reports for regulatory reporting to the Federal Communications Commission (FCC) and the Surviving Corporation Regulatory Accounting Group for intrastate reporting.
7. Universal Service & School and Library Support Services
   a. Supplier will develop file of supporting data for the Universal Service Fund regulatory reporting as required by the Federal Communications Commission (FCC) rules and Universal Service Administration Corporation (USAC) procedures. Supplier will process and file all data as required to monitor and process claims for the School and Library program administer by USAC.

REQUIREMENTS

1. Financial, managerial and inventory accounting service requirements consist primarily of:
   a. Supplier will maintain accounting information on Supplier's SAP accounting system.
   b. Supplier will maintain subsidiary ledger accounting information on Supplier then existing systems.
   c. Surviving Corporation will not have direct access to any of Supplier's accounting or subsidiary ledger systems.
   d. Financial Statements shall be released to Surviving Corporation eight days (8) after accounting period close.

e. Supplier will provide Balance Sheet account reconciliations to the Surviving Corporation in the same West Region format used by Supplier prior to the Closing Date.

2. Cost accounting service requirements:

   a. Supplier will extract data from its then existing accounting systems and process Part 64 studies to develop regulated and non-regulated costs, using then existing methods and systems.

   b. Supplier will maintain Part 36 and 69 logic based on current FCC Part 36 and 69 rules and regulations.

   c. Supplier will process regulated costs and revenues through the Part 36 separations system to develop interstate and intrastate costs and revenues.

   d. Supplier will process interstate costs and revenues through the Part 69 access cost system for assignment to interstate access rate elements.

   e. Supplier will maintain ARMIS system logic for the ARMIS 43-01, 43-03 and 43-04 reports.

   f. Supplier will process Part 64, Part 36 and Part 69 data through ARMIS logic.

   g. Supplier will prepare ARMIS 43-01, 43-03 and 43-04 ARMIS reports and provide to Surviving Corporation for filing with the FCC.

   h. Supplier will provide standard intrastate output data to Surviving Corporation's regulatory accounting group for use in intrastate reporting.

   i. Surviving Corporation will provide Supplier with information and data required for Supplier to perform the services described above.

   j. Surviving Corporation will file its own Cost Allocation Manual (CAM) with the FCC. The Surviving Corporation's CAM should be the same as the Supplier's most recent version filed with the FCC. Failure to file the same CAM will result in the termination of the accounting services.

3. Universal Service & School and Library Support Services

   a. Supplier will extract data from its legacy accounting and billing systems using existing methods & systems and prepare the following for submission:

      i. Quarterly Wire Center Message Loop Filing - Provides quarterly wire center message loop counts for use in the FCC proxy model.

      ii. CALLS Interstate Access Fund Filing - Provides quarterly access line counts for use in the CALLS Interstate Access Support Filing. Updates annually loop and port rates, wire center designations and MAPS if changes were made to the prior years filing.

      iii. FCC Form 477 Local Competition and Broadband Report filing - Conduct review and file broadband and access line information on a semi-annual basis as required by the FCC.

   b. Supplier will process the BEAR check reimbursement process for eligible Hawaii Schools and Libraries.

   c. Supplier will invoice the SLD to recover discounts from telecom services provided to eligible Hawaii Schools and Libraries. Supplier will provide any additional requested data from the SLD relative to the discounts provided.

   d. Supplier will file Form 497 to recover the Federal Lifeline/Link-Up support provided to eligible Hawaii low-income customers.

e. Supplier will develop the amount of the FUSF surcharge (potentially both with and without WLNP) for recovery of amounts paid into USAC for federal universal service relative to Hawaii revenues.

f. Supplier will process and collect payments to the Telecommunications Relay Fund (TRS) Supplier will also submit payments and support annual rate development and implements billing changes.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of **$[redacted] per month** for the services performed.

(C-1) PROPERTY TAX ACCOUNTING SERVICES

DESCRIPTION

Supplier will provide to Surviving Corporation:

1. Receive and process all property tax invoices that are approved by the appropriate Surviving Corporation manager and mailed to the Supplier's Tax Department in Coppell, Texas. Generally, property tax bills are due, by statute, on February 20th and August 20th.
2. File property tax returns, primarily as they relate to filing exemption forms with the four primary counties in Hawaii.
3. Perform other property tax accounting services, primarily consisting of monthly accruals to Surviving Corporation books, Account Reconciliations and Accrual Analyses.
4. Provide a summary of property taxes to Surviving Corporation for Surviving Corporation's payment to the Hawaii counties.

REQUIREMENTS

1. Supplier shall not be obligated to make any payments or disbursements on behalf of Surviving Corporation.
2. Supplier shall forward all tax-related correspondence to the Supplier Tax department at: 1095 Avenue of the Americas, Rm. 3103, New York, NY 10036.
3. The scope of the transaction tax services is limited to the LEC business of the Surviving Corporation.
4. Supplier will work with the Surviving Corporation to clear up any denial of tax clearances.
5. Supplier will perform any account reconciliations.
6. Supplier will request any stop payments, credits or refunds related to the tax returns.

SERVICE FEE

Monthly Cost SEE C-2 for fixed price for both tax services.

(C-2) TRANSACTION TAX PREPARATION SERVICES

DESCRIPTION

Supplier will provide to Surviving Corporation:

1. Review Use Tax report.
2. Use the income statement to prepare the monthly General Excise Tax return on the last day of each month.
3. Request the Surviving Corporation to make a monthly payment on the 10th of each month for the Public Service Company tax.
4. Prepare annual General Excise Tax and Public Service Company Tax Return.
5. Mail the returns to the state timely.
6. Request wire transfers from Surviving Corporation to pay the state of Hawaii.
7. Request wire transfers from Surviving Corporation pay the IRS. Prepare federal excise tax returns quarterly.

REQUIREMENTS

1. Supplier shall not be obligated to make any payments or disbursements on behalf of Surviving Corporation.
2. Surviving Corporation shall forward all tax-related correspondence to the Supplier Tax department at: 1095 Avenue of the Americas, Rm. 3103, New York, NY 10036.
3. The scope of the transaction tax services is limited to the LEC business of the Surviving Corporation.
4. Supplier will work with the Surviving Corporation to clear up any denial of tax clearances.
5. Supplier will perform any account reconciliations.
6. Supplier will request any stop payments, credits or refunds related to the tax returns.

SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a total fixed fee of **$[redacted] per month** for both tax services.

(D-1) PAYROLL AND TIME REPORTING SERVICES

DESCRIPTION

Supplier will:

1. Print and mail payroll checks and advices to Surviving Corporation's work locations designated by Surviving Corporation. Supplier will provide manual checks as required.
2. Calculate payment to employees based on a standard time reporting as used by Surviving Corporation prior to Sale.
3. Enter Surviving Corporation's employee exception time into payroll processing systems (overtime, shift hours and differential, on call hours and other work hours). Surviving Corporation will be responsible for submission of exception information via Supplier's time entry system or by direct feed from the Employee Time Reporting (ETR) system into Supplier's system. Supplier may decline, in its sole discretion, to accept any other submission method.
4. Calculate and record Federal, State and Local payroll taxes and transmit the withholding information to Surviving Corporation so that it may remit withholdings to appropriate government authorities.
5. Record and report employee deductions sent by Surviving Corporation to the payroll center for inclusion in employee master file. These deductions consist primarily of:
   a. Bond deductions
   b. Health Clubs
   c. Garnishments, Child support, Bankruptcy, IRS Levy deductions, and other such deductions
   d. United Way deductions
   e. Savings and Investment deductions (401K)
   f. FRP Plans
   g. Insurance deductions
   h. Other miscellaneous deductions consistent with prior practice and reasonably requested by Surviving Corporation.
6. Surviving Corporation must independently negotiate terms with the same third party vendors used prior to the Closing Date. Failure to negotiate such terms will result in the termination of deductions reporting.
7. Record and report additional earnings as transmitted by Surviving Corporation to Supplier's payroll center for payment and recording in employee earnings. These items consist primarily of:
   a. Awards
   b. Discretionary bonus
   c. Incentive compensation payments
   d. Sales incentives
   e. Retroactive payments
   f. High housing cost allowances

g. Cost of living adjustments

h. Field premiums

i. Site allowances

j. Per diem

k. Sign on bonus

l. Imputed income

m. Tuition aid

n. Military pay/jury duty

o. Other, consistent with prior practice and reasonably requested by Surviving Corporation.

Surviving Corporation must independently negotiate terms with the same third party vendors used prior to the Closing Date. Failure to negotiate such terms will result in the termination of additional earnings reporting.

8. Record into payroll processing systems Credit Union or Bank additions/changes/deletions.
9. Record into payroll processing systems vehicle allowance or usage for personal or company owned vehicles.
10. Record into payroll processing systems tax gross-ups when required.
11. Maintain earnings and deduction codes tables.
12. Record into payroll processing systems W-4s submitted by employee to payroll center.
13. Provide Surviving Corporation with data needed to meet W-2 reporting requirements. Supplier will not process W-2 reporting on behalf of Surviving Corporation.
14. Maintain check distribution codes.
15. Reconcile payroll accounts with General Ledger and Accounts Payable systems during such periods that Surviving Corporation uses Supplier's payroll systems. If during the Term, Surviving Corporation initiates self-provisioning of payroll, general ledger or accounts payable services or contracts with a third party to perform these services on behalf of Surviving Corporation, then Supplier's reconciliation obligation will terminate.
16. Transmit monthly journal entry file to Surviving Corporation to update its General Ledger.
17. Continue existing policies and procedures to retain data required by law that supports normally required tax and regulatory obligations.
18. Reconcile/provide summary funding reports as reasonably requested by treasury department of Surviving Corporation.
19. Provide customer support for phone inquiries about employee payroll activity. All inquiries must come to Supplier from a single point of contact at Surviving Corporation. Supplier will not take calls from Surviving Corporation's employees.

REQUIREMENTS

Surviving Corporation is responsible for providing all information and data required for Supplier to perform the payroll services listed above.

BASE SERVICE FEE

Per Unit Cost	Surviving Corporation shall pay Supplier at a rate of **$[redacted] per employee** supported per pay period. There will be approximately 20 payroll periods including W2 reporting for the 9 months. Assuming [redacted] employees, estimated payroll cost per month is $[redacted] per month. In addition, Surviving Corporation shall pay Supplier at a rate of **$[redacted] per check** (plus shipping and handling) for manual checks processed per month that are not the result of legal requirements or payroll error.

(D-2) ACCOUNTS PAYABLE SERVICES

DESCRIPTION / REQUIREMENTS

1. Supplier will receive and record invoices for purchase order related items that are mailed directly to Supplier's Accounts Payable Shared Services Center ("AP/SSC") by Surviving Corporation's vendors. The AP/SSC is located at 2701 S. Johnson, San Angelo, TX 76904. Hours of operation for the Accounts Payable Shared Services Center are 7 AM CST to 5:30 PM CST.
2. Supplier will receive and record miscellaneous purchases that are approved by the appropriate Surviving Corporation supervisor and mailed to the AP/SSC.
3. Supplier will process expense reports and invoices, from submission to notification.
4. Supplier will enter accounts payable transactions into GTEAMS A/P on behalf of Surviving Corporation. This information will be translated to SAP accounting through the PCE process and transmitted weekly to the Surviving Corporation's SAP ledger.
5. Supplier will work with Surviving Corporation's purchasing group to resolve invoices that do not meet existing criteria for payment.
6. Supplier will print and distribute checks to Surviving Corporation vendors.
7. Supplier will maintain level of security for the equipment and check stock consistent with Supplier's existing policies.
8. Supplier will send EFT notification to Surviving Corporation banks, so that the banks may pay Surviving Corporation vendors that are designated as electronic pay.
9. Supplier will perform vendor maintenance function to add new vendors and/or employees to the vendor file or change address information as needed. Supplier will Mail W-9 forms to new vendors to obtain vendor's tax identification.
10. Supplier will provide Surviving Corporation with the necessary information required to prepare 1099 forms at year-end.
11. Supplier will perform general ledger account reconciliations on a monthly basis only if Surviving Corporation is sourcing both general ledger and accounts payable services from Supplier.
12. Supplier will record vendor check deposits, refunds, returned checks, and other checks and perform accounting accordingly.
13. Supplier will establish and maintain recurring payment accounting for leased property and other recurring items.
14. Supplier will continue existing policies and procedures to retain expense detail data as required by law that supports all required tax and regulatory obligations.
15. Supplier will provide Surviving Corporation's representatives with electronic access to A/P scanned records.
16. Supplier shall not be obligated to make any payments or disbursements on behalf of Surviving Corporation.
17. Surviving Corporation will provide Supplier with information and data required for Supplier to perform its duties herein.

BASE SERVICE FEE

Per Unit Cost	Surviving Corporation shall pay Supplier at the rate of $[redacted] **per voucher** or expense report processed. Average number of vouchers processed for 2003 was [redacted] per month. Estimated cost is $[redacted] per month.

(D-3) REMITTANCE PROCESSING SERVICES

DESCRIPTION

Supplier will perform payment processing and payment error correction for Surviving Corporation. Supplier will:

1. Receive and process payments that are sent to Supplier's Remittance Processing Center (RPC) in West Los Angeles, CA or electronically to Supplier's EDI gateway by Surviving Corporation's customers or payment agents. This consists primarily of extraction, data & image capture, keying, check encoding as well as the creation of the bank deposit and payment-posting file. The existing remittance addresses are Post Office Box 30001, Inglewood, CA 90313-0001 and Post Office Box 6059, Inglewood, CA 90312-6059. The RPC is located at 1700 Sawtelle Avenue, West Los Angeles, CA 90025.
2. Investigate payments received without complete and accurate customer account information.
3. Investigate payments that do not match a record in the billing system.
4. Investigate customer payment claims.
5. Use commercially reasonable efforts to deposit all customer checks daily in the bank.
6. Transmit posting file with current day's processing activity to billing system mainframe.
7. Supply necessary information to balance payments processed with bank deposit and posting file.

