



April 26, 2011

VIA UPS – OVERNIGHT

Luly Massaro, Clerk
Public Utilities Commission
Division of Public Utilities & Carriers
89 Jefferson Boulevard
Warwick, RI 02888

RE: RNK's Formal Complaint Regarding the Unlawful Refusal of Verizon Rhode Island to Pay Reciprocal Compensation Charges and Switched Access Charges and Verizon's Breach of Contract by Resorting to Unilateral Self-Help

Dear Ms. Massaro:

Enclosed please find an original and nine (9) copies of the above referenced Complaint for filing with the Public Utilities Commission. In addition, please date stamp a copy of this cover letter and return in the enclosed, self-addressed, stamped envelope.

Thank you for your assistance.

Sincerely,

A handwritten signature in dark ink, appearing to read "Michael S. Tenore", written over a horizontal line.

Michael S. Tenore
Vice President, Regulatory Affairs
and Acting General Counsel

Enclosures

cc: Thomas F. Ahern, Administrator of the Division
Alexander Moore, Esq.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

RNK Inc. d/b/a RNK Telecom

v.

Verizon New England Inc.
d/b/a Verizon Rhode Island
f/k/a Bell Atlantic-Rhode Island
f/k/a New England Telephone and Telegraph, Inc.

Docket No.

**FORMAL COMPLAINT REGARDING THE UNLAWFUL REFUSAL OF VERIZON
RHODE ISLAND TO PAY RECIPROCAL COMPENSATION CHARGES AND
SWITCHED ACCESS CHARGES AND VERIZON'S BREACH OF CONTRACT BY
RESORTING TO UNILATERAL SELF-HELP**

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and Acting General Counsel
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Counsel for RNK Inc. d/b/a RNK Communications

April 26, 2011

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

RNK Inc. d/b/a RNK Telecom)	
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v.)	
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d/b/a Verizon Rhode Island)	
f/k/a Bell Atlantic-Massachusetts)	
f/k/a New England Telephone and Telegraph, Inc.)	
)	

**FORMAL COMPLAINT AND PETITION OF RNK INC. D/B/A RNK
COMMUNICATIONS FOR RELIEF**

Pursuant to Rhode Island General Laws §§39-2-1, 39-4-3 and 39-4-9, RNK Inc. d/b/a RNK Telecom (“RNK” or “Complainant”), hereby petitions the Public Utilities Commission (“PUC” or “Commission”) for relief and states its Formal Complaint against Verizon New England, Inc. d/b/a Verizon Massachusetts (“Verizon”) regarding Verizon’s failure to pay undisputed amounts due under RNK’s lawfully filed switched access tariff and the interconnection agreement between the parties and Verizon’s unlawful self-help. As demonstrated below, Verizon’s failure to comply with RNK’s tariff and its breach of the interconnection agreement violate not only state and federal law, but also its interconnection with RNK and RNK’s tariffs.

I. PARTIES

1. Complainant, RNK, is a corporation organized and existing under the laws of the state of Massachusetts.

2. RNK is a certified Competitive Local Exchange Carrier in the state of Rhode Island and other states, and among other services, terminates intrastate traffic originated by Verizon.

3. Verizon is a corporation organized and existing under the laws of the State of New York, having its principal place of business at 185 Franklin Street, Boston, MA 02110-1585.

4. Verizon is authorized to operate as a common carrier by the Commission in the state of Rhode Island, and provides intrastate telecommunications services pursuant to tariffs filed with the Commission.

1. Verizon is also an “incumbent local exchange carrier” for purposes of sections 251 and 252 of the Communications Act of 1934 as amended by the Telecommunications Act of 1996 (the “Act”).¹

II. JURISDICTION

2. The Parties to this action are both utilities regulated by the Commission pursuant to Rhode Island General Laws §39-1-1 *et seq.*

3. The Commission has jurisdiction over intrastate telecommunications services, and attendant rates, terms, conditions, charges that are the subject of this Complaint pursuant to, *inter alia*, the Rhode Island General Laws §39-1-1.

4. Specifically, pursuant to Rhode Island General Laws §39-1-1, the Commission has exclusive power and authority to supervise, regulate, and make orders governing the conduct of companies offering to the public in intrastate commerce energy, communication, and transportations services and water supplies for the purpose of increasing and maintaining the efficiency of the companies, according desirable safeguards and convenience to their employees and to the public, and protecting them and the public against improper and unreasonable rates, tolls and charges by providing full, fair, and

¹ 47 U.S.C. §151 *et. Seq.* (1996), 47 U.S.C. §251(h)

adequate administrative procedure and remedies and by securing a judicial review to any party aggrieved by such an administrative proceeding or ruling.

5. Specifically, pursuant to Rhode Island General Laws §39-4-10, the Commission is charged with the ability to remedy “unjust” and “unreasonable” regulations or practices:

[i]f, upon a hearing and investigation had under the provisions of this chapter, the division of public utilities and carriers shall find that any regulation, measurement, practice, act, or service or any public utility is unjust, unreasonable, insufficient, preferential, unjustly discriminatory, or otherwise in violation of any of the provisions of chapters 1 – 5 of this title, or that any service of any such public utility is inadequate or that any service which can be reasonably demanded cannot be obtained, the division shall have power to substitute therefore such other regulations, measurements, practices, service, or acts, and to make such order respecting, and such changes in the regulations, measurements, practices, service, or acts, as shall be just and reasonable, and the power to order refunds as provided for in § 39-3-13.1.

6. The Commission also has jurisdiction to interpret, and resolve disputes between parties to, interconnection and resale agreements, according to Sections 251 and 252 of the Act.²

III. STATEMENT OF FACTS

7. RNK brings this proceeding against Verizon complaining of Verizon’s unlawful unilateral imposition of charges under an interconnection agreement entered into by the parties. In particular, Verizon’s self-imposed new VFX percentage³ and its determination that RNK now, pursuant to this new percentage, owes Verizon a substantial credit. Verizon has

² 47 U.S.C. §252 (e) (1). *See also, Southwestern Bell Telephone Co. v. Public Utility Commission of Texas*, 208 F.3d 475 (5th Cir. 2000) (“[T]he Act’s grant to the state commissions of plenary authority to approve or disapprove these interconnection agreements necessarily carries with it the authority to interpret and enforce the provisions of agreements that state commissions have approved.”)

³ A percentage that as of this date is still a mystery to RNK as, despite RNK’s request, Verizon has failed to provide RNK with any information sufficient to determine what the percentage might be.

also imposed this new percentage on a going forward basis, thus depriving RNK of reciprocal compensation payments due under the interconnection agreement. As a result of this purported “credit” Verizon has withheld all payments for reciprocal compensation charges due under the interconnection agreement between the parties and switched access charges due under RNK’s Rhode Island tariff, escrowing these amounts. Such actions are in violation of the interconnection agreement, RNK’s tariff and Rhode Island law.⁴

8. RNK respectfully requests that the Commission accept the issue for dispute resolution and find that Verizon is in violation of RNK’s tariff and in breach of the interconnection agreement, that it issue an order barring Verizon from unilaterally imposing any new VFX percentage in violation of the terms of the interconnection agreement, that Verizon cease escrowing amounts that are not in dispute, and that Verizon pay all outstanding charges, plus interest, less any valid disputes and, in the case of reciprocal compensation traffic, less the contractually required 20 percent deduction.

A. Verizon’s Breach of the Interconnection Agreement

9. On August 30, 2001, Verizon and RNK entered into an interconnection agreement covering Rhode Island (the “ICA”). The parties entered into this interconnection agreement when Verizon, acting pursuant to the requirements of federal law, made available to RNK the same terms and conditions in the interconnection agreements between Verizon and Level 3 Communications, LLC (“Level 3”) and Verizon and Cox Communications, d/b/a Cox Rhode Island Telecomm II (“Cox”).

⁴ While this complaint pertains to Rhode Island, it should be noted that Verizon has imposed the same unlawful self help in every jurisdiction in which RNK has interconnected with Verizon. Brazenly, Verizon has also attempted to impose VFX percentages in states where no amendment is in place and similarly withheld tariff charges, reciprocal compensation charges and unilaterally imposed new VFX percentages.

10. RNK adopted this agreement which is on file with the Commission and the state of Rhode Island pursuant to 47 U.S.C. § 252(i). A true and accurate copy of Sections 1.3, 5.7, and 28 are attached hereto as Exhibit A.

11. Verizon and RNK have exchanged traffic and interconnected pursuant to this ICA since 2001.

12. On December 20, 2004, the parties amended the ICA to address certain matters related to intercarrier compensation for internet traffic and so called Virtual Foreign Exchange Traffic ("VFX"). The Amendment provides that "The Parties agree that reciprocal compensation shall not apply to Virtual Foreign Exchange Traffic (i.e., V/FX Traffic). As used in this Amendment, "Virtual Foreign Exchange Traffic" or "V/FX Traffic" is defined as calls in which a RNK customer is assigned a telephone number with an NXX Code (as set forth in the LERG) associated with an exchange that is different than the exchange (as set forth in the LERG) associated with the actual physical location of such customer's station." See Amendment No. 2 ("Amendment") to the Rhode Island ICA § 1.3, a true and accurate copy of which is attached hereto as Exhibit B.⁵

13. The Amendment expressly presumes that 20 percent of the local calls Verizon sends to RNK are to be considered VFX calls and RNK will not charge Verizon Reciprocal Compensation for such calls. *Id.*

14. The Amendment further provides that the 20 percent VFX presumption may be adjusted. Upon delivery notice, "the Parties shall engage in good faith negotiations" for a period of thirty days to determine "whether or not to change the" percentage and any such change can only take place on a prospective basis after proper negotiation and amendment of

⁵ RNK notes that this Amendment was contemporaneously entered into with Verizon in New York, Massachusetts and New Hampshire.

the Interconnection Agreements “if the Parties agree to changes the presumption.” Section 1.3 of the Amendment goes on further to specify that if the parties “fail to agree within such thirty (30) day period, then either [of] them may invoke the dispute resolution provisions of the Interconnection Agreement.”