REQUIREMENTS

1. Surviving Corporation will not make changes to the then existing payment page format. The composition, location and font of the OCR scan line will remain the same.
2. The structure and composition of the customer account number will not change.
3. The location of the Amount Paid Field boxes on the payment page will not change.
4. The layout and composition of the existing payment posting file will be unaffected.
5. Electronic files will be transmitted in either a standard EDI 820 format, E-mittance proprietary format or the Supplier's comma delimited format.
6. There will be no change in the accounts receivable/billing system. Access to the billing system for the investigation of missing or inaccurate customer account numbers will be unaffected.
7. Surviving Corporation will maintain the then existing depository bank relationship.
8. Surviving Corporation will establish its own contracts with payment agents. Supplier will process the payments taken by the agents.
9. Surviving Corporation will not change the then existing posting file transmission procedures.
10. Supplier will maintain the then existing process for Change of Address Requests should Surviving Corporation choose to have the form remain on the back of the payment page.
11. Supplier will maintain the then existing process for customer enrollment to the Direct Debit Payment Option (DDPO) should Surviving Corporation choose to have this form remain on the back of the payment page.

12. Supplier will produce then existing reports used for daily balancing and reconciliation.
13. Supplier will assist Surviving Corporation to resolve items that do not meet existing processing criteria.
14. Supplier will assist Surviving Corporation to resolve issues related to processing of customer payment claims.
15. Supplier will enter Surviving Corporation processed payments on nightly payment posting file.
16. Supplier will enter Surviving Corporation processed checks in daily bank deposit.
17. Supplier will maintain then existing level of security for the RPC and payments.
18. Supplier may decline, in its sole discretion, to provide custom reports or software.

BASE SERVICE FEE

Per Unit Cost

Surviving Corporation shall pay Supplier at the rate of $[redacted] **per payment**. The average number of remittances processed in 2003 was [redacted] per month. Estimated cost is $[redacted] per month.

Surviving Corporation shall pay at the rate of **$**[redacted] **per hour** for any additional investigative work. An average of [redacted] payments per month require additional investigative work in order to be processed. Estimated cost is $[redacted].

Total estimated cost is $[redacted] per month.

(D-4) RETURN CHECK PROCESSING SERVICES

DESCRIPTION

Supplier will provide Surviving Corporation with remittance bank return processing services comprising of:

1. Process returns that are received via centralized dishonored check process.
2. Investigate returns received that do not match payment in the billing system.
3. Investigate customer payment/return claims.

REQUIREMENTS

1. The layout and composition of the existing payment posting file will be the same as used by Supplier with no changes requested by Surviving Corporation.
2. Supplier will use the then existing accounts receivable/billing system. Access to the billing system for the investigation of missing or inaccurate customer account numbers will be unaffected.
3. Surviving Corporation will maintain the then existing bank relationship.
4. Surviving Corporation will not change existing posting file transmission procedures.
5. Supplier will produce the then existing reports used for daily balancing and reconciliation.
6. Supplier will assist Surviving Corporation as reasonably requested on issues related to processing of unidentified payments/returns and in the resolution of items that do not meet existing processing criteria.
7. Supplier will assist Surviving Corporation as reasonably requested on issues related to processing of customer payment/returns claims.
8. Supplier will enter Surviving Corporation processed payments/returns on nightly payment posting file.
9. Supplier will maintain the level of security for the RPC and payments/returns consistent with Supplier's then existing policies.
10. Supplier is under no obligation to provide custom reports or software.
11. Surviving Corporation shall negotiate its own bank fees and be responsible for all resulting costs, fees, and expenses.

BASE SERVICE FEE

Per Unit Cost	Surviving Corporation shall pay Supplier at the rate of $[redacted] **per return** payment. In addition, Surviving Corporation shall pay at the rate of **$[redacted] per hour** for any investigative work, as reasonably requested. The average number of returns processed for Hawaii per month is [redacted] per month. In addition, these [redacted] returned payments require additional investigative work. This equates to [redacted] full time FTE. Anticipated cost for [redacted] associate $[redacted] per month. Estimated cost is $[redacted].

(D-5) CUSTOMER BILLING OPERATION SERVICES

DESCRIPTION

Supplier will provide the following Customer Billing Operation Services to Surviving Corporation:

1. Process customer contact center requests (IGO) to issue refunds to customers for credit balances.
2. Review the mechanically generated refund checks to confirm accuracy.
3. Process billing adjustment requests from customer contact centers into COFEE.
4. Process manual operator toll tickets into CBSS billing system.
5. Review and correct CBSS error bills.
6. Process directory advertising billing adjustments.
7. Validate accuracy and correct billing errors prior to releasing the directory advertising tapes into CBSS.

REQUIREMENTS

1. Surviving Corporation will not make changes to the IGO request format.
2. Surviving Corporation will not make changes to the Check Refund Application System.
3. Surviving Corporation will not change the structure and the composition of the customer account number and bill number.
4. Geographic locations for processing all customer billing adjustments and directory advertising services will be designated by Supplier.
5. Supplier is under no obligation to provide any custom reports or software.
6. Supplier's hours of operation for CBSS customer billing adjustments, check refunds and CBSS error bill corrections are 7:30 to 3:30 EST, Monday – Friday. Supplier's hours of operation for Directory Advertising Services are 7:30 to 4:30 PST Monday – Friday.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of $[redacted] per month for the services performed.

(D-6) SPECIAL PROJECTS BILLING & CLAIMS PROCESSING SERVICES

DESCRIPTION

Supplier will provide the following Special Projects Billing Services to Surviving Corporation:

1. Receive and post Miscellaneous Billing Requests to bill services such as joint pole billings, rentals and any services not billable through other billing systems. Billing and Receivables will be recorded in SAP ledger provided on the Closing Date.
2. Receive and process plant and motor vehicle damage report and costs.
3. Perform Plant cost recovery for highway or plant relocations
4. Process billing corrections, adjustments, cancellations and write-offs.
5. Manage vendor activities associated with the collection of plant and motor vehicle property damage receivables.

REQUIREMENTS

1. Surviving Corporation will not make changes to the bill format and payment remittance stub.
2. The structure and the composition of the customer account number and bill number will not change. Hours of operation for Special Projects Billing Services are 7:30 to 5:30 PST
3. Supplier will use its then existing accounts receivable and billing systems.
4. Payments will be processed by Supplier's remittance centers in Hunt Valley, MD or West LA, CA. and payment files will be processed in SAP or MARS.
5. Supplier will provide cost recovery billing reports.
6. Supplier is under no obligation to provide any custom reports or software.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of $[redacted] per month for the services performed.

(D-7) BILL PRINT AND DISTRIBUTION CENTER

DESCRIPTION

Supplier's Bill Print & Distribution (BP&D) Center will provide billing service, enclosing and distribution services and printed output media services to the Surviving Corporation.

REQUIREMENTS

1. Surviving Corporation shall provide print data files in AFP format along with associated PDF and K48 –type files for manifesting.
2. Surviving Corporation shall provide associated Streamweaver created reports for balancing and statistical tracking.
3. Surviving Corporation shall provide print data files in accordance with existing bill statement mailing schedules to accommodate meeting PUC/PSC requirements.

BASE SERVICE FEE

Per Unit Cost	Surviving Corporation shall pay Supplier at the rate of $[redacted] per bill to print and mail. Print and Mail customer bills and treatment notices: $[redacted] per piece. Costs consist primarily of: labor, equipment, usage, & supplies. In addition Postage cost is $[redacted] per piece. Average volume per month is [redacted] units per month. Total estimated cost is $[redacted].

(E-1) CUSTOMER BILLING OPERATIONS

DESCRIPTION

Supplier will provide the following billing services to the Surviving Corporation:

1. Service order interface to billing systems
2. Usage processing services
3. Directory advertising billing services in the format specified by the Supplier
4. Bill Calculation Services
5. Bill Rendering, consisting primarily of: paper, envelopes, return envelopes, ink, and printers.
6. Bill inquiry services
7. Treatment & Collections services, consisting primarily of 3rd Party notifications interface(s) and customer notification systems.
8. Billing management and coordination support
9. These services are currently supported by Supplier's core billing support group, and are not included in the billing related to IT services.

REQUIREMENTS

1. Surviving Corporation will provide an interface to Supplier's billing management function for billing operations, financial management, and production support issues coordination.
2. Surviving Corporation will pay postage for bill mailing at the actual rates incurred each month.
3. Surviving Corporation will provide any bill inserts to be included in bill mailings.
4. Surviving Corporation will incur cost of any 3rd Party collection service.

BASE SERVICE FEE

Per Unit Cost* Surviving Corporation shall pay Supplier at the rate of **$[redacted] per billing unit.** The estimated number of billing units / month is [redacted].

*Each access line is counted as a single billing unit even if multiple access lines exist on the same account/physical bill.

(F-1) STP TIER II TECHNICAL SUPPORT SERVICES AND DATABASE FUNCTIONS

DESCRIPTION

Supplier will provide Surviving Corporation:

1. Twenty-four hours, seven days a week Tier II technical support for the Signaling Transfer Point (STP) DMS switches in Punahou and Waipahu. The service consists primarily of outage investigation and diagnostic analysis of the STP failures and failure messages. This investigation consists primarily of accessing the applicable STP switches by using resident diagnostic and trouble analysis capabilities. The STP Tier II support functions consist primarily of analyzing the trouble, taking corrective action or referring the trouble to the applicable Supplier department or vendor for analysis and correction. The progress toward resolution is tracked within a tracking document (trouble ticket) in the same manner as all other trouble referrals. The same Supplier STP systems and databases will be used to provide this support by adhering to the same policies, practices and procedures as are being used today by Supplier.

2. STP database functions consist primarily of the provisioning of new and existing SS7 services. These orders are input twenty-four hours, seven days a week as received. Turn-up testing will be performed as reasonably requested to ensure services ordered are working as reasonably requested.

REQUIREMENTS

1. Surviving Corporation will maintain the STP hardware and associated devices located in each acquired Signaling Transfer Point.
2. Surviving Corporation will issue all security passwords and access codes necessary to allow Supplier access to the STP(s) on the Closing Date.
3. Surviving Corporation will identify hierarchy of call out response, establish contact lists of Surviving Corporation's employees and escalation contact procedure to be submitted to Supplier.
4. Surviving Corporation will, upon vendor technician request, pay Supplier in advance for the associated costs/fees for hardware, software upgrades, vendor telephone support or on-site visits resulting from Tier II support actions.
5. Supplier will take direction from Surviving Corporation's engineering group on all STP upgrades. Modifications to database translations/switch for SS7 features will be coordinated through Surviving Corporation's site personnel, designated work center, or electronic bonding.
6. Supplier will provide a directory of telephone numbers and escalation list for the CNOG STP Tier II organization to the Surviving Corporation.
7. Supplier will collect service outage data. Supplier will forward to Surviving Corporation the necessary information to support Surviving Corporation's Service Outage filing with the FCC and State Regulatory agencies.

Transition Services Schedules

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of $[redacted] per month for the service performed.

NOTE: Surviving Corporation opted out of this transition service six months after closing. Surviving Corporation will need to secure new Tier II technical support services and provide pertinent procedural information to Supplier.

(F-2) NETWORK SERVICE ASSURANCE SERVICES

DESCRIPTION

Supplier will provide Surviving Corporation with the following Network Service Assurance Center (NSAC) functions: twenty-four hours, seven days a week monitoring of 5-minute traffic management and switch exception alerts for all sites in Hawaii that are currently connected to the NSAC's traffic management systems. The function consist primarily of input, adjustment, and removal of all expansive and restrictive traffic management controls as the situation requires, analysis of major and critical abnormal reports, escalations as reasonably requested, and initiation and administration of any necessary informational bridges.

REQUIREMENTS

1. Surviving Corporation will maintain the traffic collection devices located in each acquired exchange.
2. Surviving Corporation will issue all security passwords and access codes necessary to allow Supplier access to the digital switch database on the Closing Date.
3. Surviving Corporation will identify hierarchy of call out response, establish contact lists of Surviving Corporation's employees and escalation contact procedure to be submitted to Supplier.
4. Supplier will take actions reasonably requested by Surviving Corporation's engineering group on all new switch conversions, upgrades, and replacements. Modifications to database translations/switch for traffic collection will be coordinated through Surviving Corporation's site personnel.
5. Supplier will provide a directory of telephone numbers and escalation list for the NSAC to the Surviving Corporation.
6. Supplier will provide Surviving Corporation with network access that is necessary for Surviving Corporation to perform traffic collection.
7. Supplier will collect service outage data. Supplier will forward to Surviving Corporation the necessary information to support Surviving Corporation's Service Outage filing with the FCC and state regulatory agencies.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of **$[redacted] per month** for the service performed.

(F-3) CYBERPOP TECHNICAL SUPPORT SERVICES

DESCRIPTION

Supplier will provide Surviving Corporation with twenty-four hours, seven days a week CyberPOP technical support consisting of investigation and diagnostic analysis of the CyberPOP trouble reports received. This investigation consists primarily of accessing the applicable CyberPOP equipment and utilizing resident diagnostic and trouble analysis capabilities. The CyberPOP support functions consist primarily of analyzing the trouble, taking corrective action or referring the trouble to the applicable Supplier department for analysis, correction and upgrades on CyberPOP boxes. The progress toward resolution is tracked within a tracking document (trouble ticket) in the same manner as other trouble referrals.

REQUIREMENTS

1. Surviving Corporation will issue all security passwords and access codes necessary to allow Supplier access to the central office digital switches on the Closing Date.
2. Surviving Corporation will identify hierarchy of call out response; establish contact lists of Surviving Corporation's employees and escalation contact procedure to be submitted to Supplier.
3. Surviving Corporation will, upon vendor technician request, pay Supplier in advance for the associated costs/ fees for hardware, software upgrades vendor telephone support or on-sit visits resulting from CyberPOP trouble referral or actions.
4. Supplier will not solicit a switch vendor to perform restoration of services or technical assistance without the prior approval of Surviving Corporation.
5. Supplier will provide a directory of telephone numbers of the CyberPOP Technical support group that will be providing CyberPOP Technical support for Surviving Corporation.
6. CyberPOP Degradations/Outages: Supplier will provide detail of the duration and suspected cause of a CyberPOP degradation or outage. Report will be provided to the Surviving Corporation within 24 hours of the incident.
7. Supplier will use commercially reasonable efforts to perform service affecting translations or other service affecting activity during periods of low load traffic, which generally means that work is performed between 12:00 a.m. and 6:00 a.m. local time.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of **$[redacted] per month** for the service performed.

(F-4) FLEXGROW AND RACAL TECHNICAL SUPPORT SERVICES

DESCRIPTION

Supplier will provide Surviving Corporation twenty-four hours seven days a week Flexgrow and Racal technical support and monitoring. The service is comprised of coverage as well as investigation and diagnostic analysis of the network trouble reports received. This investigation will consist of accessing the applicable network elements and utilizing resident diagnostic and trouble analysis capabilities. The Supplier will analyze the trouble, take corrective action or refer the trouble to the applicable Supplier department for analysis, correction and upgrades on Network elements. The progress toward resolution is tracked within a tracking document (trouble ticket) in the same manner as other trouble referrals.

REQUIREMENTS

1. Surviving Corporation will issue all security passwords and access codes necessary to allow Supplier access to continue to provide support at current levels.
2. Surviving Corporation will identify hierarchy of call out response; establish contact lists of Surviving Corporation's employees and escalation contact procedure to be submitted to Supplier.
3. Surviving Corporation will, upon vendor technician request, pay Supplier in advance for the associated costs/fees for hardware, software upgrades, vendor telephone support or on-site visits resulting from Flexgrow trouble referral or actions.
4. Supplier will not solicit a switch vendor to perform restoration of services or technical assistance without the prior approval of Surviving Corporation.
5. Supplier will provide a directory of telephone numbers of the Flexgrow technical support group that will be providing Flexgrow technical support for Surviving Corporation.
6. Supplier will use commercially reasonable efforts to perform service affecting translations or other service affecting activity during periods of low load traffic, which generally means that work is performed between 12:00 a.m. and 6:00 a.m. local time.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of **$[redacted] per month** for the service performed.

(F-5) LNP TIER I TECHNICAL SUPPORT SERVICES

DESCRIPTION

Supplier will provide Surviving Corporation LNP Tier I Support providing twenty-four hours, seven days a week Local Number Portability (LNP) technical support. The service primarily consists of coverage as well as investigation and diagnostic analysis of the LNP trouble reports received. This investigation consists primarily of accessing the applicable LNP databases, and central office switches by using resident diagnostic and trouble analysis capabilities. The LNP Tier I support functions consist primarily of analyzing the trouble, taking corrective action or referring the trouble to the applicable Supplier department for analysis and correction. The progress toward resolution is tracked within a tracking document ("trouble ticket") in the same manner as other trouble referrals.

REQUIREMENTS

1. Surviving Corporation will issue all security passwords and access codes necessary to allow Supplier access to the central office digital switches at close.
2. Surviving Corporation will identify hierarchy of call out response, establish contact lists of Surviving Corporation's employees and escalation contact procedure to be submitted to Supplier.
3. Surviving Corporation will, upon vendor technician request, pay Supplier in advance for the associated costs/fees for hardware, software upgrades, vendor telephone support or on-site visits resulting from LNP trouble referrals or actions.
4. Supplier will use commercially reasonable efforts to perform service affecting translations or other service affecting activity during periods of low load traffic, which generally means that work is performed between 12:00 a.m. and 6:00 a.m. local time.
5. Supplier will provide Trouble Administration System programming necessary to route LNP repair calls from Honolulu Hawaii to the appropriate Supplier work queue.
6. Supplier will provide a directory of telephone numbers of the LNP Tier I Technical support group that will be providing LNP Tier I Technical support for Surviving Corporation.
7. LNP Degradations/Outages: Supplier will provide detail of the duration and suspected cause of an LNP degradation or outage. Report will be provided to the Surviving Corporation within 24 hours of the incident.
8. Supplier will not solicit a switch vendor to perform restoration of services or technical assistance without the prior approval of Surviving Corporation.
9. Supplier will not disconnect ported numbers unless Surviving Corporation submits a LSR or other written request in a form previously approved by Supplier.

Transition Services Schedules

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of $[redacted] per month for the service performed.

(F-6) SS7 LINK SURVEILLANCE AND PROVISIONING SERVICES

DESCRIPTION

Supplier will provide Surviving Corporation Network **Surveillance** functions by providing twenty-four hours, seven days a week monitoring of SS7 links. The service primarily consists of coverage as well as investigation and diagnostic analysis of the alarms received. This investigation consists primarily of accessing the STP or central office through network administrative ports on the switch, and using resident diagnostic and trouble analysis capabilities of the network monitoring centers and the central offices. The Network Monitoring functions consist primarily of referral to the applicable Inter-exchange carrier or Surviving Corporation's technicians for testing and correction, on an alarm condition. Testing is provided up to the Surviving Corporation's Demarc point only. The progress toward resolution is tracked within a tracking document (trouble ticket) in the same manner as other trouble referrals. The Supplier will use the non-regulated multilane monitoring system, TONICS/NeMow to provide this surveillance.

Link Provisioning Functions entails the design and installation of new SS7 link circuits or the replacement of existing SS7link circuits.

REQUIREMENTS

1. **Surveillance**
   a. Surviving Corporation will issue all security passwords and access codes necessary to allow Supplier access to the STP on the Closing Date.
   b. Surviving Corporation will identify hierarchy of call out response, establish contact lists of Surviving Corporation's employees and escalation contact procedure to be submitted to Supplier.
   c. Surviving Corporation will provide instructions on all new switch conversions, upgrades, and replacements. Modifications to database translations for traffic collection will be coordinated through Surviving Corporation's site personnel.
   d. Supplier will use commercially reasonable efforts to perform service affecting translations or other service affecting activity during periods of low load traffic, which generally means that work is performed between 12:00 a.m. and 6:00 a.m. local time.
   e. Supplier will provide a directory of telephone numbers of monitoring centers that will be providing network monitoring for Surviving Corporation.
   f. SS7 Isolations: Supplier will provide detail of the duration and suspected cause of Customer isolation. Report provided to the Customer within 24 hours of the Isolation.
   g. Supplier will not solicit a switch vendor to perform restoration of services or technical assistance without the prior approval of Surviving Corporation.
   h. Supplier will not disconnect network monitoring access links unless Surviving Corporation submits a written request in a form previously approved by Supplier.

2. Link Provisioning

a. Surviving Corporation will identify hierarchy of Account Team, establish contact lists of Surviving Corporation's employees and contact procedure to be submitted to Supplier.

b. Surviving Corporation will be responsible for the cost of provisioning a new SS7 link circuit after the Closing Date.

c. Surviving Corporation will provide instructions on all new circuit installations, redesigns and replacements. Installations and changes will be coordinated through Surviving Corporation's site personnel.

d. Supplier will provide a directory of telephone numbers of the SS7 Link Provisioning group that will be provide link provisioning activities.

e. Supplier will not disconnect SS7 links unless Surviving Corporation submits a written request in a form previously approved by Supplier.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of **$[redacted] per month** for the service performed. In addition, Surviving Corporation shall pay Supplier for new link provisioning consisting of design and installation of new circuits at the rate of **$[redacted] per circuit.**

(F-7) TCP/IP SUPPORT SERVICES

DESCRIPTION

1. Supplier will provide Surviving Corporation with CISCO router and Ethernet switch alarm surveillance and trouble management for the equipment previously installed and known as COAMN.
2. Supplier will provide Surviving Corporation with Network Monitoring functions: twenty-four hours, seven days a week monitoring of COAMN devices and circuits (usually T-1's) between the devices. The service consists of coverage as well as investigation and diagnostic analysis of the alarms received. The investigation consists primarily of accessing the equipment through network administrative ports on the device, isolating trouble to the device, circuit or other equipment, and using resident diagnostic and trouble analysis capabilities of the OSN Command Center and the devices. The Network Monitoring functions consist primarily of referral to the circuit repair center, central office Technician, other Surviving Corporation maintenance personnel, and/or the router/Ethernet switch manufacturer (CISCO) for assistance to Surviving Corporation's technicians who may be on site to correct an alarm condition.

REQUIREMENTS

1. Surviving Corporation will issue all security passwords and access codes necessary to allow Supplier access to the TCP/IP devices on the Closing Date.
2. Surviving Corporation will provide Firewalls as reasonably requested by Supplier between the Surviving Corporation network and the Supplier network.
3. Surviving Corporation will identify hierarchy of call-out responses, establish contact lists of Surviving Corporation's employees, and escalation contact procedure to be submitted to Supplier.
4. Surviving Corporation will, upon vendor technician request pay, Supplier in advance for the associated costs/fees for hardware, software upgrades, vendor telephone support or on-site visits resulting from network monitoring actions.
5. Surviving Corporation will provide instructions on all new router and Ethernet switch conversions, upgrades, and replacements. Modifications to configurations will be coordinated through Surviving Corporation's site personnel.
6. Supplier will provide a directory of telephone numbers of monitoring centers that will be providing network monitoring for Surviving Corporation.
7. Supplier will collect and forward service outage data to the Surviving Corporation.
8. Supplier will not solicit the vendor to perform restoration of services or technical assistance without the prior approval of Surviving Corporation.
9. Supplier will not disconnect network monitoring unless Surviving Corporation submits a written request in a form previously approved by Supplier

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of $[redacted] per month for the service performed.

(F-8) TRANSPORT AND DATA TIER II TECHNICAL SUPPORT

DESCRIPTION

Supplier will provide Surviving Corporation with twenty-four hours, seven days a week tier II technical support for transport network elements in Hawaii. The function consists primarily of outage investigation and diagnostic analysis of the transport network element failures. This investigation consists primarily of accessing the applicable transport network element by using resident diagnostic and trouble analysis capabilities. The Transport Tier II support functions consist primarily of analyzing the trouble, taking corrective action or referring the trouble to the applicable Supplier department or vendor for analysis and correction. The progress toward resolution is tracked within a tracking document (trouble ticket) in the same manner as all other trouble referrals.

REQUIREMENTS

1. Surviving Corporation will maintain the transport network element hardware and associated devices located in each acquired location.
2. Surviving Corporation will issue all security passwords and access codes necessary to allow Supplier access to the transport network elements at close.
3. Surviving Corporation will identify hierarchy of call out response, establish contact lists of Surviving Corporation's employees and escalation contact procedure to be submitted to Supplier.
4. Surviving Corporation will, upon vendor technician request, pay Supplier in advance for the associated costs/fees for hardware, software upgrades, vendor telephone support or on-site visits resulting from Tier II support actions.
5. Surviving Corporation will provide instructions on all transport network element upgrades. Provisioning modifications will be coordinated through Surviving Corporations site personnel, designated work center, or electronic bonding.
6. Supplier will provide a directory of telephone numbers and escalation list for the Transport Tier II Support organization to the Surviving Corporation.
7. Surviving Corporation will provide Supplier with necessary access to the transport network element so that Supplier may perform Tier II support.
8. Supplier will collect and forward service outage data to the Surviving Corporation.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of $[redacted] per month for the service performed.

NOTE: Surviving Corporation opted out of this transition service. Surviving Corporation will need to secure new Tier II technical support services and provide pertinent procedural information to Supplier.

(F-9) TRANSLATIONS DESIGN SERVICES

DESCRIPTION

Supplier will provide Surviving Corporation:

1. Development and loading of network translations for end office, tandem, TOPS and E911 switching entities in support of Routing and Charging, Code Activations/Transfers/Deactivations, NPA Activations/Splits/Overlays, Country Code Activations/Modifications, Network Trunking (IXC, CLEC, Internal), Customer Trunking (PRI, DID, DOD) and CentraNet Services.
2. Provisioning, technical support and billing resolution will be provided Monday through Friday from 7:30 AM to 4:30 PM.
3. Translation related trouble resolution, twenty-four hours, seven days a week.
4. Provisioning of customer databases associated with equipment that is linked to Central Office switches will be limited to the following product segments: ACD/MIS; Pinnacle and Perimeter, AIS/Pulsepoint and Voicemail/Oryx.

REQUIREMENTS

1. Surviving Corporation will issue all security passwords and access codes necessary to allow Supplier NOTD separate access all switch databases via X.25 network connection. Supplier requires the Surviving Corporation to leave NOTD SAM port in place.
2. Surviving Corporation will provide for order delivery interface to the NEDAS work management system for ASR, trunking and business services orders. NEDAS currently interfaces only with EXACT, NOCV, AAIS-DS, RDBS.
3. Supplier will perform service-affecting translations between 10:00 PM and 6:00AM.
4. Supplier will provide contact lists for provisioning personnel.
5. Surviving Corporation will provide contact and escalation information.

BASE SERVICE FEE

Per Hour Cost: Surviving Corporation shall pay Supplier a fixed fee of **$[redacted] per month** for the service performed.

(F-10) SWITCHING TIER II TECHNICAL SUPPORT SERVICES

DESCRIPTION

1. Supplier's Centralized Network Operations Group -Technical Support Services - Switching (CNOG-TSS-S) shall provide Customer Technical Support remotely via telephone. Technical Support shall be performed on customer premise equipment defined as Lucent 5ESS, Nortel DMS100 and the AGCS GTD5 Central Office Switching Equipment and PABXs, that are in place on the Closing Date.
2. CNOG-TSS-S shall provide remote technical assistance to trained Surviving Corporation's personnel, both routine and emergency. These technicians must call CNOG-TSS-S with technical inquiry, and then CNOG will respond to question and/or log into system to provide fault isolation and resolution.