15. Nowhere in the Amendment does it provide that a Party may unilaterally impose a new percentage under the Agreement without an Amendment to the Agreement. Indeed, the amendment is clear that the only percentage that may be applied to RNK’s traffic is the 20 percent located found in the Amendment until a new percentage is determined by the Parties or pursuant to dispute resolution.

16. On April 25, 2008, Verizon sent a letter seeking to adjust the percentage of traffic subject to the VFX presumption under the amended ICA between the parties. In Verizon’s April 25, 2008 letter, Verizon sought, as it does today, to unilaterally impose an “interim” VFX percentage during the negotiations based on its unilateral understanding of the ICA. RNK objected to Verizon’s “interim” percentage as a violation of the ICA and voiced its objections via letter on April 28, 2008. When confronted with the language of the ICA, Verizon chose to abandon its unlawful attempt to unilaterally change the Parties ICAs.

17. The parties entered into negotiations but were unable to agree that an adjustment to the VFX percentage was warranted.

18. In August 2008, Verizon filed in the Massachusetts Federal District Court a lawsuit asking for, among other claims, the Court to determine the proper VFX percentage.

19. In July of 2010, Verizon moved for partial summary judgment on the VFX percentage asking the Court to set an interim percentage based on Verizon’s reading of certain evidence in anticipation of a final parentage being set. RNK has opposed Verizon’s motion and the

motion (including RNK's own partial motion for summary judgment) is still pending with the court.

20. On December 9, 2010, Verizon sent a letter to RNK's Richard N. Koch, stating that Verizon has unilaterally recalculated the VFX percentage back to May, 2008 and that it determined that it had overpaid RNK. A true and accurate copy of Verizon's December 9, 2010 letter is attached hereto as Exhibit C.

21. Further, Verizon stated that it is applying these unilaterally determined new percentages prospectively, despite the pending action at the District Court, as well and that Verizon is putting all amounts due and owing to RNK in an escrow account.

22. Shortly after the receipt of the December 9, 2010 letter, RNK received dispute letters from Verizon for the company's November through March invoices for Rhode Island Reciprocal Compensation Traffic and Switched Access Traffic. The dispute letters contained limited information regarding the substance of Verizon's disputes, but did not state that all amounts due were in dispute.⁶ A true and accurate copy of Verizon's dispute letters and RNK's invoices to Verizon are attached hereto as Exhibit D.

23. RNK objected to this action via letter dated December 17, 2010 and explained to Verizon that its unilateral self help was in violation of the parties ICAs (including the Rhode Island ICA), RNK's tariffs and circumventing the court process Verizon itself initiated. RNK also asked for the details and information supporting Verizon's action. Specifically, RNK asked for the information Verizon relied upon in setting its percentage, the actual percentage

⁶ RNK and Verizon have several ongoing disputes related to billing. The primary disputes relate to what rate under the interconnection agreement applies for Reciprocal Compensation Traffic and the recording of raw minutes (i.e., what the respective parties record for Reciprocal Compensation minutes and Switched Access minutes in their respective recording systems without relation to any VFX factor). These disputes are before the District Court and RNK is not seeking the Commission to rule upon these issues. However, RNK does note that amounts are the only amounts that should be put into escrow under the ICA as they are properly "disputes."

applied and the details of the escrow arrangement. A true and accurate copy of RNK's December 17, 2010 letter is attached hereto as Exhibit E.

24. In a letter dated December 22, 2010, Verizon ignored these reasonable requests and stated that it would continue its unilateral and unlawful self-help. Further, Verizon confirmed that even amounts that it freely admits are not in dispute under the ICA would be placed into escrow and confirmed the amounts in an email to RNK. See Verizon email dated December 16, 2010 and Verizon letter dated December 22, 2010, true and accurate copies of which are attached hereto as Exhibit F and Exhibit G, respectively.

25. The parties have engaged in negotiations for over two (2) years and were unable to reach an agreement on whether or not the percentage should change or what percentage should be applied going forward.⁷

B. Verizon's Violation of RNK's RIPUC Tariff No. 4

26. RNK provides intrastate switched access services in Rhode Island pursuant to its lawfully filed and approved RIPUC Tariff No. 4 ("Tariff").

27. The terminating switched access charges that RNK imposes on IXC's that terminate intrastate calls to RNK's Rhode Island customers are governed by Section 10 of RIPUC Tariff No. 4.

28. RNK's tariff filing was not challenged by Verizon. A true and accurate copy of the switched access rates located in RNK's Tariff are attached hereto as Exhibit H.

29. Charges for services provided under the Tariff are due thirty (30) days from the date of the invoice without offset. See Tariff, Section 5.5.2.

30. On December 9, 2010, via the same letter Verizon used to purportedly claim a right to

⁷ See Exhibit G.

unilaterally reset the VFX percentage and offset undisputed amounts against what Verizon claims are overpayments to RNK, Verizon indicated that it would not be paying RNK's tariffed charges as well in order to offset this unrelated purported obligation.

31. RNK received dispute letters from Verizon for the company's November and December invoices for Rhode Island Reciprocal Compensation Traffic and Switched Access Traffic. The dispute letters contained limited information regarding the substance of Verizon's disputes, but did not state that all amounts due were in dispute.

32. As of April 26, 2011, Verizon has simply refused to pay for RNK intrastate access services that are undisputed.

33. As of April 26, 2011, Verizon has simply refused to pay for RNK's Reciprocal Compensation charges due under the ICA that are undisputed.

34. The total of these undisputed amounts is \$69,630.59 at least and growing.⁸

35. Verizon has also failed to pay RNK an undetermined amount of Reciprocal Compensation Charges associated with traffic that it has unilaterally rerated in violation of the ICA.

IV. COMPLAINT

COUNT I

(BREACH OF CONTRACT/RHODE ISLAND TARIFF)

36. RNK repeats, re-alleges and incorporates by reference the allegations set forth in paragraphs 1 through 40 as if fully set forth herein.

37. RNK's intrastate access charges for long-distance calls terminating with their Rhode

⁸ Despite Verizon's claim in its December 9, 2010 letter that it would provide escrow information upon request, RNK only has escrow information associated with the November 2010 invoice.

Island customers are set forth in the Tariff.

38. The Rhode Island Tariff provides, among other things, that carriers terminating intrastate switched access calls to RNK's customers in Rhode Island must pay RNK tariffed access charges at the specified rates for terminating access on a per minute of use basis.

39. Beginning in December 2010 and continuing up to and including the present, Verizon has used RNK's terminating intrastate access services under the Rhode Island Tariff.

40. By using and accepting RNK's services, Verizon assented to, and agreed to be bound by, the Rhode Island Tariff.

41. Beginning in December 2010 and continuing up to and including the present, RNK fully performed its obligations under the Rhode Island Tariff.

42. The Rhode Island Tariff does not contain any provision related to escrowing tariff charges or offsetting arrangements and RNK is prevented by Rhode Island General Laws §39-2-3 from discriminating against other IXCs in favor of Verizon by allowing Verizon to escrow Tariff charges.

43. As of April 26, 2011, Verizon has failed to pay all of the access charges invoiced by RNK in accordance with the terms of the Rhode Island Tariff.

44. Verizon materially violated the Rhode Island Tariff by failing to pay the tariffed rates for services it used.

45. As of April 26, 2011, Verizon has failed to pay RNK an undetermined amount in tariffed charges for intrastate switched access services invoiced by RNK in accordance with the terms of the Rhode Island Tariff. RNK has thus suffered damages and continues to suffer additional damages as Verizon fails to pay for services it uses up to and including the present.

46. RNK has been, and continues to be, damaged in an amount to be determined at

hearing, including costs, fees and interest.

COUNT II

(VIOLATION OF RHODE ISLAND GENERAL LAWS §39-2-2)

47. RNK repeats, re-alleges and incorporates by reference the allegations set forth in paragraphs 1 through 51 as if fully set forth herein.

48. Rhode Island General Laws §39-2-2 provides in pertinent part as follows:

If any public utility or any agent or officer of a public utility, as defined in chapter 1 of this title, shall directly or indirectly by any device whatsoever, or otherwise, charge, demand, collect, or receive from any person, firm or corporation a greater or less compensation for any service rendered or to be rendered by it in, or affecting, or relating to the transportation of persons or property between points within this state, the distribution of electricity or the production, transmission, delivery, or furnishing of heat, or water, or the conveyance of telegraph or telephone messages, or for any service in connection therewith than that prescribed in the published schedules or tariffs then in force or established as provided herein, or than it charges, demands, collects, or receives from any other person, firm, or corporation for a like and contemporaneous service, under substantially similar circumstances and conditions, the public utility shall be guilty of unjust discrimination which is hereby prohibited and declared unlawful[.]

49. Tariffs filed with the Commission under §39-2-2 create binding obligations upon both the carrier and its customer. In particular, the carrier is legally obligated to offer service indiscriminately to all customers under the rates, terms, and conditions set forth in the filed schedule.

50. Verizon's failure to pay tariffed charges is a violation of §39-2-2 and discriminatory to others that take under RNK's tariff.

51. Verizon's continued application of an escrow arrangement that is unavailable under

the Tariff is a violation of the Tariff and Rhode Island law.

COUNT III

(BREACH OF CONTRACT/RHODE ISLAND ICA)

(FAILURE TO PAY RECIPROCAL COMPENSATION CHARGES)

52. RNK repeats, re-alleges and incorporates by reference the allegations set forth in paragraphs 1 through 56 as if fully set forth herein.

53. Pursuant to the ICA, Verizon shall pay RNK for charges due within 30 days following the date of the statement containing the charges or within 20 days from receipt of the statement, whichever is later. See ICA Section 28.8.1.