Outage Escalations And Procedure

The following procedure shall be implemented when Surviving Corporation reports a condition, which represents major service impairment. This procedure applies to situations where a full network element or a part thereof, experiences an outage event whose cause or course of remedial action is not identified.

1. **Outage/Loss of Call Processing Actions.** When a switch element has been determined to be in an outage condition, the following actions shall be attempted:
   a. CNOG-TSS-S shall attempt to find a hardware configuration that will permit call processing restoration; and,
   b. CNOG-TSS-S shall evaluate the instigation of switching element reload process and initiate such instigation if warranted; and,
   c. CNOG-TSS-S shall, in the event call processing is not restored after two system reloading attempts, seek equipment vendor/manufacturer assistance (at Surviving Corporation's expense).

2. **Outage/Partial.** When a switch element has been determined to be in a partial outage or severely impacted condition, CNOG-TSS-S shall perform the following actions unless a defined course of action has been set by Supplier within thirty (30) minutes after CNOG-TSS involvement:
   a. CNOG-TSS-S shall evaluate the instigation of switching element initialization processes to resolve possible status related impairment; and,
   b. CNOG-TSS-S shall evaluate the instigation of switching element reload processes; and,
   c. CNOG-TSS-S shall, if after one (1) hour of involvement restoration of the impairment is not imminent, take action to secure additional technical expertise and ensure available resources are being utilized; and,

d. CNOG-TSS-S shall review the network elements for possible Federal Communication Commission (FCC) reporting criteria.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of **$**[redacted] **per month** for the service performed.

NOTE: Surviving Corporation opted out of this transition service. Surviving Corporation will need to secure new Tier II technical support services and provide pertinent procedural information to Supplier.

(F-11) POWER TIER II TECHNICAL SUPPORT SERVICES

DESCRIPTION/REQUIREMENTS

Supplier Technical Support Services-Power (TSS-P) will provide 7 day-by-24 hour "Tier 2" technical support to Surviving Corporation's DC power infrastructure in Hawaii. Typically, a DC power infrastructure comprises the DC power plant rectifiers and microprocessor-based controller, power distribution systems, BDFBs, standby battery systems, and the integrity of the office's grounding and environmental systems.

Two power specialists, and one lead power specialist, typically provide technical support over the telephone. If necessary, additional TSS-P personnel will be made available to travel on-site to assist in troubleshooting power anomalies.

On-site services will be requested in writing by the Surviving Corporation and will consist primarily of the following: an audit of the DC power infrastructure, voltage and current measurements, battery discharge (rundown) testing, verification of the grounding system integrity, audit of the office's environmental systems, and an infrared scan of the DC distribution system.

Additionally, TSS-P can conduct a root-cause analysis (RCA) investigation of any power system anomaly, and issue a detailed report that consists primarily of digital photos and recommended corrective actions.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of $[redacted] per month for the service performed.

NOTE: Surviving Corporation opted out of this transition service. Surviving Corporation will need to secure new Tier II technical support services and provide pertinent procedural information to Supplier.

(F-12) DSL NETWORK SURVEILLANCE

DESCRIPTION

1. Supplier will provide Surviving Corporation employees with DSL network surveillance and maintenance.
2. Supplier will change and provide network element access passwords.
3. Supplier will input tickets to dispatch technicians or for onsite technician work through regional NDCs (National Dispatch Center) and/or the WMC (Wholesale Maintenance Center).
4. At the end of the Term, Supplier will deliver to Surviving Corporation customer historical data pertaining to the creation and maintenance activities and historical reports regarding the Repair Center operation (i.e., mean-time-to-repair, call answer time, hold time).

REQUIREMENTS

1. Surviving Corporation will provide field support for creations, maintenance and upgrades to the DSL network.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of **$[redacted] per month** for the service performed.

(F-13) FAST PACKET NETWORK SURVEILLANCE

DESCRIPTION

Supplier Data Services Network Operation Center (DSNOC) will provide 24 x 7 network surveillance, consisting primarily of hardware and software maintenance, and switch and trunk commissioning for the Hawaii Fast Packet Network that contains 14 ATM, 21 Frame Relay, 10 TLC, and 1 TLS switch

REQUIREMENTS

1. Supplier DSNOC will utilize its then existing Fast Packet network management platform to manage the Hawaii network during the transition period.
2. At the Surviving Corporation's request, Supplier DSNOC will contact Surviving Corporation's Network Operation Center for alarm validation purposes, which is based on a mutually agreed upon standard of the severity level of the alarm.
3. Supplier DSNOC will maintain for the Surviving Corporation a review of the Monthly Operations Review (MOR), which provides a monthly snapshot of the DSNOC's performance metrics.
4. Supplier DSNOC may decline, in its sole discretion, to support new switch deployment after the Closing Date.
5. Supplier's Data Services Assurance Center (DSAC) will deliver to the Surviving Corporation repair center operation reports that are prescribed by the Public Utilities Commission.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of **$[redacted] per month** for the service performed. If Surviving Corporation seeks to deploy additional Lucent switches in Hawaii during the Term, Supplier and Surviving Corporation shall negotiate in good faith to increase the monthly fee in advance of such deployment, but Supplier will be under no obligation to provide such additional services.

(F-14) INTERNET SERVICE PROVIDER (ISP): TECHNICAL SUPPORT SERVICES

DESCRIPTION

Supplier will provide Technical Support (Tier1) desktop and network support to Surviving Corporation's DSL and Dial customers. Support is provided through Technical Support Agents who interact with customers via the telephone and e-mail. Supplier Technical Support Centers operate on a 7 X 24 X 365 Day basis and provide Tier 1 Desktop Support. In cases where network issues are involved or where certain CPE issues exist, Supplier will escalate to the appropriate Tier 2 operation, although Supplier Tier 1 will maintain responsibility for making sure the customer issue is resolved, following approved escalation procedures.

REQUIREMENTS

1. Supplier will provide the Surviving Corporation with a standardized report of customer activity. This report will be delivered in Supplier's standardized report format and on Supplier's then existing report schedule.
2. Surviving Corporation will assist Supplier personnel to troubleshoot Central Office based troubles.
3. Supplier will provide Surviving Corporation final data set of customer activity at end of Term.
4. Surviving Corporation will follow Supplier's established escalation practices when customer escalations are reasonably requested.
5. If Surviving Corporation's sales and provisioning processes do not utilize Supplier's systems or if Surviving Corporation's provisioning flow does not follow Supplier's pre-close provisioning flow, then Supplier may terminate its obligations under this schedule.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of $[redacted] per month for the service performed.

(F-15) DSL PROVISIONING AND MAINTENANCE

DESCRIPTION

Supplier will provide Surviving Corporation:

1. DSL Line Service Request fallout and order entry support. This service consists primarily of manual order entry, manual LSR creation to support the dispatch process, resolution and monitoring of all LSR fallout.
2. DSL monitoring and coordination of the provisioning activities. This service consists primarily of providing order status to Surviving Corporation and coordinating the following: dispatch requests, testing, port recovery, database reconciliation, network rearrangements, assignment changes, PVC moves and recovery, backbone fallout, manual builds and disconnects.
3. DSL maintenance support. This service primarily consists of receipt of trouble report, ticket creation, ticketing, testing, monitoring and resolution.

REQUIREMENTS

1. During the Term, the Surviving Corporation will provide Supplier with the level of access Supplier has as of the Closing Date to the network elements and infrastructure and systems acquired by the Surviving Corporation.
2. The Surviving Corporation will direct all customers to call their troubles into Supplier Technical Support. Technical Support will refer the trouble reports to the Maintenance Control Organization via Netway. If the Surviving Corporation elects to open their own call center, Surviving Corporation will be responsible to report customer troubles to Technical Support.
3. The Surviving Corporation will provide Supplier with access to the operation support systems used on the Closing Date to enable resolution of customer troubles and the provisioning of orders.
4. If the Surviving Corporation changes the then existing methods and systems, the Supplier may terminate this service.
5. The Surviving Corporation must continue to provide timely trouble resolution on tickets provided to them from the Supplier. Failure to do so may result in extended repair intervals for which Supplier will not be responsible.
6. The Surviving Corporation must insure that all new customer lines are provisioned using the systems and methods in place on the Closing Date, to maintain database integrity as related to the maintenance function. If the methods and systems are changed, Supplier will not be responsible for any extended maintenance time intervals.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of $[redacted] per month for the service performed.

(F-16) DATA SERVICES PROVISIONING AND MAINTENANCE SUPPORT –

DESCRIPTION

1. Provisioning

The Supplier Data Services Provisioning Center (DSPC) will provide provisioning support relating to customer lines terminating on data switches that are in place on the Closing Date. Provisioning Support's hours of operation are 7:00 a.m. to 6:00 p.m. PT

2. Maintenance

The Supplier Data Service Assurance Center (DSAC) will provide 7 x 24 maintenance support relating to customer lines terminating on data switches that are in place on the Closing Date. Maintenance Support shall be limited to support for services that are offered to customers on the Closing Date.

REQUIREMENTS

1. Surviving Corporation shall provide Supplier access to the switches at levels comparable to those existing on the Closing Date.
2. The Surviving Corporation will direct all customers to call their troubles into the Supplier DSAC center in Thousand Oaks. Supplier will not be responsible to provide maintenance support for call that are not directed to the DSAC center.
3. The Surviving Corporation must provision all new customer lines using the systems and methods that are used prior to the Closing Date. If the current methods and systems are not used, Supplier will not be responsible for any extended maintenance time intervals related to database integrity failures
4. The Surviving Corporation must report all trouble resolutions to Supplier. Failure to do so may result in extended repair intervals.

BASE SERVICE FEE

Per Hour Cost: Surviving Corporation shall pay Supplier a fixed fee of $[redacted] per month for the service performed.

(F-17) DSL CPE FULFILLMENT SERVICES

DESCRIPTION

Supplier will provide Surviving Corporation with CPE fulfillment services for new DSL customers as well as CPE replacement service for existing DSL customers as of the Closing Date.

REQUIREMENTS

1. Surviving Corporation will follow Supplier's then existing escalation practices in place when customer escalations are reasonably requested.

2. If Surviving Corporation's sales and provisioning processes do not utilize Supplier's systems or if Surviving Corporation's provisioning flow does not follow Supplier's then existing provisioning flow, then Supplier's obligations under this schedule terminate.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of $[redacted] per month for the service performed.

(F-18) INTERNET OPERATIONS - EMAIL PLATFORM AND SUPPORT

DESCRIPTION

1. The Supplier's Internet operations group will provide the ISP email platform and will support the hardware and software reasonably requested to maintain this platform. The service will also include Anti-Spam.

REQUIREMENTS

1. Supplier will provide list of the then existing "Verizon.net accounts" on the Closing Date.
2. Surviving Corporation will notify customers of transition plan.
3. Supplier will forward emails from supplier platform to buyer platform during the Term.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of $[redacted] per month for the service performed.

(G-1) RECENT CHANGE MEMORY ADMINISTRATION SERVICES

DESCRIPTION / REQUIREMENTS

1. Supplier will provide Surviving Corporation's employees with access to mechanized systems listed below:
   a. AAIS (Assignment Activation Inventory System)
   b. ERC/RCMS (Enterprise Recent Change/Recent Change Management System)
   c. NOCV (National Order Collection Vehicle)
   d. Voice Mail Server
   e. Call Verify
   f. TAS (Trouble Administrative System)
   g. AIN/SPACE (Advanced Intelligent Network)
   h. SAM (Switch Access Module)
   i. SCOTS (Service Center Order Testing System)
   j. X25 and TCP/IP Network
2. Supplier will provide system maintenance and support for the systems listed above.
3. Supplier will provide staff support for RCMAC processes and deliver to Surviving Corporation historical reports regarding the RCMAC operation.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of $[redacted] per month for the service performed.

(G-2) NETWORK PROVISIONING CENTERS (NPC) TRANSPORT AND MESSAGE TRUNKING SYSTEM SUPPORT

DESCRIPTION

1. Supplier will provide to Surviving Corporation the network provisioning of transport elements which consists primarily of verification and commissioning of new DCS, SONET and DWDM, connectivity of network elements for monitoring, provisioning and surveillance purposes, remote mapping of SONET and DCS and correction of network provisioning order errors.
2. Supplier will provide network systems and system support for the remote provisioning of transport elements.
3. Supplier will provide the network systems and system support for the remote provisioning of message trunking, message testing and trunk turn-up.

REQUIREMENTS

1. Supplier will provide labor and systems to perform transport provisioning and mapping of network elements.
2. Supplier will manage transport provisioning errors and fallout.
3. Surviving Corporation will identify, provide and keep current the hierarchy of Surviving Corporation's contacts for onsite transport support. Surviving Corporation will also provide to Supplier and keep current a contact list of Surviving Corporation's transport employees and escalation contact procedures.
4. Surviving Corporation will, upon Supplier's reasonable request, pay Supplier in advance for associated costs/fees for hardware, software upgrades, vendor telephone support or on-site visits that may be reasonably requested by Supplier to provision, maintain or repair a transport element.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of $[redacted] per month for the service performed.

(G-3) NETWORK CONTROL CENTER (NCC) MONITORING

DESCRIPTION

Supplier will provide the Surviving Corporation with twenty-four hours, seven days a week network monitoring of all central offices. The function consists primarily of network investigation and diagnostic analysis of the alarms received. This investigation consists primarily of accessing the central office through network administrative ports on the switch and transport, and using resident diagnostic and trouble analysis capabilities of the network monitoring centers and the central offices.