54. Verizon is required under the ICA to pay RNK reciprocal compensation for Local Traffic transmitted to RNK. See ICA Section 5.7 and Amendment Section 1.2.2.

55. Pursuant to the Amendment, Verizon may deduct 20 percent of RNK's invoice for local traffic and pay the remainder. See Amendment at 1.3.

56. As of April 26, 2011 Verizon has failed to pay any charges for Local Traffic invoiced by RNK since November, 2010.

57. Verizon materially violated the ICA by failing to pay for undisputed Local Traffic.

58. As of April 26, 2011, Verizon has failed to pay RNK an undetermined amount in charges for Local Traffic invoiced by RNK in accordance with the terms of the ICA. RNK has thus suffered damages and continues to suffer additional damages as Verizon fails to pay for services it uses up to and including the present.

59. RNK has been, and continues to be, damaged in an amount to be determined at hearing, including costs, fees and interest.

COUNT IV

(BREACH OF CONTRACT/RHODE ISLAND ICA)

(FAILURE TO COMPLY WITH THE DISPUTE RESOLUTION PROCEDURES)

60. RNK repeats, re-alleges and incorporates by reference the allegations set forth in paragraphs 1 through 64 as if fully set forth herein.

61. Section 28.8.3 of the ICA provides that a party may withhold payment on an amount due under the ICA only if the amount is subject bona fide dispute:

If any portion of an amount due to a Party (the "Billing Party") under this Agreement is subject to a bona fide dispute between the Parties, the Party billed (the "Non-Paying Party") shall within sixty (60) days of its receipt of the invoice containing such disputed amount give notice to the Billing Party of the amounts it disputes ("Disputed Amounts") and include in such notice the specific details and reasons for disputing each item. The Non-Paying Party shall pay when due (i) all undisputed amounts to the Billing Party and (ii) all Disputed Amounts into an interest bearing escrow account with a third party escrow agent mutually agreed upon by the Parties.

62. Section 28.8.3 provides that the amounts that are not subject to the bona fide dispute must be paid.

63. Section 28.8.3 provides that the amounts subject to the bona fide dispute must be placed into escrow with an agent "mutually agreed upon by the Parties."

64. Verizon routinely submits disputes to RNK with the amounts it claims are in dispute.

65. Verizon has submitted dispute letters to RNK for November through March invoices that did not dispute the entire amount owed to RNK.

66. Verizon has placed undisputed amounts into escrow and established said escrow account without RNK's approval.

67. As these amounts are undisputed, Verizon cannot avail itself of Section 28.8.3 of the

ICA and Verizon must pay these amounts to RNK.

COUNT V

(BREACH OF CONTRACT/RHODE ISLAND ICA)

(UNLAWFUL RECALCULATION OF THE VFX PERCENTAGE)

68. RNK repeats, re-alleges and incorporates by reference the allegations set forth in paragraphs 1 through 72 as if fully set forth herein

69. Section 1.3 of the Amendment to the ICA provides that reciprocal compensation for Local Traffic shall not apply to Virtual Foreign Exchange Traffic ("VFX").

70. Section 1.3 of the Amendment to the ICA provides a proxy for VFX traffic of 20 percent of Local Traffic transmitted to RNK by Verizon.⁹

71. Section 1.3 of the Amendment to the ICA provides specifically for how and when a new VFX percentage other than the 20% proxy may be applied:

No more than once during any consecutive twelve month period following the Amendment Effective Date, either Party may request that the Parties recalculate and reset the foregoing twenty percent (20%) presumption by providing written notice to the other Party, which notice shall include reasonably detailed information and/or data supporting the requested change. Upon delivery of the written notice provided pursuant to this section, the Parties shall engage in good faith negotiations for a period not exceeding thirty (30) days to determine whether or not to change the twenty percent (20%) (or other reset percentage) presumption. If the Parties agree to change the presumption within such thirty (30) day period, then they shall enter an amendment to the Interconnection Agreement reflecting the change, which shall apply prospectively from the delivery date for the notice provided pursuant to this paragraph. If they fail to agree within such thirty (30) day period, then either them may invoke the dispute resolution provisions of the Interconnection Agreement.

⁹ "The Parties agree that twenty percent (20%) of the Verizon originated traffic sent to RNK is V/FX Traffic and shall be treated in accordance with this Section 1.3."

72. In August 2008, the parties were unable to agree on a new percentage and Verizon availed itself of the dispute resolution provisions of the ICA, filing a case at the Federal District Court for the District of Massachusetts.¹⁰

73. Among other claims, Verizon asks the court to set a new percentage for VFX traffic and, in the interim, impose a factor subject to true up.

74. This matter is still pending before the court.

75. Verizon has unilaterally recalculated the VFX percentage despite the pending court action.

76. Verizon has styled the recalculation as a “dispute” despite the plain language of the ICA. Verizon’s recalculation is in violation of the plain language of Section 1.3 of the Amendment to the ICA. Verizon cannot withhold payments or seek credits under the ICA based on a future amendment to the ICA that may not happen (or happen in the way Verizon would like it to).

77. Accordingly, Verizon has breached the ICA by unilaterally imposing a VFX percentage other than the 20 percent found in the ICA.

78. As of April 26, 2011, Verizon has failed to pay RNK an undetermined amount in charges for Local Traffic invoiced by RNK in accordance with the terms of the ICA due to its application of a VFX percentage other than the 20 percent specified in the Amendment to the ICA. RNK has thus suffered damages and continues to suffer additional damages as Verizon fails to pay for services it uses up to and including the present.

¹⁰ See Verizon Complaint filed in the Federal District Court for the District of Massachusetts, a true and accurate copy of which is attached hereto as Exhibit I. While Verizon now claims that it was “overbilled” since May of 2008, it apparently did not feel this way in April of 2008 when it previously determined that it could not impose an interim percentage. Accordingly, even if Verizon had a “dispute” under Section 28.8.3 (which provides that a disputing party “shall within sixty (60) days of its receipt of the invoice containing such disputed amount give notice to the Billing Party of the amounts it dispute.”) Verizon has failed to dispute in a timely manner. See ICA at Section 28.8.3.

79. RNK has been, and continues to be, damaged in an amount to be determined at hearing, including costs, fees and interest.

V. RELIEF SOUGHT

80. RNK respectfully requests that the Commission:

1. REAFFIRM RNK's lawfully tariffed rates, terms and condition to be in effect and to therefore govern RNK's provision of intrastate switched access services in Rhode Island;
2. ORDER Verizon to make full payment to RNK of the amount currently overdue for switched access service, plus interest, within two (2) business days of the Commission's order;
3. ORDER Verizon to pay subsequent RNK bills for intrastate switched access services, at the tariffed rate, in a timely fashion;
4. ENJOIN Verizon from its application of any VFX factor above 20% to RNK's traffic;
5. ENJOIN Verizon from escrowing reciprocal compensation charges for which Verizon does not have a bona fide dispute;
6. ENJOIN Verizon from escrowing switched access charges for which Verizon does not have a bona fide dispute;
7. ORDER Verizon to pay all undisputed charges for reciprocal compensation, plus interest, within two (2) business days of the Commission's order;
8. ORDER Verizon to pay all reciprocal compensation charges withheld as a result of applying a percentage other than the 20% in the ICA, plus interest, within two (2) business days of the Commission's order;
9. DECLARE that Verizon violated Rhode Island General Laws §39-2-2;
10. ORDER that Verizon pay promptly the undisputed portion of the billed charges, and such portion of any disputed charges that may reasonably be subject to payment upon Commission intervention, subject to true-up, and then if necessary to bring its concerns to the Commission's attention should it have any future bona fide disputes; and
11. GRANT any other relief the Commission may deem to be just and appropriate, including, but not limited to, commencement of enforcement action pursuant to Rhode Island General Laws §39-4-10.

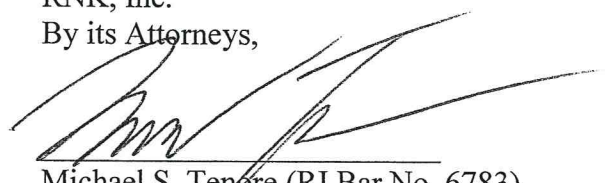
Hearing Requested

RNK requests that a hearing be convened pursuant to Rhode Island General Laws §39-4-3 *et seq.*, and that it be permitted to submit a brief in support of its contentions.

Respectfully submitted,

RNK, Inc.

By its Attorneys,

A handwritten signature in black ink, appearing to read 'Michael S. Tenore', is written over a horizontal line.

Michael S. Tenore (RI Bar No. 6783)

333 Elm Street, Suite 310

Dedham, MA 02026

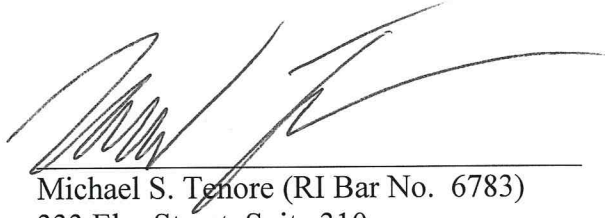
(781) 613-6000

Dated: April 26, 2011

CERTIFICATE OF SERVICE

I hereby certify that on April 26, 2011, I served a copy of the foregoing request on the Verizon, by delivering a copy of the same to:

Alexander Moore
125 High Street, 7th Floor
Boston, MA 02129

A handwritten signature in black ink, appearing to read 'Michael S. Tenore', is written over a horizontal line.

Michael S. Tenore (RI Bar No. 6783)
333 Elm Street, Suite 310
Dedham, MA 02026
(781) 613-6000

RNK Inc. d/b/a RNK Telecom Complaint

EXHIBIT A

ICA Sections 1.3, 5.7, and 28

1.0 DEFINITIONS

As used in this Agreement, the following terms shall have the meanings specified below in this Section 1. All capitalized terms used but not defined herein shall have the meanings set forth in the Act.

1.1 “Act” means the Communications Act of 1934 (47 U.S.C. § 151 et. seq.), as from time to time amended (including, without limitation by the Telecommunications Act of 1996) and interpreted in the duly authorized rules and regulations of the FCC or the Commission.

1.2 “ADSL” or “Asymmetrical Digital Subscriber Line” means a transmission technology which transmits an asymmetrical digital signal of up to 6 Mbps to the Customer and up to 640 kbps from the Customer.

1.3 “Agreement” means this Interconnection Agreement, including all Exhibits, Schedules, addenda and attachments referenced herein and/or appended hereto.

1.4 “Ancillary Traffic” means all traffic that is destined for ancillary services, or that may have special billing requirements, including but not limited to the following: BLV/BLVI, Directory Assistance, 911/E911, Operator Services (IntraLATA call completion), IntraLATA third party, collect and calling card, 800/888 database query, LIDB and information services requiring special billing as described in Section 7.1.

1.5 “ANI” or “Automatic Number Identification” means a signaling parameter which refers to the number transmitted through a network identifying the billing number of the calling party.

1.6 “Applicable Law” means all laws, regulations and orders applicable to each Party’s performance of its obligations hereunder.

1.7 “BFR” or “Bona Fide Request” means the process described in Exhibit B that prescribes the terms and conditions relating to Level 3’s request that BA provide an unbundled Network Element that it does not currently provide under the terms of this Agreement.

1.8 “Busy Line Verification” or “BLV” means an operator request for a status check on the line of a called party. The request is made by one Party’s operator to an operator of the other Party. The verification of the status check is provided to the requesting operator.

1.9 “Busy Line Verification and Interrupt” or “BLVI” means a service that may be requested and provided when BLV has determined that a line is busy due to an ongoing call. BLVI is an operator interruption of that ongoing call to inform the called party that a calling party is seeking to complete his or her call to the called party.

1.10 “CCS” or “Common Channel Signaling” means a method of transmitting call set-up and network control data over a digital signaling network separate from the public switched

5.6.2 At such time as either Party has the capability, on an automated basis, to use such CPN information to classify traffic delivered by the other Party as either Local Traffic, Compensable Internet Traffic or Toll Traffic, such Receiving Party shall bill the Originating Party the applicable Inter-carrier Compensation rate, intrastate Exchange Access rates, or interstate Exchange Access rates applicable to each minute of Traffic for which CPN is passed, as provided in Section 5.7 hereof, Exhibit A and applicable Tariffs. If the Receiving Party lacks the capability, on an automated basis, to use CPN information to classify on an automated basis traffic delivered by the other Party as either Local Traffic, Compensable Internet Traffic or Toll Traffic, the Originating Party will supply a PIU and PLU factor. The PIU and PLU factors applicable upon the Effective Date are specified in Schedule 5.6. Such factors may be updated by the Originating Party quarterly by written notification.

5.6.3 Measurement of billing minutes for purposes of determining terminating compensation shall be in conversation seconds. Measurement of billing minutes for originating toll free service access code (e.g., 800/888/877) calls shall be in accordance with applicable Tariffs.

5.6.4 If Level 3 demonstrates to BA's reasonable satisfaction that there are technical restrictions that make it technically infeasible for Level 3 to transmit individual CPNs for the station numbers within a PBX, BA shall accept, in lieu of such individual CPNs for the station numbers of the subject PBX, a single charge number with respect to such PBX, provided that the physical location of each of the station numbers is within the same BA local calling area as the BA local calling area for the charge number of the subject PBX.

5.7 Inter-carrier Compensation Arrangements – Section 251(b)(5)

Subject to Section 4.2.4 of this Agreement, but notwithstanding any other provisions of this Agreement, the provisions of this Section 5.7 shall govern the payment of Inter-carrier Compensation between the Parties from and including the Effective Date hereof through and including September 30, 2002. Subject to Sections 4.2.4 and 22 of this Agreement, the provisions of this Section 5.7 shall govern the payment of Inter-carrier Compensation between the Parties from and including October 1, 2002 through and including the date of termination of this Agreement. The Parties intend and agree that the Originating Party's payment of Inter-carrier Compensation to the Receiving Party in accordance with the terms of this Agreement shall fulfill the Originating Party's obligation under Section 251(b)(5) of the Act to pay reciprocal compensation to the Receiving Party for termination of Local Traffic, and shall further fulfill any obligation the Originating Party may have under Applicable Law to compensate the Receiving Party for receiving and handing off Compensable Internet Traffic. BA's delivery of traffic to Level 3 that originates with a third carrier is addressed in Section 7.3. Where Level 3 delivers traffic to BA that originates with a third carrier, except as may be set forth herein or subsequently agreed to by the Parties, Level 3 shall pay BA the same amount that such carrier would have paid BA for termination of that traffic at the location the traffic is delivered to BA by Level 3. Compensation for the transport and termination of traffic not specifically addressed in this subsection shall be as provided elsewhere in this Agreement, or if

not so provided, as required by the Tariffs of the Party transporting and/or terminating the traffic.

5.7.1 Nothing in this Agreement shall be construed to limit either Party's ability to designate the areas within which that Party's Customers may make calls which that Party rates as "local" in its Customer Tariffs.

5.7.2 Each Party shall pay Inter-carrier Compensation to the other Party at equal and symmetrical rates, as provided in Section 5.7.3 below, on condition that the other Party continues to fulfill its obligations under Section 4.2.4. These rates are to be applied at the Level 3-IP for traffic delivered by BA, and at the BA-IP for traffic delivered by Level 3. No additional charges, including port or transport charges, shall apply for receiving and terminating Local Traffic or receiving and handing off Compensable Internet Traffic delivered to the BA-IP or the Level 3-IP, except as set forth in Exhibit A. When Local Traffic or Compensable Internet Traffic is exchanged over the same trunks as Toll Traffic, any port or transport or other applicable access charges related to the delivery of Toll Traffic from the IP to an end user shall be prorated to be applied only to the Toll Traffic.

5.7.3 In consideration of the Parties' having agreed to the appropriate application of Section 252(i) and Applicable Law to the Inter-carrier Compensation and physical architecture provisions herein, the Originating Party shall compensate the Receiving Party as follows:

For Local Traffic and Compensable Internet Traffic delivered by the Originating Party to the Receiving Party during the period from and including July 1, 2000 to and including September 30, 2002, the Originating Party shall compensate the Receiving Party at a rate equal to the lesser of \$.0015 per minute of use or the applicable Reciprocal Call Termination rates in effect forty-five (45) days prior to the date on which the Parties agreed in writing to pay Inter-carrier Compensation (it being agreed that, in the case of BA and Level 3, such date forty-five (45) days prior was August 30, 1999); provided, however, that during any month after January 1, 2001 in which the balance of traffic (including both Local Traffic and Compensable Internet Traffic) between the Originating Party and the Receiving Party exceeds a ratio of 10:1, then the rate to be paid by the Originating Party to the Receiving Party in that month for all traffic in excess of said 10:1 ratio shall be the lesser of \$.0012 per minute of use or the applicable Reciprocal Call Termination rates in effect forty-five (45) days prior to the date on which the Parties agree in writing to pay Inter-carrier Compensation ((it being agreed that, in the case of BA and Level 3, such date forty-five (45) days prior was August 30, 1999).

5.7.4 Intentionally left blank.

5.7.5 The Inter-carrier Compensation arrangements set forth in this Agreement are not applicable to Switched Exchange Access Service, InterLATA or IntraLATA Toll Traffic, or Internet Traffic other than Compensable Internet Traffic. All Switched Exchange Access Service and all Toll Traffic shall continue to be

governed by the terms and conditions of the applicable federal and state Tariffs. In addition, the Intercarrier Compensation arrangements set forth in this Agreement are not applicable to special access, private line or any other traffic that is not switched by the Originating and Receiving Parties.

5.7.6 The designation of Traffic as Local or Toll for purposes of compensation shall be based on the actual originating and terminating points of the complete end-to-end call, regardless of the carrier(s) involved in carrying any segment of the call; provided, however, that the foregoing shall not affect the Parties' agreement herein to compensate each other for Compensable Internet Traffic.

5.7.7 Each Party reserves the right to measure and audit all Traffic to ensure that proper rates are being applied appropriately. Each Party agrees to provide the necessary Traffic data or permit the other Party's recording equipment to be installed for sampling purposes in conjunction with any such audit.

5.7.8 The Parties will engage in settlements of alternate-billed calls (*e.g.*, collect, calling card, and third-party billed calls) originated or authorized by their respective Customers in Rhode Island in accordance with the terms of an appropriate billing services agreement for intraLATA intrastate alternate-billed calls or such other arrangement as may be agreed to by the Parties.

5.7.9 In entering into this Agreement, the Parties acknowledge that they have not reached agreement as to the compensation structure that should apply to Internet Traffic over which telephony is conducted ("Internet Telephony"). The entry into, filing and performance by the Parties of this Agreement does not in any way constitute a waiver by either Party of any of the rights and remedies it may have to seek review of the compensation structure that should apply to Internet Telephony.

5.8 Call Detail

5.8.1 BA will record usage originating from Level 3 Customers using certain BA Network Elements or BA Telecommunications Services with no rounding of billable time on unrated usage to full minutes. Recorded usage detail generally includes, but is not limited to, the following categories of information where BA currently records such data in the ordinary course of its business: (a) completed calls, including 800 calls and alternately billed calls; (b) calls to directory assistance; and (c) calls to and completed by Operator Services where BA provides such service to a Level 3 Customer.

5.8.2 BA shall provide call detail information to Level 3 daily, excluding holidays, unless otherwise negotiated. BA and Level 3 will exchange schedules of designated data center holidays. BA shall provide Level 3 with call detail information for at least ninety percent (90%) of recorded call events within five (5) business days of when the Level 3 Customer incurred such usage. BA and Level 3 will work cooperatively to promptly analyze and resolve any problems or anomalies in the data, as reported by either Party.

enforcing BA's obligations hereunder. Level 3 shall not otherwise disclose this information to third parties.