REQUIREMENTS

1. Surviving Corporation will issue all security passwords and access codes necessary to allow Supplier access to the digital switch database on the Closing Date.
2. Surviving Corporation will identify hierarchy of call out response, establish contact lists of Surviving Corporation's employees and escalation contact procedure to be submitted to Supplier.
3. Surviving Corporation will upon Supplier's reasonable request pay Supplier in advance for associated costs/fees for hardware, software upgrades, vendor telephone support or on-site visits that may be reasonably requested by Supplier resulting from network monitoring actions.
4. Surviving Corporation will provide instructions on all new switch conversions, upgrades, and replacements. Modifications to data base translations for traffic collection will be coordinated through Surviving Corporation's site personnel.
5. Supplier will collect service outage data. Supplier will forward to Surviving Corporation the reasonably requested information to support Surviving Corporation's Service Outage filing with the FCC and State Regulatory agencies.
6. Supplier will not solicit a switch vendor to perform restoration of services or technical assistance without the prior written approval of Surviving Corporation.
7. Supplier will not disconnect network monitoring access links unless Surviving Corporation submits a written request in a form previously approved by Supplier.
8. Surviving Corporation must provide the necessary vendor names, technical expert names and telephone numbers and parameters that Supplier Tier I personnel will contact as Tier II technical support is required.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of $[redacted] per month for the service performed.

(G-4) NETWORK DISPATCH CENTER (NDC) SERVICES

DESCRIPTION

Supplier will provide remote dispatching of workload to the Surviving Corporation's central office technicians. The NDC will coordinate the work for provisioning and maintaining of special services, POTS service, network elements and all equipment associated with the network.

REQUIREMENTS

1. Supplier will provide a point of contact for Surviving Corporation's central office technicians.
2. Supplier will operate a 24X7 NDC.
3. Supplier will perform the escalation contact as reasonably requested by Surviving Corporation.
4. Supplier will report the technicians' workload.
5. Supplier will track and schedule routine maintenance work completion activities.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of $[redacted] per month for the service performed.

(H-1) INFRASTRUCTURE - DATA COLLECTION SERVICES

DESCRIPTION

Supplier will provide Surviving Corporation:

1. DTI (Digital Trunk Interface), PRI (Primary Rate Interface) and BRI (Basic Rate Interface) equipped and utilization data collected from the Hawaii Central Offices.
2. QMR (Quality Measurement Results) Summary Report. This report shows Dial Tone Response, Interoffice Completions and Intra-office Completions (GTD-5) only.
3. MADID (Marketing DID groups Reports). These reports are used by marketing to monitor usage and overflow traffic on DID groups.
4. VMS (Voice Messaging) Trunking Reports. These reports are used to show usage and attempt data for voice mail groups as well as trunks in-service versus trunks required data.
5. VMS (Voice Messaging) Mailbox Utilization Reports. These reports show mailbox utilization for both business and residential domains.
6. Barcode Compliance and Sparing Level Reports.
7. Net defective Pair Report. This report shows the total number of defective cable pairs and is broken down by feeder and distribution pairs.

REQUIREMENTS

1. Surviving Corporation will maintain Access Guardian connection to each exchange.
2. Surviving Corporation will maintain the traffic data collection device and connection for each exchange.
3. Surviving Corporation will maintain modem access to each Voice Mail Server in the acquired exchanges.
4. Surviving Corporation will maintain use of ATS scanners, maintain current and future data on COEP, and continue barcode compliance as defined by Supplier.
5. Surviving Corporation will maintain data in AAIS/CORE and maintain defective pair reporting procedures as defined by Supplier.

BASE SERVICE FEE

1. Monthly Cost Surviving Corporation shall pay Supplier a fixed fee of $[redacted] per month for the service performed.

(H-2) MONITORING OF CENTRAL OFFICE CIRCUITS AND DATA COLLECTION SYSTEMS

DESCRIPTION

Supplier will provide Surviving Corporation eight hours, 5 days a week monitoring of central office circuits and data collection systems, with off-hour on-call duty. The function consists primarily of monitoring the TDCS and IMS systems, the data collection and processing functions, and the investigation, analysis, and escalation of problems where data collection or processing has stopped. This investigation will entail reviewing TDCS applications, accessing Access Guardian, accessing the central office through network administrative ports on the switch to determine where problem may reside. If problem resides within the system, the problem will be corrected or escalated to application vendor for review and corrective action. If the problem resides outside of TDCS or IMS, the problem will be referred and escalated to the Surviving Corporation for analysis and corrective action.

REQUIREMENTS

1. Surviving Corporation will maintain Access Guardian connection to each exchange.
2. Surviving Corporation will issue all security passwords and access codes necessary to allow Supplier access to the switch database on the Closing Date.
3. Surviving Corporation will identify hierarchy of call out response; establish contact lists of Surviving Corporation's employees and escalation contact procedure to be submitted to Supplier.
4. Supplier will provide a directory of telephone numbers of all monitoring centers that will be providing data collection and processing monitoring for Surviving Corporation.
5. Supplier will provide electronic copy of traffic data reports.
6. Supplier will not solicit a switch vendor to perform restoration of services or technical assistance without the prior approval of Surviving Corporation.
7. Supplier will not disconnect network monitoring access links unless Surviving Corporation submits a written request in a form previously approved by Supplier.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of $[redacted] per month for the service performed.

(H-3) TELEPHONE ADMINISTRATION SERVICES

DESCRIPTION

Supplier will provide Surviving Corporation telephone number administration functions and processes. This consists primarily of administering the Number Portability processes and the management and distribution of telephone number inventory. Supplier will provide manual assignment of telephone numbers for specific/vanity requests for POTS, DID, and CENTREX lines. Requests will be worked via phone, email, and REMEDY (trouble reporting system).

REQUIREMENTS

1. Supplier will provide support and services by live on-line Coordinators Mondays through Saturdays from 1pm-10pm CST to support Hawaii's business hours.
2. Surviving Corporation will issue all security passwords and access codes necessary to allow Supplier access to AAIS, NTAS, and REMEDY to perform services as identified in the description above.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of $[redacted] per month for the service performed.

(H-4) TRAFFIC DATABASE MAINTENANCE AND DATA VALIDATION

DESCRIPTION

Supplier will provide Surviving Corporation:

1. TDCS (Traffic Data Collection System) database maintenance services.
2. Validation of the data collected and review of reports of questionable or invalid data as reasonably requested.
3. The data collection, validation and reporting processes would be comparable to then existing services performed by Supplier for its own West Region LEC operations.

REQUIREMENTS

1. Surviving Corporation will maintain the traffic data collection registers and methods that are in place on the Closing Date.
2. Surviving Corporation will issue all security passwords and access codes necessary to allow Supplier access to the digital switch database on the Closing Date. The Surviving Corporation will give the Supplier access, as reasonably requested, to perform investigation of questionable data and in-service quantities.
3. Surviving Corporation will provide Central Office personnel contacts.
4. Supplier will provide electronic transmittal of traffic data reports.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of $[redacted] per month for the service performed.

(H-5) INSIDE PLANT ENGINEERING SUPPORT SERVICES– COEMOD

DESCRIPTION

Supplier will provide the Surviving Corporation with the systems' access, use and administrative support to perform the inside plant engineering function for the local telephone exchange service.

The Central Office Equipment Modeling systems consist primarily of GSTS and EBM in conjunction with MountainTop, which is a Phifer Systems application and an Oracle database to perform the engineering support function.

REQUIREMENTS

1. Consistent with the terms of the Transition Services Agreement, it will be necessary for third party software including, Phifer Systems (Mountain Top) and Oracle to be licensed and used.
2. Surviving Corporation will be responsible for all hardware support and maintenance agreements.
3. Supplier will deliver to Surviving Corporation reasonably requested historical data pertaining to the regulated engineering activity in the inside plant.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of $[redacted] per month for the service performed.

(H-6) OUTSIDE PLANT ENGINEERING SUPPORT – ICGS

DESCRIPTION

Supplier will provide the Surviving Corporation with the systems' access, use and administrative support to perform the outside plant engineering ("OSP") function for the local telephone exchange service.

The Supplier uses a proprietary system (Interactive Computer Graphics System (ICGS) in conjunction with a Bentley Microstation and an Oracle database to perform the engineering support function.

REQUIREMENTS

1. Consistent with the terms of the Transition Services Agreement, it will be necessary for third party software including Bentley (Microstation) and Oracle to be licensed and used.
2. Surviving Corporation will be responsible for all hardware support and maintenance agreements.
3. Surviving Corporation will provide Supplier with standard and acceptable service standards as stipulated by the Public Utilities Commissions or other mutually agreed upon standards by Surviving Corporation and Supplier.
4. Supplier will deliver to Surviving Corporation reasonably requested historical data pertaining to the regulated engineering activity in the outside plant.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of $[redacted] per month for the service performed.

(H-7) COMMON LANGUAGE (CLLI) SUPPORT SERVICES

DESCRIPTION

Supplier will provide Surviving Corporation Common Language support, consisting primarily of:

1. Common Language CLLI code support
2. Administration of standardized Common Language CLLI coding for equipment, services and/or customers (research of technologies for standardized code implementation)
3. NC/NCI support for new products and services implementation
4. NC/NCI support for resolution of ordering and billing issues
5. Access to WebCLONE – (reference documentation, querying capabilities of the CLONES database and mechanized request forms)

REQUIREMENTS

1. Surviving Corporation will process CLLI requests utilizing the mechanized request forms in WebCLONE for equipment, ACTL and hicap activity.
2. Surviving Corporation will provide diagrams and relevant documentation pertaining to resolution of NC/NCI ordering and billing issues as well as all pertinent reference documentation to obtain NC/NCI coding for new product and service implementation.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of [redacted] per month for the service performed. In addition, Surviving Corporation shall also reimburse Supplier for any Telcordia CLLI code related expenses. CLLIs are $[redacted] per record for CLONES and a Locate IT lookup. The number of transactions for Hawaii based on a 6 months average is [redacted] a month.

(H-8) COEP/COEPIP/BARCODE SYSTEMS SUPPORT SERVICES

DESCRIPTION

Supplier will provide Surviving Corporation:

1. Support of COEP application (User administration, application support, End-User support, and maintenance).
2. Support of COEPIP application (User administration, application support).
3. Support of the following barcoding applications: PALM applications ATS and VTS, and laptop applications BCAP, SAVE and Superaudit.
4. Support of the following COEP data search applications: ICU, SEDTU, ECR2, and RandomAudit.

REQUIREMENTS

1. Surviving Corporation will be responsible for the barcode scanning of all movements of COE assets in field.
2. Surviving Corporation will provide barcode training of Central Office Technicians and Installers.
3. Surviving Corporation will be responsible for all Hawaii Barcode Compliance Reports.
4. Surviving Corporation will be responsible for its supply of barcode label stock.
5. Surviving Corporation will assume associated cost for repair of barcode PALM devices.
6. Surviving Corporation will be responsible for review and approval of COEPIP plugin orders.
7. Supplier will be responsible for data transfer from barcode server to COEP database.
8. Supplier will be responsible for the data transfer or plugin orders from the COEPIP system onto Supplier's designated system.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of $[redacted] per month for the service performed.

(H-9) COEP ENGINEERING AND PLANNING SUPPORT SERVICES

DESCRIPTION

Supplier will provide to Surviving Corporation:

1. Verification of data collected in relation to work order activity and bar code transactions for day-to-day operations. Maintain database and record property records in COEP (Central Office Equipment Property) system. Maintenance will consist primarily of work order barcode verification and barcode error correction as a result of the barcode process utilized by Operations and Installation.
2. Template, part number search, BSN (bar code serial number) search, upload verification, refresher ATS assistance to Operations and Installation via the helpdesk to users of the bar code technology in the collection and uploading of records to the COEP database. These functions are provided five days a week for the hours between 8:00 a.m. and 5:00 p.m. PST. There is pager coverage for emergencies until 7:00 p.m. PST.
3. Engineering support regarding bar code processes, work order status and accounting regulations. Provide templates, website locations and bar code documentation for work order BOM detailing.
4. Construction and operations support groups with templates and labels as reasonably requested for bar coding.
5. Assistance for capital asset accounting with the proper scaling of work orders between the property record database and the asset management database.
6. The COEP system support will be provided to Surviving Corporation using the then existing policies, practices and procedures as are used by Supplier with its own west LEC operations.

REQUIREMENTS

1. Surviving Corporation will use ATS/VTS bar code scanner technology or other property record collection technology then used by Supplier.
2. Surviving Corporation will issue all security passwords and access codes necessary to allow Supplier access to the property records database.
3. Surviving Corporation will be responsible for all costs/fees for hardware, software upgrades, or on-site visits that may be required by technicians resulting from work order monitoring actions.
4. Supplier will provide a directory of telephone numbers for all COEP personnel who will be providing data correction and helpdesk activities for Surviving Corporation.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of $[redacted] per month for the service performed.

(H-10) CODE ADMINISTRATION SERVICES

DESCRIPTION

Supplier will provide Surviving Corporation:

1. Process NXX code/block activations: This function consists primarily of issuance of Part 1s/1As to NeuStar; inputting Surviving Corporation's assigned code/block information into Telcordia™ BIRRDS/LERG; updating Telcordia™ BIRRDS/LERG for Surviving Corporation's modifications, transfers and disconnects and updating Telcordia™ BIRRDS/LERG for CLEC's (Wireline and Wireless) modifications, transfers and disconnects in Surviving Corporation's service area.
2. Manage code/block administration functions: This function consists primarily of monitoring of CLEC activity in Surviving Corporation's service area (bankruptcy and code throws) and managing resolution activity for Telcordia™ BIRRDS/LERG and NeuStar discrepancy reports.
3. Interface with NeuStar/NANPA: This function consists primarily of monitoring status of Part 4s.
4. Furnish customers and regulators with NXX code/block data: This function consists primarily of coordinating and implementing process changes initiated by the FCC and or INC mandates and developing, maintaining and distributing reasonably requested reports for regulatory filings and metrics reporting.