27.0 COMPLIANCE WITH LAWS; REGULATORY APPROVAL

27.1 Each Party shall remain in compliance with Applicable Law in the course of performing this Agreement. Each Party shall promptly notify the other Party in writing of any governmental action that suspends, cancels, withdraws, limits, or otherwise materially affects its ability to perform its obligations hereunder.

27.2 The Parties understand and agree that this Agreement will be filed with the Commission and may thereafter be filed with the FCC as an integral part of BA's application pursuant to Section 271(d) of the Act. In the event that any one or more of the provisions contained herein in BA's reasonable determination is likely to adversely affect BA's application pursuant to Section 271(d) of the Act, the Parties agree to make only the minimum revisions necessary to eliminate the inconsistency or amend the application-affecting provision(s).

27.3 Except as explicitly provided in Sections 4.2.4, 5.7 and 22 of this Agreement, in the event of a change in Applicable Law that materially affects any material term of this Agreement, the rights or obligations of either Party hereunder, or the ability of either Party to perform any material provision hereof, the Parties shall renegotiate in good faith such affected provisions with a view toward agreeing to acceptable new terms as may be required or permitted as a result of such legislative, regulatory, judicial or other legal action.

27.4 Except as explicitly provided in Sections 4.2.4, 5.7 and 22 of this Agreement, notwithstanding anything else herein to the contrary, if, as a result of any decision, order or determination of any judicial or regulatory authority with jurisdiction over the subject matter hereof, it is determined that BA is not required to furnish any service, facility or arrangement, or to provide any benefit required to be furnished or provided to Level 3 hereunder, then BA may discontinue the provision of any such service, facility, arrangement or benefit to the extent permitted by any such decision, order or determination by providing ninety (90) days prior written notice to Level 3, unless a different notice period or different conditions are specified in this Agreement (including, but not limited to, in an applicable Tariff or Applicable Law) for termination of such service, in which event such specified period and/or conditions shall apply.

28.0 MISCELLANEOUS

28.1 Authorization

28.1.1 BA is a corporation duly organized, validly existing and in good standing under the laws of the State of Rhode Island and has full power and authority to execute and deliver this Agreement and to perform the obligations hereunder.

28.1.2 Level 3 is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

28.1.3 Level 3 represents that it is a certified provider of local exchange services in the State of Rhode Island .

28.2 Independent Contractor; Disclaimer of Agency

Each Party shall perform services hereunder as an independent contractor and nothing herein shall be construed as creating any other relationship between the Parties. Each Party and each Party's contractor shall be solely responsible for the withholding or payment of all applicable federal, state and local income taxes, social security taxes and other payroll taxes with respect to their employees, as well as any taxes, contributions or other obligations imposed by applicable state unemployment or workers' compensation acts. Each Party has sole authority and responsibility to hire, fire and otherwise control its employees. Except for provisions herein expressly authorizing a Party to act for another, nothing in this Agreement shall constitute a Party as a legal representative or agent of the other Party, nor shall a Party have the right or authority to assume, create or incur any liability or any obligation of any kind, express or implied, against or in the name or on behalf of the other Party unless otherwise expressly permitted by such other Party. Except as otherwise expressly provided in this Agreement, no Party undertakes to perform any obligation of the other Party, whether regulatory or contractual, or to assume any responsibility for the management of the other Party's business.

28.3 Force Majeure

Neither Party shall be responsible for delays or failures in performance resulting from acts or occurrences beyond the reasonable control of such Party, including, without limitation: adverse weather conditions, fire, explosion, power failure, acts of God, war, revolution, civil commotion, or acts of public enemies; any law, order, regulation, ordinance or requirement of any governmental or legal body; labor unrest, including, without limitation, strikes, slowdowns, picketing or boycotts; or delays caused by the other Party or by other service or equipment vendors beyond the Party's reasonable control; or any other acts or occurrences beyond the Party's reasonable control (the fact that a particular delay or failure in performance was foreseen or foreseeable not necessarily being indicative or non-indicative of whether or not the act or occurrence was within a Party's reasonable control) (any of the foregoing, a "Force Majeure Event"). In such event, the nonperforming Party shall, upon giving prompt notice to the other Party, be excused from such performance on a day-to-day basis to the extent of such interference (and the other Party shall likewise be excused from performance of its obligations on a day-to-day basis to the extent such Party's obligations relate to the performance so interfered with). The non-performing Party shall use its commercially reasonable efforts to avoid or remove the cause(s) of non-performance and both Parties shall proceed to perform with dispatch once the cause(s) are removed or cease. Notwithstanding the above, in no case shall a Force Majeure Event excuse either Party from the obligation to pay money when due under this Agreement, nor require the non-performing Party to settle any labor dispute except as the non-performing Party, in its sole discretion, determines appropriate. Each Party

agrees to treat the other in parity with the manner in which it treats itself and any other entities with regard to a Force Majeure Event.

28.4 Confidentiality

28.4.1 All information, including but not limited to specifications, microfilm, photocopies, magnetic disks, magnetic tapes, drawings, sketches, models, samples, tools, technical information, data, employee records, maps, financial reports, and market data, that is furnished by one Party to the other Party and that:

- (a) contains customer specific, facility specific, or usage specific information, other than customer information communicated for the purpose of publication or directory database inclusion, or
- (b) is in written, graphic, electromagnetic, or other tangible form and marked at the time of delivery as "Confidential" or "Proprietary," or
- (c) is communicated orally and declared to the receiving Party at the time of delivery, and by written notice given to the receiving Party within ten (10) days after delivery, to be "Confidential" or "Proprietary" (collectively referred to as "Proprietary Information"), shall remain the property of the disclosing Party.

28.4.2 Each Party shall keep all of the other Party's Proprietary Information confidential in the same manner it holds its own Proprietary Information confidential (which in all cases shall be no less than in a commercially reasonable manner) and shall use the other Party's Proprietary Information only for performing the covenants contained in this Agreement. Neither Party shall use the other Party's Proprietary Information for any other purpose except upon such terms and conditions as may be agreed upon between the Parties in writing or to enforce its rights hereunder (provided that the Party wishing to disclose the other Party's Proprietary Information submits the same to the Commission, the FCC or courts of competent jurisdiction, as applicable, under a request for a protective order).

28.4.3 Unless otherwise agreed, the obligations of confidentiality and non-use set forth in this Agreement do not apply to such Proprietary Information that:

- (a) was, at the time of receipt, already known to the receiving Party free of any obligation to keep it confidential as evidenced by written records prepared prior to delivery by the disclosing Party; or
- (b) is or becomes publicly known through no wrongful act of the receiving Party; or
- (c) is rightfully received from a third person having no direct or indirect secrecy or confidentiality obligation to the disclosing Party with respect to such information; or

(d) is independently developed by an employee, agent, or contractor of the receiving Party that is not involved in any manner with the provision of services pursuant to this Agreement and does not have any direct or indirect access to the Proprietary Information; or

(e) is approved for release by written authorization of the disclosing Party; or

(f) is required to be made public by the receiving Party pursuant to Applicable Law, provided that the receiving Party shall have made commercially reasonable efforts to give adequate notice of the requirement to the disclosing Party in order to enable the disclosing Party to seek protective orders.

28.4.4 Following termination or expiration of this Agreement, and upon request by the disclosing Party, the receiving Party shall return all tangible copies of Proprietary Information, whether written, graphic, electromagnetic or otherwise, except that the receiving Party may retain one copy for archival purposes only.

28.4.5 Notwithstanding any other provision of this Agreement, the provisions of this Section 28.4 shall apply to all Proprietary Information furnished by either Party to the other in furtherance of the purpose of this Agreement, even if furnished before the Effective Date.

28.4.6 The Parties' obligations with respect to Proprietary Information under this Section 28 shall not last beyond any time limitations therefor mandated under State law.

28.5 Choice of Law

The construction, interpretation and performance of this Agreement shall be governed by and construed in accordance with the laws of the state in which this Agreement is to be performed, except for its conflicts of laws provisions. In addition, insofar as and to the extent federal law may apply, federal law will control.

28.6 Taxes

28.6.1 In General. With respect to any purchase hereunder of services, facilities or arrangements, if any federal, state or local tax, fee, surcharge or other tax-like charge (a "Tax") is required or permitted by Applicable Law to be collected from the purchasing Party by the providing Party, then (i) the providing Party shall properly bill the purchasing Party for such Tax, (ii) the purchasing Party shall timely remit such Tax to the providing Party and (iii) the providing Party shall timely remit such collected Tax to the applicable taxing authority.

28.6.2 Taxes Imposed on the Providing Party. With respect to any purchase hereunder of services, facilities or arrangements, if any federal, state or local Tax is imposed by Applicable Law on the receipts of the providing Party, and such Applicable Law permits the providing Party to exclude certain receipts received from sales for resale to a public utility, distributor, telephone company, local exchange carrier, telecommunications company or other

communications company ("Telecommunications Company"), such exclusion being based solely on the fact that the purchasing Party is also subject to a tax based upon receipts ("Receipts Tax"), then the purchasing Party (i) shall provide the providing Party with notice in writing in accordance with Section 28.6.6 of this Agreement of its intent to pay the Receipts Tax and (ii) shall timely pay the Receipts Tax to the applicable tax authority.

28.6.3 Taxes Imposed on Customers. With respect to any purchase hereunder of services, facilities or arrangements that are resold to a third party, if any federal, state or local Tax is imposed by Applicable Law on the subscriber, end-user, Customer or ultimate consumer ("Subscriber") in connection with any such purchase, which a Telecommunications Company is required to impose and/or collect from a Subscriber, then the purchasing Party (i) shall be required to impose and/or collect such Tax from the Subscriber and (ii) shall timely remit such Tax to the applicable taxing authority.