REQUIREMENTS

1. Surviving Corporation will issue all security passwords and access codes necessary to allow Supplier access to Telcordia™ BIRRDS/LERG so that it may perform services as identified in Description.
2. Supplier will take direction from Surviving Corporation regarding switch upgrades, tandem changes, waivers and emergency notifications. Activity will be coordinated through Surviving Corporation's site personnel.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of $[redacted] per month for the service performed.

(H-11) CENTRAL OFFICE ENGINEERING & OUTSIDE PLANT ENGINEERING SUPPORT & RADIO SUPPORT SERVICES

DESCRIPTION

Supplier will:

1. Provide Engineering and Planning consulting on central offices and outside plant.
2. Provide FCC/FAA compliance advice to Surviving Corporation in connection with wireless facilities existing on the Closing Dare. Consulting activities consist primarily of:
   a. Radio Design analysis and support
   b. Frequency selection and industry coordination
   c. FAA clearances and FCC Antenna Structure Registrations
   d. FCC application preparation and engineering data exhibit verification
   e. FCC administration process tracking and follow-up – project closures and notifications
   f. Radio station licenses retention and update

REQUIREMENTS

General Engineering Support:

Surviving Corporation will contact Supplier Engineering Staff Support and make a request for assistance.

Radio Support:

Surviving Corporation will contact Supplier and identify the area where the radio system is located, radio capacities and equipment type.

Supplier will then conduct frequency feasibility studies to determine if channels are available for existing systems (Point-to point Microwave (Part 101), Business Radio, Telephone Maintenance Radio, & Rural Radio (Part 90).

With coordinates identified and equipment configuration identified, Supplier will perform a frequency feasibility study to determine the availability of frequencies (channels) for the type of radio service being proposed. Studies are by way of online engineering (Comsearch, PICA, Comp Com). Surviving Corporation will pay all fees for use of these services.

If no frequency pairs are found, this is reported back to the Surviving Corporation and the Surviving Corporation either terminates the project or selects a secondary site. If a secondary site is selected, another feasibility study is performed to see if there are any frequencies that can be cleared first.

If frequency pairs are identified as available, this is reported back to the Surviving Corporation for next step. The Surviving Corporation will fund and schedule the project.

Completing a funded radio project:

When the Surviving Corporation makes the decision to fund the project, Supplier will assist the Surviving Corporation and selected vendor in gathering detailed information on the radio system to be added.

This consists primarily of assisting the Surviving Corporation and equipment vendor in determining antenna types and sizes, cable systems and radio types to meet operational needs such as:

Antennas: Omni or directional, vertical or horizontal polarization required, based on coverage area. Supplier, based on what has been filed previously, will recommend this. As an Exhibit for the Form 601, Supplier will prepare the polar diagram required on all directional antennas. This consists primarily of contacting the antenna vendor or downloading specifications from the Internet.

Transmission Line: Heliax is to be used. Supplier will recommend 7/8" for runs under 200' & 1 5/8" for runs greater than 200; to minimize the signal loss for radio services under Part 90. For services under Part 101, pressurized waveguide runs will be used.

Towers: Supplier will assist the Surviving Corporation and the Surviving Corporation's tower contractor with the required tower analysis to determine if additional loads (Antenna & waveguide) will require modifications to structure, provide the antenna type, centerlines, cable type for initial tower analysis.

Radios: By working closely with the Surviving Corporation's selected vendor, Supplier can recommend what is approved and presently in the network.

Once the system design is complete, Supplier will prepare application Form 601 for FCC construction permits as reasonably requested by the commission.

The detailed engineering data required to fill out FCC Form 601 will be gathered from history files, data provided by the Surviving Corporation and online services.

Supplier will check to see if any FAA notifications (7460-1) are required. If required, they will be filed on behalf of the Surviving Corporation. Supplier will prepare FAA applications for new or modified towers. Supplier will prepare the required FAA form every time the Surviving Corporation adds an antenna that will increase structure height (Surviving Corporation's towers and proposed leased sites).

Supplier will prepare the required FAA form when the Surviving Corporation proposes to change lighting requirements.

If reasonably requested, Supplier will submit a new ASR (Antenna Structure Registration) form 854. The Surviving Corporation will be responsible for securing a corresponding registration sign and posting it at the base of the tower.

Supplier will assemble the application package for review by the Surviving Corporation before it is filed with the FCC.

After the application is filed, Supplier will review weekly Public Notices to monitor application process time frame.

Supplier will work with the FCC regarding any application clarification being requested by the commission.

After the Surviving Corporation places the radio system in-service, Supplier will (when requested) assist the Surviving Corporation's technical/maintenance support staff with the analysis of any radio transmission problems.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of **$[redacted] per month** for the service performed.

* A brief description of each Type of Service is as follows:

Business Radio (BR):

Used for internal company use, such as dispatch. Equipment used is Motorola, GE, and Johnson. Operational frequencies are typically 151, 456, 800 MHz.

Point-to-Point Microwave (MW):

Used for interoffice, inter-island, & diversity toll routes. The majority are Alcatel digital radios, a few are NEC, Avantek and Harris. Operational frequencies are 2, 6, 11, & 18

GHz. To increase readability, most are designed with hot standby, space diversity configurations and/or frequency diversity.

Rural Radio (RR):

Used for hard to reach customers in providing POTS services. Each customer has a small antenna that is pointed to a distant base station location for service. Equipment type is IMM Ultra phone. Operational frequency is 454 MHz. Most base station locations operate more than one frequency dependent on the number of customers served to achieve an acceptable grade of service.

Telephone Maintenance Radio (TMR):

Used for internal company use, such as dispatch. Equipment used is mainly Motorola. Operational Frequencies are 151, 158, & 451 MHz. Typical radio configuration is Base, Control or Repeater.

(H-12) CAPITAL PROGRAM MANAGEMENT SYSTEM ADMINISTRATION AND USER SUPPORT SERVICES

DESCRIPTION

Supplier will provide Surviving Corporation:

1. Administration of CPMS (Capital Program Management System): CPMS is an integration of management procedures and computer applications. CPMS enables management review of network planning, engineering, and construction. Administration of CPMS consists of maintaining all table data associated with work order processing beginning with creation and continuing through approval and closing. Supplier will provide valid User ID tables as well as then required approval and distribution tables along with other standard tables that reside in CPMS in support of the planning and engineering business process.
2. CPMS End-user Support: eight hours per day, five days per week help-desk support for all valid users. Users may request assistance with development and activation of customized data query extracts from Supplier's centralized CPMS mainframe and database currently located in Supplier's Ft. Wayne, IN data center. Users are able to contact the one available CPMS national support person directly via telephone or e-mail messaging at any time during the standard 40-hour workweek. Users will be required to clearly define their need or problem when requesting his assistance. Depending on complexity of the problem, Supplier will use commercially reasonable efforts to respond to requests within the same eight-hour shift as originated but no later than three (3) business days after the initial contact.

REQUIREMENTS

1. Surviving Corporation will provide sufficient work space and office equipment along with valid site access to accommodate the CPMS Administrator's needs in Hawaii.
2. Surviving Corporation will define and maintain the business policy that determines who is a valid CPMS User.
3. Surviving Corporation will provide and maintain a current list of Surviving Corporation's employees and escalation contact procedure to the CPMS Administrator.
4. Surviving Corporation will, upon vendor technician request, pay Supplier in advance for the associated costs/fees for hardware, software upgrades, vendor telephone support or on-site visits resulting from CPMS activity.
5. Supplier will be responsible for Surviving Corporation's Network associated with access to perform CPMS Administration or end-user support.
6. Supplier will not solicit a vendor to perform restoration of services or technical assistance without the prior approval of Surviving Corporation.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of $[redacted] per month for the service performed.

(H-13) VOICE AND TANDEM SWITCH NETWORK PLANNING

DESCRIPTION

The Supplier will provide voice and tandem network planning support for the Hawaii LEC, consisting primarily of support for generic software and common hardware upgrades for the tandem, GTD5, 5ESS, and DMS100/200 switches. The Supplier will also plan and advise the Surviving Corporation for any recommended changes to the E-911 and feature networks.

REQUIREMENT

1. Consistent with the terms of the Transition Services Agreement, it will be necessary for third party software and hardware including Voice and Tandem Network and E911 and feature networks to be licensed and used.

BASE SERVICE FEE

Monthly Cost No additional charge required.

(H-14) DSL PLANNING

DESCRIPTION

Supplier will provide Digital Subscriber Line (DSL) planning and capacity management functions for the Surviving Corporation, consisting primarily of:

1. DSL Current Planning:
Supplier will provide support for the capacity management of DSL services. Supplier will also provide timing and sizing of DSL network element installations, issuance of Project Control Memoranda (PCMs), economic analyses, technical support, budget control, and project coordination related to DSL in Hawaii.

2. DSL Program Management:
Supplier will work with Surviving Corporation to coordinate the Surviving Corporation's DSL projects in order to achieve the completion of the DSL modeled growth and CO expansion programs.

3. Data Traffic Engineering:
Supplier will collect information and provide reports to Surviving Corporation for DSL network analysis and modeling and augmentation of DSL capacity. The Supplier will build these reports in Net Optimize Capacity Manager system and OPNET SP Guru systems.

4. Process and Systems Management:
Supplier will provide system administrative activities for the Capital Program Management System (CPMS), Backbone Request Tracking System (BeRT), and Oracle databases.

5. DSL Fundamental Planning:
Supplier will provide planning support for software and hardware upgrades to the DSL network.

6. Transport Planning:
Supplier will format the Current planners' circuit requests into an ASR and forward to the ILEC via the Carrier Services Gateway (CSG) system. The ASRs flow through the ILEC for provisioning. The order number, circuit I.D., and firm installation due date are documented in Backbone Request Tracker (BeRT) database. The Transport Planner is also responsible for communicating to the Current Planner any facilities problems or issues detected by the ILEC through completion of the request. The Transport Planner monitors the requests and makes necessary changes to the ASRs as needed and updates the BeRT document noting problems and changes made with the ILEC and the ASR.

7. xDSL Inventory Creation:

Supplier will create and maintain assignable inventory in Broadband Assignment Activation and Inventory System (BAAIS) for provisioning of DSL customer service orders.

BASE SERVICE FEE

Monthly Cost	No additional charge required.

(H-15) FAST PACKET PLANNING

DESCRIPTION

Supplier will provide Fast Packet planning and capacity management functions for the Surviving Corporation LEC, consisting primarily of:

1. Fast Packet Current Planning
Supplier will provide support for the capacity management of ATM, Frame Relay, Trans LAN, and BTAS/BYOP services. Supplier will also provide timing and sizing of network element installations, issuance of Project Control Memoranda (PCMs), economic analyses, technical support, budget control, and project coordination related to the Fast Packet Network in Hawaii.

2. Fast Packet Project Management
Supplier will work with Surviving Corporation to ensure network elements are installed and commissioned, and associated circuits are completed to meet the current planner's requirements.

3. Data Traffic Engineering
Supplier will collect information and provide reports to Surviving Corporation for Fast Packet network analysis and modeling and augmentation of Fast Packet network capacity.

4. Process and Systems Management
Supplier will provide system administrative activities for the Capital Program Management System (CPMS), Backbone Request Tracking System (BeRT), and Oracle databases.

5. Fast Packet Fundamental Planning
Supplier will provide Fast Packet network planning support for software and hardware upgrades.

6. Transport Planning
Supplier will format the Current planners circuit requests into an ASR and forward to the ILEC via the Carrier Services Gateway (CSG) system. The ASRs flow through the ILEC for provisioning. The order number, circuit I.D., and firm installation due date are documented in Backbone Request Tracker (BeRT) database. The Transport Planner is also responsible for communicating to the Current Planner any facilities problems or issues detected by the ILEC through completion of the request. The Transport Planner monitors the requests and makes necessary changes to the ASRs as needed and updates the BeRT document noting problems and changes made with the ILEC and the ASR.

7. Data Network Inventory Creation
Supplier will build and maintain the inventory in Broadband Assignment Activation and Inventory System (BAAIS 2.0) & (BAAIS National) for ATM, Frame Relay, Trans LAN,

and Gigabit Ethernet services. The Supplier will produce capacity reports as well as utilization reports and provide them to the Surviving Corporation.

BASE SERVICE FEE

Monthly Cost No additional charge required.

(H-16) BUSINESS RESPONSE PROVISIONING CENTER (BRPC)

DESCRIPTION / REQUIREMENTS

Supplier will provide the access, use and administrative support to systems to perform the Circuit Provisioning and Administrative function for the Surviving Corporation. Supplier has a team of five (5) Associates and three (3) Management located in Upland, Ca and Newbury Park, Ca BRPC that perform the required Circuit Provisioning and Administrative functions.

The California BRPC team uses the Supplier proprietary systems AAIS-DS (Assignment Activation Inventory System- Design Services), CPMS (Capital Program Management System), NOCV (National Order Collection Vehicle) and Exact (Exchange Access Control and Tracking) as PC based applications to perform the engineering support function.

BASE SERVICE FEE

Monthly Cost	No additional charge required. This fee does not include the additional cost for the actual plug-in cards.

(I-1) LOGISTICS SYSTEM SUPPORT SERVICES

DESCRIPTION

Supplier will provide the following system support services to the Surviving Corporation:

1. Maintain application code for GTEAMS
2. Maintain interface between SAP accounts payable systems to allow for payment of vendor invoices for inventory.
3. Maintain an interface to ensure general ledger transactions are recorded for Surviving Corporation's records.
4. Maintain mainframe hardware environment to ensure appropriate memory and processing units are available to support transactional levels
5. Maintain, monitor, and restore reported system outages.
6. Maintain and run batch processing jobs for GTEAMS.
7. Maintain disaster recovery plan/process that is in place for Hawaii GTEAMS region on the Closing Date.

REQUIREMENTS

Surviving Corporation shall provide Supplier with all information and data required for Supplier to perform its duties herein. Further, Surviving Corporation shall use commercially reasonable efforts to cooperate with Supplier in the performance of its duties.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of $[redacted] per month for the service performed.