28.6.4 Liability for Uncollected Tax, Interest and Penalty. If the providing Party has not received an exemption certificate and fails to collect any Tax as required by Section 28.6.1, then, as between the providing Party and the purchasing Party, (i) the purchasing Party shall remain liable for such uncollected Tax and (ii) the providing Party shall be liable for any interest assessed thereon and any penalty assessed with respect to such uncollected Tax by such authority. If the providing Party properly bills the purchasing Party for any Tax but the purchasing Party fails to remit such Tax to the providing Party as required by Section 28.6.1, then, as between the providing Party and the purchasing Party, the purchasing Party shall be liable for such uncollected Tax and any interest assessed thereon, as well as any penalty assessed with respect to such uncollected Tax by the applicable taxing authority. If the providing Party does not collect any Tax as required by Section 28.6.1 because the purchasing Party has provided such providing Party with an exemption certificate that is later found to be inadequate by a taxing authority, then, as between the providing Party and the purchasing Party, the purchasing Party shall be liable for such uncollected Tax and any interest assessed thereon, as well as any penalty assessed with respect to such uncollected Tax by the applicable taxing authority. If the purchasing Party fails to pay the Receipts Tax as required by Section 28.6.2, then, as between the providing Party and the purchasing Party, (x) the providing Party shall be liable for any Tax imposed on its receipts and (y) the purchasing Party shall be liable for any interest assessed thereon and any penalty assessed upon the providing Party with respect to such Tax by such authority. If the purchasing Party fails to impose and/or collect any Tax from Subscribers as required by Section 28.6.3, then, as between the providing Party and the purchasing Party, the purchasing Party shall remain liable for such uncollected Tax and any interest assessed thereon, as well as any penalty assessed with respect to such uncollected Tax by the applicable taxing authority. With respect to any Tax that the purchasing Party has agreed to pay, or is required to impose on and/or collect from Subscribers, the purchasing Party agrees to indemnify and hold the providing Party harmless on an after-tax basis for any costs incurred by the providing Party as a result of actions taken by the applicable taxing authority to recover the Tax from the providing Party due to the failure of the purchasing Party to timely pay, or collect and timely remit, such Tax to such authority. In the event either Party is audited by a taxing authority, the other Party agrees to cooperate fully with the Party being audited in order to respond to any audit inquiries in

a proper and timely manner so that the audit and/or any resulting controversy may be resolved expeditiously.

28.6.5 Tax Exemptions and Exemption Certificates. If Applicable Law clearly exempts a purchase hereunder from a Tax, and if such Applicable Law also provides an exemption procedure, such as an exemption-certificate requirement, then, if the purchasing Party complies with such procedure, the providing Party shall not collect such Tax during the effective period of such exemption. Such exemption shall be effective upon receipt of the exemption certificate or affidavit in accordance with the terms set forth in Section 28.6.6. If Applicable Law clearly exempts a purchase hereunder from a Tax, but does not also provide an exemption procedure, then the providing Party shall not collect such Tax if the purchasing Party (i) furnishes the providing Party with a letter signed by an officer requesting such an exemption and citing the provision in the Applicable Law which clearly allows such exemption and (ii) supplies the providing Party with an indemnification agreement, reasonably acceptable to the providing Party (e.g., an agreement commonly used in the industry), which holds the providing Party harmless on an after-tax basis with respect to its forbearing to collect such Tax.

28.6.6 If any discount or portion of a discount in price provided to Level 3 under this Agreement (including, but not limited to, a wholesale discount provided for in Exhibit A) is based on anticipated Tax savings to BA because it was anticipated that receipts from sales of BA services that would otherwise be subject to a Tax on such receipts could be excluded from such Tax under Applicable Law because the BA services would be sold to Level 3 for resale, and BA is, in fact, required by Applicable Law to pay such Tax on receipts from sales of BA services to Level 3, then, as between BA and Level 3, Level 3 shall be liable for, and shall indemnify and hold harmless BA against (on an after-tax basis), any such Tax and any interest and/or penalty assessed by the applicable taxing authority on either Level 3 or BA with respect to the Tax on BA's receipts.

28.6.7 All notices, affidavits, exemption-certificates or other communications required or permitted to be given by either Party to the other, for purposes of this Section 28.6, shall be made in writing and shall be delivered in person or sent by certified mail, return receipt requested, or registered mail, or a courier service providing proof of service, and sent to the addressees set forth in Section 28.10 as well as to the following:

To Bell Atlantic:	Tax Administration Bell Atlantic Corporation 1095 Avenue of the Americas Room 3109 New York, NY 10036
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To Level 3:	Director of Tax Administration Level 3 Communications, LLC 1025 Eldorado Blvd. Broomfield, CO 80021
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Either Party may from time to time designate another address or other addressees by giving notice in accordance with the terms of this Section 28.6. Any notice or other communication shall be deemed to be given when received.

28.7 Assignment

Neither Party may assign this Agreement or any of its rights or obligations hereunder to a third party without the written consent of the other Party; provided, however, that either Party may assign this Agreement to an affiliate, without the other Party's prior written consent (but with written notice thereof to the other Party), upon the provision of reasonable evidence by the proposed assignee that it has the resources, ability, and authority to provide satisfactory performance under this Agreement, and provided further that the proposed assignee is in good standing with the other Party. Any assignment or delegation in violation of this subsection 29.7 shall be void and ineffective and constitute a default of this Agreement. For the purposes of this Section, the term "affiliate" shall mean any entity that controls, is controlled by, or is under common control with the assigning Party. The forgoing shall not be construed to prevent a Party from granting a security interest in this Agreement.

28.8 Billing and Payment; Disputed Amounts

28.8.1 Except as may otherwise be provided in this Agreement, each Party shall submit on a monthly basis an itemized statement of charges incurred by the other Party during the preceding month(s) for services, facilities or arrangements provided hereunder. Payment of amounts billed under this Agreement, whether billed on a monthly basis or as otherwise provided herein, shall be due, in immediately available U.S. funds, on the later of (a) thirty (30) days following the date of such statement, or (b) twenty (20) days from the date of receipt of such statement.

28.8.2 Although it is the intent of both Parties to submit timely and accurate statements of charges, failure by either Party to present statements to the other Party in a timely manner shall not constitute a breach or default, or a waiver of the right to payment of the incurred charges, by the billing Party under this Agreement, and the billed Party shall not be entitled to dispute the billing Party's statement(s) based on such Party's failure to submit them in a timely fashion.

28.8.3 If any portion of an amount due to a Party (the "Billing Party") under this Agreement is subject to a bona fide dispute between the Parties, the Party billed (the "Non-Paying Party") shall within sixty (60) days of its receipt of the invoice containing such disputed amount give notice to the Billing Party of the amounts it disputes ("Disputed Amounts") and include in such notice the specific details and reasons for disputing each item. The Non-Paying Party shall pay when due (i) all undisputed amounts to the Billing Party and (ii) all Disputed Amounts into an interest bearing escrow account with a third party escrow agent mutually agreed upon by the Parties.

28.8.4 If the Parties are unable to resolve the issues related to the Disputed Amounts in the normal course of business within thirty (30) days after delivery to the Billing Party of notice of the Disputed Amounts, each of the Parties shall appoint a designated representative who has authority to settle the dispute and who is at a higher level of management than the persons with direct responsibility for administration of this Agreement. The designated representatives shall meet as often as they reasonably deem necessary in order to discuss the dispute and negotiate in good faith in an effort to resolve such dispute. The specific format for such discussions will be left to the discretion of the designated representatives, however all reasonable requests for relevant information made by one Party to the other Party shall be honored.

28.8.5 If the Parties are unable to resolve issues related to the Disputed Amounts within thirty (30) days after the Parties' appointment of designated representatives pursuant to Section 28.8.4, or if either Party fails to appoint a designated representative within thirty (30) days of the end of the thirty (30) day period referred to Section 28.8.4, then either Party may file a complaint with the Commission or any other authority of competent jurisdiction to resolve such issues or proceed with any other remedy pursuant to law or equity.

28.8.6 The Parties agree that all negotiations pursuant to this Section 28.8 shall remain confidential and shall be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence.

28.8.7 Charges which are not paid by the due date stated on BA's bill shall be subject to a late payment charge. The late payment charge shall be an amount specified by BA which shall not exceed a rate of one and one half percent (1 1/2%) of the overdue amount (including any unpaid previously billed late payment charges) per month.

28.9 Dispute Resolution

Except as otherwise provided in this Agreement, any dispute between the Parties regarding the interpretation or enforcement of this Agreement or any of its terms shall be addressed by good faith attempts at conducting good faith negotiation between the Parties, in the first instance. Should such negotiations fail to resolve any dispute under this Agreement in a reasonable time (given, among other things, the circumstances giving rise to the dispute, the scope of perceived harm to the Parties, and the perceived threat to the services provided to Customers), either Party may initiate an appropriate action in any regulatory or judicial forum of competent jurisdiction.

28.10 Notices

Except as otherwise provided in this Agreement, notices given by one Party to the other Party under this Agreement shall be in writing and shall be (a) delivered personally, (b) delivered by express delivery service, (c) mailed, certified mail or first class U.S. mail postage prepaid, return receipt requested, or (d) delivered by telecopy to the following addresses of the Parties:

To Level 3:

Level 3 Communications, LLC
Tony Sachetti, Director-Interconnection Services
1025 Eldorado Blvd.
Broomfield, CO 80021
Tel.: (720) 888-1000

with a copy to:

Michael R. Romano, Esq.
Level 3 Communications, LLC
1025 Eldorado Blvd.
Broomfield, CO 80021
Facsimile: (720) 888-5134

To BA:

Director - Interconnection Services
Bell Atlantic Telecom Industry Services
1095 Avenue of the Americas
Room 1423
New York, NY 10036
Facsimile: 212/704-4381

with copies to:

VERIZON
1095 Avenue of Americas
40th Floor
New York, NY 10036
Attn: General Counsel
Facsimile: (212) 597-2560
Associate General Counsel – Telecom
1320 N. Court House Road
8th Floor
Arlington, VA 22201
Facsimile: 703/974-0744

or to such other address as either Party shall designate by proper notice. Notices will be deemed given as of the earlier of (i) the date of actual receipt, (ii) the next business day when notice is sent via express mail or personal delivery, (iii) three (3) days after mailing in the case of first class or certified U.S. mail, or (iv) on the date set forth on the confirmation in the case of telecopy.