(I-2) FLEET SUPPORT CENTER SERVICES

DESCRIPTION

Supplier will provide Surviving Corporation employees access, use and administrative support to systems to perform the invoice payment process and the fuel process operations for the vehicle fleet.

REQUIREMENTS

1. Supplier will deliver to Surviving Corporation vendor and invoice records through access to FleetTracker.
2. Supplier will deliver to Surviving Corporation reasonably requested reports regarding the historical maintenance and repair of vehicles, mobile tools and trailers obtainable through access to FleetTracker. The reports referred to will be for the historical retention period required by the Hawaii Public Utilities Commission.
3. Supplier will process employee time reporting/RDM.
4. Supplier will monitor six bulk fuel sites daily and order fuel as needed. If repairs are needed, trouble calls will be made to Surviving Corporation personnel as prescribed by Surviving Corporation.
5. Fuel invoices will be processed through the vendor payment process and commercial fuel logs will be maintained.
6. Supplier will serve as a contact to reissue retail fuel cards as necessary.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of $[redacted] per month for the service performed.

(I-3) ELECTRONIC REPAIR SERVICES (ERS)

DESCRIPTION / REQUIREMENTS

Supplier will provide the Surviving Corporation the following services:

1. Repair and test PICS shipped to the mainland
2. Repair and calibrate test and measurement equipment shipped to the mainland
3. Manage Vendor repair of PICS, test & measurement equipment, tools and miscellaneous network equipment shipped to mainland.
4. Provide repair and calibration technical support
5. Provide Surviving Corporation with systems access reasonably requested to support local Hawaii repairs and calibrations.
6. Provide Surviving Corporation with system access reasonably requested to ship/receive equipment.
7. Complete 800 number call forwarding requirements to direct customer repair and calibration inquiries to the Surviving Corporation specified telephone number.
8. Deliver to Surviving Corporation historical data pertaining to repair, calibration and AWAT activity.
9. Support Surviving Corporation repair and calibration work-in-process.
10. Coordinate recovery operations services transfer between current contracting agency and Surviving Corporation.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of $[redacted] per month for the service performed.
Freight Costs	All inbound & outbound freight cost and lost equipment shipped to the mainland. Surviving Corporation will assume the risk of loss.

(J-1) WHOLESALE SERVICES

DESCRIPTION

Supplier will provide the following services to the Surviving Corporation and its wholesale clients:

1. Local Service Requests (LSR) pre-order and order. Supplier will make its systems available to Surviving Corporation wholesale customers for pre-order validations. Surviving Corporation wholesale customers will send electronic service requests using Supplier's available systems. Electronic LSR are received via a direct data link or are manually sent to Supplier. Fallouts are handled by Supplier's service representatives who directly interface with the Surviving Corporation 's Wholesale customers, field personnel, or Central Office personnel when necessary.

2. Access Service Requests (ASR) pre-order and order. Supplier will make its systems available to Surviving Corporation wholesale customers for pre-order validations. Surviving Corporation wholesale customers will send electronic service requests using Supplier's available systems. Electronic ASR are received via a direct data link or or are manually sent to Supplier. Fallouts are handled by Supplier's service representatives who directly interface with the Surviving Corporation 's Wholesale customers, field personnel, or Central Office personnel when necessary.

3. LSR and ASR provisioning. Supplier will provide provisioning coordination for LSR and ASR through its provisioning centers. Supplier will interact with Surviving Corporation's field and Central Office personnel to coordinate the successful provisioning of Wholesale services.

4. LSR trouble administration. Supplier will make its systems, other than its official website, available to Surviving Corporation wholesale customers for troubleshooting LSR. The Supplier National Operations Center will receive trouble reports electronically or via telephone.

5. ASR trouble administration. Supplier will make its systems, other than its official website, available to Surviving Corporation wholesale customers for troubleshooting ASR. The Supplier will accept trouble reports electronically or via telephone.

REQUIREMENTS

Supplier will make available to Surviving Corporation necessary contact information for ordering, provisioning, and troubleshooting of Local and Access Service Requests.

Transition Services Schedules

BASE SERVICE FEE

Monthly Fee:	Surviving Corporation shall pay Supplier a fixed fee of $[redacted] a month for the services performed.

(K-1) MASS AND MULTI MARKET SALES SUPPORT SERVICES

DESCRIPTION

Supplier will provide Surviving Corporation with user access and administrative support for the systems used to provide sales, customer contact, order entry and billing inquiry and adjustment functions for its residential and small businesses customers referred to as the "Mass Markets" segments. The support services are comprised of:

1. **Billing Receivables Management and Revenue Assurance**
   a. Supplier will support the planning and development of Mass Markets billing and receivables initiatives undertaken prior to Closing.
   b. Supplier will provide Surviving Corporation access to its online reference platform ("EZR"), which contains methods and procedures for billing and receivables management. Supplier will provide methods and procedures and provide updates as reasonably requested by Surviving Corporation.
   c. Supplier will provide billing and receivables consulting services to assist Surviving Corporation maintain its customer service levels existing prior to Closing.
   d. Supplier will support the implementation of billing processes for new products announced by Surviving Corporation prior to the Closing Date.

2. **Customer Experience Surveys**

Supplier will support Surviving Corporation in measuring its customer service levels in Hawaii by conducting the following surveys:

   a. Customer Care Index (CCI). Supplier will provide service level measurements based on survey responses related to customer interactions with Surviving Corporation representatives. Supplier will use its then existing vendor contracts to conduct this survey.
   b. Team Improvement Process Support (TIPS). Supplier will use its internal process to measure customer experience and loyalty with Surviving Corporation. Supplier will provide diagnostic feedback and will alert Surviving Corporation to any significant customer issues that should require immediate attention from Surviving Corporation.
   c. Inter-Functional Help Desk (IHD). Supplier will use its internal process to monitor and provide solutions to customers' escalations originating from Surviving Corporation customer sales desk in Hawaii. Supplier will use tickets to capture and record escalations details and measure level of customer satisfaction.
   d. Pell City. Supplier will conduct outbound calls to Surviving Corporation customers. The purpose of the call will be to ensure that customers have received the products and services ordered and to survey the level of customer satisfaction during the ordering process.

e. Complaints Analysis. Supplier will use its then existing process to collect and analyze customers' complaints.

f. Supplier will provide a periodic report (consistent with the current "4P Hawaii Report") analyzing the results obtained from the above listed surveys.

3. Service Delivery and Customer Interface

a. Supplier will provide the customer interface supporting the Voice Response Unit ("VRU") scripting and routing. Supplier will use scripts, processes, and procedures existing on the Closing Date.

b. Supplier will provide methods and procedures governing the service provisioning process.

4. Recognition, Incentives, and Compensation

a. Supplier will make available and support then existing compensation and incentives programs aimed at driving and influencing the behavior of the sales representatives in the Hawaii sales centers

5. Specialty Channel Support

a. The Supplier's Specialty Channel Support group (SCS) will provide support to the Surviving Corporation then existing VOL centers.

b. The support functions consist primarily of project management, training development, facilitation, and delivery, process development, analysis, measurement, documentation and quality management, customer initiative support and call management.

6. Operations Communications and Process Management

a. Supplier will provide Surviving Corporation access, use, and administrative support to EZR.

b. Supplier will manage EZR by providing a daily content maintenance, system related problem resolution and enhancements.

7. Training and Development

a. Supplier will provide the Surviving Corporation access to training programs and maintain the scheduling of and processes associated with the training of sales skills development for the Surviving Corporation sales force.

8. Small Business Sales Support and Winback

a. Supplier will provide sales support for new small business products launched prior to Closing Date, consisting of Go-to-Market process. Supplier will support Surviving Corporation build its Go-to-Market process, launch the sales campaign,

integrate new products with existing products, and maintain the lifecycle of voice and data products.

b. Supplier will train and monitor products and systems introduced into the Business Sales Centers prior to the Closing Date.

c. Supplier will make available existing written documentation for products, systems and processes.

d. Supplier will provide project management resources used to support new initiatives

9. Operations Deployment and Technology

a. Supplier will complete 800 call forwarding requirements for Mass Market calls from Honolulu, HI.

b. Supplier will provide access to its ordering system (CARE) and billing systems necessary to support Mass Market contacts. Supplier will provide access, use and administrative support for systems related to the customer care activity.

c. Supplier will deliver to Surviving Corporation historical reports regarding the Mass Market Center operation and reports identifying Customer Service performance requirements set forth by the Public Utilities Commissions. The reports will be maintained for the historical retention period required by the Public Utilities Commission.

d. Supplier will provide business requirements support for IT systems changes and enhancements, as appropriate, for the customer care and billing systems.

10. Technology Strategy and Sales Support

a. Supplier will provide its then existing sales delivery systems, consisting of Direct Marketing Sales Support (DMSS), Long Distance Sales Support (LDSS), and Verizon Plus Order Processing System (VPOPS).

b. Supplier will provide its then existing error correction queuing processes managed through Work Flow Manager (WFM) and Error Reporting Managing Application (ERMA).

c. Supplier will provide its then existing sales reporting for compensation through Sales Management and Tracking System (SMTM) and Consumer Metrics Integration (CMI) with necessary adjustments for segregation of information.

d. Supplier will provide its then existing sales management reporting systems consisting primarily of Coaches Aid (CA) and Online Sales Tracking (OST).

e. Supplier will provide its then existing intra and inter office issue referral tracking through the MemoText (MT) application.

11. Desktop and Call Management

a. Supplier will support the implementation of new call management systems as well as changes and upgrades to existing call management platforms. Supplier will provide operational support for call management systems for rerouting calls,

rectifying call management system outages and support routine switch maintenance.

b. Supplier will provide support utilization for Electronic Management Performance System (EMPS) for workforce scheduling. Supplier will provide helpdesk to users, implement upgrades, create new groups, and make administrative changes.

12. Operational System Assurance and Certification

a. Supplier will provide user acceptance testing services for monthly systems upgrades and enhancements for COFEE and Sales Max.

13. Alternate Channels Support

a. Long Distance: Multicultural Care

The Supplier's The Multicultural Care ("MCC") external channel team is located at AFNI (external vendor), in Tucson, AZ. This queue operates 9am - 7pm, CST, Monday through Friday. The purpose of this customer care program is to handle general care questions for out-of-franchise ("OOF") residential and all small business customers requiring in-language support in regards to then existing long distance "LD" services and products.

14. **National Sales Support Centers**

a. The National Sales Support Centers are offline centers that do not handle incoming calls from customers. Their responsibility is to ensure the accuracy of orders issued by the Surviving Corporation Consumer Sales Centers and Business Sales Centers. This organization includes the Support and Response Centers and the Consumer Product Support Centers.

i) The Support and Response Centers will handle the correction of consumer and business orders issued by the Surviving Corporation frontline sales centers. In addition, the Supplier's Support and Response center will respond to customer correspondence and validate and/or correct addresses on returned mail.

ii) The Consumer Product Support Centers will assist the Surviving Corporation's frontline sales centers in understanding the use and interactions of Supplier's services.

15. Sales Force Management

a. Supplier will monitor and manage the staffing levels reasonably requested to meet the customer demand through the utilization of historical data. Supplier will evaluate impact on holidays, seasonal events, and promotional and marketing campaigns and recommend the necessary staffing levels.

b. Supplier will create, validate, and audit Force Management Reports ("FMR"),Site/Center Reports, and Forecast Reports.

i) Force Management Reports. Supplier will produce daily FMR for each of the Consumer and Business Call Centers. The FMR reports provide detailed data concerning Call Center performance measured by call handling times, occupancy rates and force utilization rates, as well as the specific accounting for how time is being spent in the call center environments. FMR provide data pertaining to employee hours spent in Call Centers for on line work as well as for the time spent doing necessary off line work, vacations, initial and developmental training, days off, absence, and several categories of miscellaneous time.

ii) Site/Center Reports. Supplier will provide Site/Center reports monitoring Calls Average Handle Time ("AHT"), site occupancy rate ("OCC"), Service Level ("SVL"), and Average Speed of Answer ("ASA").

iii) Forecast Report. Supplier will provide a daily call forecast.

16. Product Management – Cost Study Services

    a. Supplier will develop regulatory costs in support of tariff filings, regulatory proceedings and individual case base contracts.

17. Channel Integration and Marketing Interface

    a. Supplier will provide sales support for new Consumer products launched prior to Closing, consisting of Go-to-Market process. Supplier will support the Go-to-Market process, launch the sales campaign, integrate new products with existing products and maintain the lifecycle of existing products.

    b. Supplier will provide support for the Encore system.

    c. Supplier will manage EZR by providing a daily content updates and updates to lifecycle product set.

    d. Supplier will provide support for the following systems:

        i) OneBill – allows Supplier to combine Wireless bills with LEC bills.

        ii) SSP – Strategic Systems Platform – DSL sales tool

        iii) EZ INFO/Campaign Manager – Campaign update tool

        iv) Consumer Link – formerly Channel Calendar

        v) CAD – Encore Common Agent Desktop – used by vRepair to open trouble tickets

        vi) iGO – Billing error referral system

        vii) AMT – Encore Account Management Tool – used by Encore reps to create follow-ups, referrals, escalations, etc.

REQUIREMENTS

1. Supplier will use its existing commercial names when interacting with customers
2. Supplier will use its existing voice and electronic platforms when interacting with customers.
3. Supplier will not provide Third Party Verifications.

4. The following requirements apply to the Cost Study Services:
   a. Supplier will provide the Surviving Corporation an estimate of time to complete and cost to complete based on the requirements and complexity of the each request for each filing in a mutually agreed upon timeframe.
   b. Supplier will develop and prepare cost studies in support of tariff filings and contracts consistent with past practices. The historical volume has been 35 filings over the last 27 months.
   c. Surviving Corporation will identify products or contract offers which require cost support.
   d. Surviving Corporation will provide Supplier with all information and data required for Supplier to perform its duties.
   e. Surviving Corporation shall file cost studies with the PUC as their own.