28.11 Joint Work Product

This Agreement is the joint work product of the Parties and has been negotiated by the Parties and their respective counsel and shall be fairly interpreted in accordance with its terms and, in the event of any ambiguities, no inferences shall be drawn against either Party.

28.12 No Third Party Beneficiaries

This Agreement is for the sole benefit of the Parties and their permitted assigns, and nothing herein express or implied shall create or be construed to create any third-party beneficiary rights hereunder.

28.13 No Licenses

28.13.1 Nothing in this Agreement shall be construed as the grant of a license with respect to any patent, copyright, trademark, trade name, trade secret or any other proprietary or intellectual property now or hereafter owned, controlled or licensable by either Party. Neither Party may use any patent, copyrightable materials, trademark, trade name, trade secret or other intellectual property right of the other Party except in accordance with the terms of a separate license agreement between the Parties granting such rights.

28.13.2 Except as may be required under Section 28.13.4 hereof, neither Party shall have any obligation to defend, indemnify or hold harmless, or acquire any license or right for the benefit of, or owe any other obligation or have any liability to, the other Party or its Customers based on or arising from any claim, demand, or proceeding by any third party alleging or asserting that the use of any circuit, apparatus, or system, or the use of any software, or the performance of any service or method, or the provision of any facilities by either Party under this Agreement, alone or in combination with that of the other Party, constitutes direct, vicarious or contributory infringement or inducement to infringe, misuse or misappropriation of any patent, copyright, trademark, trade secret, or any other proprietary or intellectual property right of any Party or third party. Each Party, however, shall offer to the other reasonable cooperation and assistance in the defense of any such claim.

28.13.3 NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, THE PARTIES AGREE THAT NEITHER PARTY HAS MADE, AND THAT THERE DOES NOT EXIST, ANY WARRANTY, EXPRESS OR IMPLIED, THAT THE USE BY EACH PARTY OF THE OTHER'S FACILITIES, ARRANGEMENTS, OR SERVICES PROVIDED UNDER THIS AGREEMENT SHALL NOT GIVE RISE TO A CLAIM OF INFRINGEMENT, MISUSE, OR MISAPPROPRIATION OF ANY INTELLECTUAL PROPERTY RIGHT.

28.13.4 Level 3 agrees that the rights granted by BA hereunder shall, where applicable, be subject to the restrictions, if any, contained in any current software license agreements between BA and BA's software vendors. If BA asserts any such restrictions, BA shall provide written notice thereof to Level 3, and upon receipt of written request by Level 3, BA

shall provide a copy of the applicable restrictive provisions in the subject license agreement(s), except to the extent that BA is prohibited from doing so by a confidentiality obligation; provided, however, that in the case of such a confidentiality obligation, BA shall exercise commercially reasonable best efforts to make a copy of the subject license agreement(s) available to Level 3, although in no event shall BA be required to expend funds or undertake any additional obligations to make such information available to Level 3. Level 3 acknowledges that functions and features made available to it hereunder through the use of third party proprietary products may involve additional terms and conditions and/or separate licensing to Level 3; provided, however, BA agrees that it shall comply with the requirements, if any, of Applicable Law with respect to making efforts to secure intellectual property rights from third parties necessary for Level 3 to make use of BA services and facilities.

28.14 Technology Upgrades

Notwithstanding any other provision of this Agreement, BA shall have the right to deploy, upgrade, migrate and maintain its network at its discretion. The Parties acknowledge that BA, at its election, may deploy fiber throughout its network and that such fiber deployment may inhibit or facilitate Level 3's ability to provide service using certain technologies. Nothing in this Agreement shall limit BA's ability to upgrade its network through the incorporation of new equipment, new software or otherwise. Level 3 shall be solely responsible for the cost and effort of accommodating such changes in its own network. BA shall, however, notify Level 3 in writing of any technology upgrades that would materially affect BA's provision of services or facilities hereunder, as soon as reasonably possible after the decision is made to implement such upgrades, so that Level 3 will have reasonable time to make alternative arrangements as necessary. In no event shall such notice be less than sixty (60) days in advance of the upgrade to be implemented by BA.

28.15 Survival

The Parties' obligations under this Agreement which by their nature are intended to continue beyond the termination or expiration of this Agreement (including, without limitation, the obligation to pay amounts owed hereunder (to include indemnification obligations) and the obligation to protect the other Party's Proprietary Information) shall survive the termination or expiration of this Agreement.

28.16 Entire Agreement

The terms contained in this Agreement and any Schedules, Exhibits, Tariffs and other documents or instruments referred to herein that are incorporated into this Agreement by this reference constitute the entire agreement between the Parties with respect to the subject matter hereof, and supersede any and all understandings, proposals and other communications, oral or written regarding such subject matter that have been made or entered into prior to the effective date hereof, November 1, 2000. Neither Party shall be bound by any preprinted terms additional to or different from those in this Agreement that may appear subsequently in the other Party's

form documents, purchase orders, quotations, acknowledgments, invoices or other communications.

28.17 Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

28.18 Modification, Amendment, Supplement, or Waiver

No modification, amendment, supplement to, or waiver of the Agreement or any of its provisions shall be effective and binding upon the Parties unless it is made in writing and duly signed by the Parties. A failure or delay of either Party to enforce any of the provisions hereof, to exercise any option which is herein provided, or to require performance of any of the provisions hereof shall in no way be construed to be a waiver of such provisions or options.

28.19 Successors and Assigns

This Agreement shall be binding on and inure to the benefit of the Parties and their respective legal successors and permitted assigns.

28.20 Publicity and Use of Trademarks or Service Marks

Neither Party nor its subcontractors or agents shall use the other Party's trademarks, service marks, logos or other proprietary trade dress in any advertising, press releases, publicity matters or other promotional materials without such Party's prior written consent.

28.21 Cooperation With Law Enforcement

BA may cooperate with law enforcement authorities to the full extent required or permitted by Applicable Law in matters related to services provided by BA hereunder, including, but not limited to, the production of records; the establishment of new lines or the installation of new services on an existing line in order to support law enforcement operations; and the installation of wiretaps, trap-or-trace devices and pen registers. BA shall not have the obligation to inform the Customers of Level 3 of such law enforcement requirements, except to the extent required by Applicable Law. BA will inform Level 3 of such law enforcement requirements, unless an appropriate governmental authority requests that notice to Level 3 be withheld, or such disclosure is otherwise inconsistent with Applicable Law. Where a law enforcement requirement relates to the establishment of new lines (including, but not limited to, lines established to support interception of communications on other lines), or the installation of services on existing lines, BA may take measures to prevent CLECs from obtaining access to information concerning such lines or services through operations support system interfaces, whenever an appropriate governmental authority so requests. A requirement that the existence of the lines or services not be disclosed shall be interpreted as including a requirement to block access to information concerning the lines or services through operations support system interfaces. BA will not be

liable to any person for any economic harm, personal injury, invasion of any right of privacy, or any other harm, loss or injury, caused or claimed to be caused, directly or indirectly, by actions taken by BA to block, or by its failure to block, access to information concerning particular lines or services through operations support systems interfaces or otherwise.

28.22 CLEC Certification

Notwithstanding any other provision of this Agreement, BA shall have no obligation to perform under this Agreement until such time as Level 3 has obtained a Certificate of Public Convenience and Necessity (CPCN) or such other Commission authorization as may be required by law as a condition for conducting business in Rhode Island as a local exchange carrier.

28.23 Section 252(i)

Except as set forth in Section 5.7.3 hereof, nothing in this Agreement shall be construed to prevent either Party from exercising any rights it may hold under Section 252(i) of the Act. Except as set forth in Section 5.7.3 hereof, nothing in this Agreement shall be construed to excuse either Party from any obligations it may bear under Section 252(i) of the Act.

RNK Inc. d/b/a RNK Telecom Complaint

EXHIBIT B

ICA Amendment No. 2

Original

AMENDMENT NO. 2

to the

INTERCONNECTION AGREEMENT

BETWEEN

**VERIZON NEW ENGLAND INC.,
D/B/A VERIZON RHODE ISLAND,
F/K/A NEW ENGLAND TELEPHONE AND TELEGRAPH COMPANY,
D/B/A BELL ATLANTIC – RHODE ISLAND**

AND

RNK INC., D/B/A RNK TELECOM

FOR RHODE ISLAND

This Amendment No. 2 (the "Amendment") is effective December 20, 2004 ("Amendment Effective Date"), and is entered into by and between Verizon New England Inc., d/b/a Verizon Rhode Island, f/k/a New England Telephone and Telegraph Company, d/b/a Bell Atlantic – Rhode Island ("Verizon") and RNK Inc., d/b/a RNK Telecom ("RNK"). (Verizon and RNK may hereinafter be referred to, each individually, as a "Party," and, collectively, as the "Parties").