BASE SERVICE FEE

Monthly Fee:	Surviving Corporation shall pay Supplier a fixed fee of $[redacted] per month for the services performed.

(L-1) OPERATOR SERVICES

DESCRIPTION

1. Supplier will provide Surviving Corporation with access to and administrative support for:
   a. Database access for Directory Assistance and Call Completion services.
   b. Database listing feeds, listing processing, updating and error correction.
   c. Intercept database consisting of maintenance and updates for listing retrieval.
   d. ORDB database support and updates to system.
   e. LSAC support.
   f. LIDB access to support alternate billing service.
   g. LIDB access to support CNAM.

2. Supplier will perform operations support in the following areas:
   a. Provide 2-weeks advanced force administration and scheduling support for two-week periods and 3-monhs advanced call forecasting.
   b. Provide updates to Methods and procedures that are in place at the time of close.

REQUIREMENTS

1. Surviving Corporation will be responsible for the maintenance of workstation equipment.

BASE SERVICE FEE

Monthly Fee: Surviving Corporation shall pay Supplier a fixed fee of **$[redacted] a month** for the services performed.

(M-1) ENTERPRISE SOLUTIONS GROUP (ESG) SUPPORT

DESCRIPTION

1. Supplier will provide Surviving Corporation with user access and administrative support for the systems reasonably requested to provide customer contact, order entry and billing inquiry and adjustment functions for ESG customers.
2. Supplier will provide Surviving Corporation with user access and administrative support for the systems reasonably requested to provide special assembly sales support, account coding in the legacy systems, market segmentation, customer satisfaction survey support, business analysis, funnel and forecast support, product process and cost element tabling support and network monitoring.

REQUIREMENTS

1. Surviving Corporation will adhere to service standards as stipulated by the Public Utilities Commission and as otherwise reasonably requested by Supplier.
2. Supplier will complete 800# call forwarding requirements for ESG customer contact calls for ordering and repair.
3. Supplier will complete the programming access changes reasonably requested for Surviving Corporation to access customer accounts and records and route orders through the provisioning departments for service implementation.
4. Supplier will deliver reasonably requested customer data to the Surviving Corporation pertaining to regulated services and associated billing records and profiles.
5. Supplier will deliver historical reports pertaining to the contact center operations and performance as set forth by the Public Utilities Commission.
6. Supplier will provide administrative support for legacy systems and processes.
7. Supplier will maintain records of sales results and measurements.
8. Supplier's Customer Solution Center will take Long Distance contact calls for existing contracted data customers and place reports through Dispatch 1 as reasonably requested.
9. Supplier will provide administrative support for special assembly or sales contract review.
10. Supplier will provide support for the customer satisfaction survey process and historical records.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of $[redacted] per month for the service performed.

(N-1) ISP BILLING SUPPORT

DESCRIPTION

1. Supplier will provide the following billing support related services to assist in billing and collecting from the Surviving Corporation's ISP customer base:
   a. Investigate unbillable and rejected billing records
   b. Investigate records with a wrong billing telephone number
   c. Work billing fallout
   d. Investigate billing errors
   e. Handle billing related customer referrals
   f. Aid in the resolution of bill production issues
   g. Provide up-front "preventative" checks of billing data
   h. Reconcile and support credit LEC purchase of Accounts Receivable for Surviving Corporation's ISP end user customers billed via the LEC bill
   i. Reconcile and support credit card transitions for Surviving Corporation's ISP end user customers billed via credit card
   j. Investigate disputed charges from credit card customers
   k. Work transactions denied due to declined credit cards
   l. Process cash payments which could not be processed by the bank (error correction)
   m. Reconcile/support "Cash" transitions for Surviving Corporation's ISP end user customers billed via a "Direct Invoice"

2. Supplier will provide the following Retention / Bill Inquiry Support related services associated with the Surviving Corporation's ISP customer base:
   a. Negotiate sales and fulfillment of order activity (enter the customer's order)
   b. Work any fallout and re-enter order activity
   c. Validate customers billing complaint and issue appropriate credits
   d. Explain billing charges to customers
   e. Correct any billing issues.
   f. Provider retention services consisting of reselling the service, provide marketing offers, directing calls to Technical Support centers as appropriate

REQUIREMENTS

1. Surviving Corporation will provide Supplier with customer information changes that the customer provided directly to the Surviving Corporation.

2. Supplier will provide the Surviving Corporation with Accounts Receivable aging data for VOL Hawaii customers.
3. Surviving Corporation shall be responsible for collection of outstanding balances of its ISP customers and bears all risks of non-collection.
4. Surviving Corporation will provide Supplier with access to customer records.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of $[redacted] per month for the service performed.
Transaction Fees	Surviving Corporation shall be aware that merchant agreements need to be negotiated with Surviving Corporation's credit card and direct debit vendors.

(O-1) REGULATORY ACCOUNTING SERVICES

DESCRIPTION

Supplier will provide the following Regulatory Accounting services to Surviving Corporation:

1. Prepare the Hawaii Quarterly Surveillance Report consisting primarily of the Results of Operations, Rate Base calculation, Regulated Revenue and Expense Statement and Regulated Statement of Financial Position
2. Prepare the Public Utility Fee, consisting primarily of a completed Bill for Collection and Schedule on Computation of the Public Utility Fee.

REQUIREMENTS

Supplier will:

1. Prepare the 4 regulatory financial schedules on a quarterly basis within PUC required timelines. These schedules are:
   a. Page 1 of 4 Results of Operations
   b. Page 2 of 4 Rate Base Calculation
   c. Page 3 of 4 Regulated Revenue and Expense Statement
   d. Page 4 of 4 Regulated Statement of Financial Position
2. Investigate any substantial increases and decrease in net income and ratebase. Provide explanations to manager of major drivers in changes in rate base or net income.
3. Submit schedules to Surviving Corporation for review and approval.
4. Surviving Corporation will submit the four regulatory financial schedules to the Hawaii PUC.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of **$[redacted] per month** for the services performed.

(O-1) REGULATORY ACCOUNTING SERVICES

DESCRIPTION

Supplier will provide the following Regulatory Accounting services to Surviving Corporation:

1. Prepare the Hawaii Quarterly Surveillance Report consisting primarily of the Results of Operations, Rate Base calculation, Regulated Revenue and Expense Statement and Regulated Statement of Financial Position
2. Prepare the Public Utility Fee, consisting primarily of a completed Bill for Collection and Schedule on Computation of the Public Utility Fee.

REQUIREMENTS

Supplier will:

1. Prepare the 4 regulatory financial schedules on a quarterly basis within PUC required timelines. These schedules are:
   a. Page 1 of 4 Results of Operations
   b. Page 2 of 4 Rate Base Calculation
   c. Page 3 of 4 Regulated Revenue and Expense Statement
   d. Page 4 of 4 Regulated Statement of Financial Position
2. Investigate any substantial increases and decrease in net income and ratebase. Provide explanations to manager of major drivers in changes in rate base or net income.
3. Submit schedules to Surviving Corporation for review and approval.
4. Surviving Corporation will submit the four regulatory financial schedules to the Hawaii PUC.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of **$[redacted] per month** for the services performed.

(O-2) TARIFFS SUPPORT

DESCRIPTION

Supplier will prepare for submission to the Hawaii Public Utilities Commission tariff pages as reasonably requested by the Surviving Corporation for each of their requested tariff filings, including any special tariff filings (so long as such filings do not vary materially in number or complexity from the then monthly filings that are routinely filed by Business at the time of close). Supplier will assist Surviving Corporation in the development of tariff filings and supporting correspondence that will meet the state requirements.

REQUIREMENTS

1. Surviving Corporation will provide Supplier with a detailed service description and rate elements.
2. Supplier will analyze the service description and provide the Surviving Corporation with an estimated completion date.
3. Supplier will develop and complete tariff filings based on the detailed service description delivered to Supplier by Surviving Corporation.
4. Supplier will work with Surviving Corporation's Regulatory and Legal Department to finalize the tariff filing.
5. Supplier will provide the Surviving Corporation with a completed filing for submission to the Hawaii Public Utilities Commission by Surviving Corporation.
6. Supplier will execute a simple name change in accordance with the tariffs as part of this service.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of **$[redacted] per month** for the service performed.
Note #1:	Buyer requested the cost of a "complex" name change. A "complex" name change includes: 1.) a name change in the header of the tariff page, 2.) a name change on any material within the text of the tariff, and 3.) a complete renumbering of all tariff pages. There are 20 tariffs and almost 1,900 pages that will be involved in the name change. The estimate cost of this "complex" name change is a one-time charge of $[redacted]
Note #2:	Surviving Corporation opted out of this transition service five months after closing. Surviving Corporation will need to secure new Tariff Support Services at that time.

(P-1) REAL ESTATE ADMINISTRATIVE SUPPORT SERVICES

DESCRIPTION

Supplier will provide administrative support services with respect to lease administration, real estate transactions and real estate strategic planning activities in Hawaii during the defined transition period. Supplier will perform certain invoice processing and other administrative duties for real estate operations for Hawaii. The activities are detailed below.

REQUIREMENTS

Supplier will:

1. Prepare and submit monthly lease invoices for payment.
2. Negotiate lease renewals and lease terminations under the direction of the Surviving Corporation.
3. Manage real estate administrative space portfolio (including life cycle and exit strategy for each property).
4. Supplier will provide Surviving Corporation with access to a web interface to enter work requests electronically.
5. Supplier will process for payment approximately 6,000 utility invoices / 1,000 non-utility invoices thru the National Invoice Center (NIPC).
6. Supplier will record approximately 1,200 hours performing building & environmental alarm monitoring, response and mitigation activities and provide automation and alarm technical support for systems trouble shooting and resolution of alarm strings/site setups.
7. Supplier will process for approximately 1,300 calls / 1,000 work orders on the web for the Customer Service Center (CSC)
8. Supplier will provide Surviving Corporation with access to CRESS to manage work requests, receive alarm notifications, and approve invoices.
9. Supplier will provide Surviving Corporation with ARC access to automation systems.
10. Surviving Corporation will provide Supplier with authorization to Surviving Corporation's suppliers to process invoices and manage appropriate accounts.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of **$[redacted] per month** for the service performed.

(P-2) REAL ESTATE OPERATIONS

DESCRIPTION/REQUIREMENTS

Supplier will manage the following capital projects during the defined transition period: Alarm Correction, FAA, Fire Safety, Energy, Security and Lease Termination/High Impact. For each project, Supplier will provide weekly and monthly project management status reports to the Surviving Corporation.

BASE SERVICE FEE

Monthly Cost	Surviving Corporation shall pay Supplier a fixed fee of **$[redacted] per month** for the services performed.

(Q-1) IT TRANSITION SUPPORT SERVICES – HAWAII

DESCRIPTION

Supplier will provide the Surviving Corporation access to the then existing IT systems and applications that support the Hawaii business operations. Supplier will:

1. Provide on-going data center operations and application support
2. Provide a dedicated account management team to interface with the Surviving Corporation IT support organization
3. Maintain applications and systems in accordance with Supplier's remaining property release, patch, and/or fix schedule
4. Isolate the end-user access to the Hawaiian business data
5. Provide interfaces to Surviving Corporation systems as requested at a cost not exceeding those detailed in the Rate section of this document

REQUIREMENTS

1. Surviving Corporation will provide or arrange for end users of IT systems and applications (i.e., call center representatives, network management, etc.)
2. Surviving Corporation will maintain central office data management functions associated with IT systems and applications (i.e., activations, changes, events/alarms, billing usage, etc.)
3. Surviving Corporation will provide an interface to Supplier's account management for operations and production support issue coordination
4. Surviving Corporation will provide and/or arrange the training of its employees and end-users on Supplier's systems.
5. Supplier is NOT obligated to fulfill requests for buyer specific modifications to Supplier's core systems. Surviving Corporation will receive then existing IT systems and application enhancements, patches, and fixes, consistent with Supplier's remaining properties.

BASE SERVICE FEE

Monthly Cost*	Surviving Corporation shall pay Supplier a fixed fee of $[redacted] per month for the service performed.

*Note: IT system fees exclude recovery of costs that may be incurred by Supplier to terminate certain linked services and re-home remaining linked services to the Surviving Corporation's replacement service or 3rd part service.

CERTIFICATE OF SERVICE

I (we) hereby certify that copies of the foregoing document were duly served on the following parties, by having said copies delivered as set forth below:

Division of Consumer Advocacy 335 Merchant Street Room 326 Honolulu, HI 96813	6 COPIES HAND DELIVERY
GTE Corporation, Verizon Hawaii Inc., Bell Atlantic Communications, Inc., and Verizon Select Services Inc. c/o Leslie Alan Ueoka, Esq. Blane T. Yokota, Esq. P.O. Box 2200 Honolulu, HI 96814	1 COPY U.S. MAIL
Pacific LightNet, Inc. c/o Ms. Lisa Suan 737 Bishop Street Suite 1900 Honolulu, HI 96813	1 COPY HAND DELIVERY
Department of Defense c/o Mr. Richard B. Lee Snavely King Majoros O'Connor & Lee, Inc. 1220 L Street, NW – Suite 410 Washington, DC 20005	1 COPY U.S. MAIL
Time Warner Telecom of Hawaii L.P c/o J. Douglas Ing, Esq. Pamela J. Larson, Esq. Watanabe Ing Kawashima & Komeiji LLP 999 Bishop Street, 23rd Floor Honolulu, HI 96813	1 COPY HAND DELIVERY
Individual Retirees/IBEW c/o Herbert R. Takahashi, Esq. Stanford H. Masui, Esq. Danny J. Vasconcellos, Esq. Rebecca L. Covert, Esq. Takahashi, Masui, Vasconcellos & Covert 345 Queen Street, Room 506 Honolulu, HI 96813	1 COPY HAND DELIVERY

DATED: Honolulu, Hawai`i, August 30, 2004.

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