WITNESSETH:

WHEREAS, RNK has previously adopted certain terms of the interconnection agreement between Verizon and Level 3 Communications, LLC ("Level 3") pursuant to Section 252(i) of the Telecommunications Act of 1996 (the "Act");

WHEREAS, RNK has previously adopted certain terms of the interconnection agreement between Verizon and Cox Communications, d/b/a Cox Rhode Island Telecomm II ("Cox") pursuant to Section 252(i) of the Telecommunications Act of 1996 (the "Act") (the adopted terms of the Level 3 and Cox agreements shall be referred to collectively as the "Interconnection Agreement");

WHEREAS, the Parties desire to agree terms governing compensation for the exchange of Local Traffic and Internet Traffic on a prospective basis;

NOW, THEREFORE, in consideration of the promises and mutual agreements set forth herein, the Parties agree to amend the Interconnection Agreement as follows:

1. Intercarrier Compensation. The following terms shall govern the Parties' rights and obligations regarding compensation for Internet Traffic and Local Traffic in Rhode Island, notwithstanding any other provision of the Interconnection Agreement, any Tariff, any SGAT, or under applicable law or any change in applicable law. Capitalized terms not defined in this Amendment shall have the meanings provided for them in the Agreement.

1.1 Internet Traffic Not Eligible for Reciprocal Compensation. Notwithstanding any possible contrary construction of the Interconnection Agreement, Internet Traffic shall not be eligible for payment of reciprocal compensation.

1.2 Compensation.

1.2.1. Internet Traffic. All combined Local Traffic and Internet Traffic in excess of a 3:1 ratio of terminating to originating traffic received by either party from the other in Rhode Island shall be presumed to be Internet Traffic and shall be subject to bill and keep.

1.2.2 Local Traffic. All combined Local Traffic and Internet Traffic up to a 3:1 ratio of terminating to originating traffic received by either party from the other in Rhode Island shall be presumed to be Local Traffic and shall be compensated at the state approved reciprocal compensation rates set forth in the Interconnection Agreement.

1.2.3 Rebuttal of 3:1 Presumption. The Parties agree further that either Party may rebut the 3:1 presumption by demonstrating to the Rhode Island Public Utilities Commission (the "Commission"), subject to the Commission's rules, procedures, and/or decisions applicable to such rebuttal proceeding, either that traffic above the 3:1 ratio is in fact Local Traffic or that traffic up to the 3:1 ratio is in fact Internet Traffic. During the pendency of any such rebuttal proceeding, the Parties shall remain obligated to pay the state approved reciprocal compensation rates set forth in the Interconnection Agreement for traffic up to a 3:1 ratio of terminating to originating traffic and to apply bill and keep for traffic in excess of a 3:1 ratio of terminating to originating traffic, subject to true-up upon the conclusion of the rebuttal proceeding before the Commission.

The Parties may also mutually agree that certain traffic above the 3:1 ratio is in fact Local Traffic or that traffic up to the 3:1 ratio is in fact Internet Traffic.

1.3 V/FX Traffic. The Parties agree that reciprocal compensation shall not apply to Virtual Foreign Exchange Traffic (i.e., V/FX Traffic). As used in this Amendment, "Virtual Foreign Exchange Traffic" or "V/FX Traffic" is defined as calls in which a RNK customer is assigned a telephone number with an NXX Code (as set forth in the LERG) associated with an exchange that is different than the exchange (as set forth in the LERG) associated with the actual physical location of such customer's station. For the avoidance of any doubt, RNK shall pay Verizon's tariffed originating access charges for all V/FX Traffic originated by a Verizon customer, and RNK shall pay Verizon's tariffed terminating access charges for all V/FX Traffic originated by a RNK customer.

The Parties agree that twenty percent (20%) of the Verizon originated traffic sent to RNK is V/FX Traffic and shall be treated in accordance with this Section 1.3. No more than once during any consecutive twelve month period following the Amendment Effective Date, either Party may request that the Parties recalculate and reset the foregoing twenty percent (20%) presumption by providing written notice to the other Party, which notice shall include reasonably detailed information and/or data supporting the requested change. Upon delivery of the written notice provided pursuant to this section, the Parties shall engage in good faith negotiations for a period not exceeding thirty (30) days to determine whether or not to change the twenty percent (20%) (or other reset percentage) presumption. If the Parties agree to change the presumption within such thirty (30) day period, then they shall enter an amendment to the Interconnection Agreement reflecting the change, which shall apply prospectively from the delivery date for the notice provided pursuant to this paragraph. If they fail to agree within such thirty (30) day period, then either them may invoke the dispute resolution provisions of the Interconnection Agreement.

1.4. Waiver of Rights; Successor Terms. Each Party irrevocably waives, with respect to the other Party, any and all rights that it may have or that it may obtain, whether under the Act (including, but not limited to, under Section 252(i) thereof), under any other applicable law, under the Interconnection Agreement, or otherwise (i) to adopt the terms of any other interconnection agreement, law, regulation, order, arbitration award or the like relating to the subject matter of this Amendment; or (ii) to seek through negotiation (including negotiation of a replacement for the Interconnection Agreement), arbitration, or otherwise terms or provisions that would modify, replace, alter or otherwise change the terms and provisions of this Amendment. Further, the Parties agree that, if they establish new or replacement interconnection agreements for the Interconnection Agreement, they shall implement the terms of this Amendment into such new or replacement interconnection agreements.

2. Scope of Amendment. Except to the extent set forth in Section 1 of this Amendment, the rates, charges and other provisions of the Interconnection Agreement shall remain in full force and effect after the Amendment Effective Date. Nothing in this Amendment shall be deemed to amend or extend the term of the Interconnection Agreement. This Amendment is not intended to modify the term of the Interconnection Agreement or to affect either Party's right to exercise any right of termination it may have under the Interconnection Agreement.

3. Conflict Between this Amendment and the Interconnection Agreement. This Amendment shall be deemed to revise the rates, charges and other provisions of the Interconnection Agreement to the extent necessary to give effect to the rates, charges and other provisions of this Amendment. In the event of a conflict between a rate, charge or other provision of this Amendment and a rate, charge or other provision of the Interconnection Agreement, this Amendment shall govern.

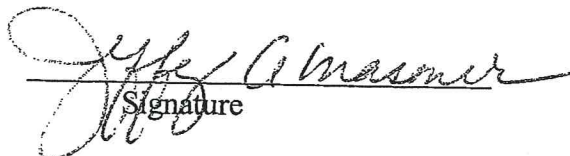
4. Counterparts. This Amendment may be executed in one or more counterparts, each of which when so executed and delivered shall be an original and all of which together shall constitute one and the same instrument.

000001

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be duly executed and delivered by their duly authorized representatives as of the Amendment Effective Date.

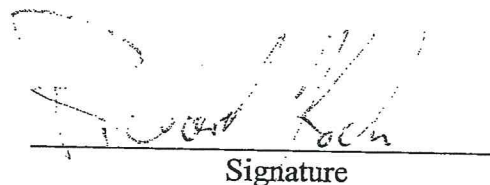
**Verizon New England Inc.,
d/b/a Verizon Rhode Island,
f/k/a New England Telephone
and Telegraph Company,
d/b/a Bell Atlantic – Rhode Island**

RNK Inc., d/b/a RNK Telecom


Signature

Jeffrey A. Masoner
Printed Name

Vice President Interconnection Policy
And Planning


Signature

Richard N. Koch
Printed Name

President
Title

RNK Inc. d/b/a RNK Telecom Complaint

EXHIBIT C

Verizon December 9, 2010 Letter



Charles A. Bando
Manager – VSO Customer Financial Services
125 High Street
Boston, MA 02110
(617) 743-2242
charles.a.bando@verizon.com

Via Overnight Mail

December 9, 2010

Richard Koch, CEO
RNK Communications
333 Elm Street, Suite 310
Dedham, MA 02026

Dear Mr. Koch:

It has come to Verizon's attention that most of the apparently-local traffic (based on calling and called numbers) that is delivered by Verizon to RNK is in fact interexchange traffic (based on endpoints). On such interexchange traffic, RNK owes originating access charges to Verizon; Verizon does not owe reciprocal compensation to RNK.

Verizon has for some time calculated its reciprocal compensation obligations to RNK based on the flawed presumption that twenty percent of apparently-local traffic delivered to RNK was in fact interexchange (*i.e.*, that twenty percent was "virtual foreign exchange," or "V/FX traffic"), and has withheld reciprocal compensation payments based on that presumption. By this letter, Verizon is notifying RNK that it has re-calculated its reciprocal compensation obligations to RNK, based on V/FX percentages derived from actual evidence obtained by Verizon. Verizon has applied these revised V/FX percentages to RNK's current billings, and retroactively to May, 2008.

For the current month's billings, Verizon's reciprocal compensation obligation (for local traffic in all states) would be \$195,766.03 using a twenty percent V/FX factor. Using the more accurate re-calculated V/FX factors, Verizon's reciprocal compensation obligation is \$103,067.44 (and a total current payment obligation, including terminating access traffic, of \$189,417.85). Applying these factors to the retroactive period, Verizon has determined that it should have paid \$4,378,751.69 for local traffic (using the revised factors), but that Verizon in fact paid \$8,464,221.54 (using the twenty percent presumption), for a total overpayment since May 2008 of \$4,085,469.85. Verizon will apply its current payment obligation (of \$189,417.85) to partially offset those prior overpayments – so that under the re-calculated percentage, and after application of the offset, no payment is due to RNK.

Finally, as an administrative matter, Verizon will place into a third-party escrow account the amounts withheld pursuant to this letter. Thus, Verizon will place into escrow the re-calculated payment obligation (\$189,417.85) that will be withheld to offset prior overpayments. Verizon will provide the details of this escrow arrangement to RNK upon request.

Please feel free to contact me should you have any questions regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles Bando", written in a cursive style.

Charles Bando

RNK Inc. d/b/a RNK Telecom Complaint

EXHIBIT D

Verizon Dispute Letters and Invoices

Verizon Finance - Local Interconnection Billing

125 High Street
Boston, Massachusetts 02110
Phone: 617-743-6167
Fax: 617-743-2519

Bill Specialist
Ken Roos
kenneth.w.roos@verizon.com

December 02, 2010

RNK Telecom
Attn: Richard N. Koch - President
333 Elm Street
Dedham, MA 02026

Dear Richard N. Koch:

This letter is notification that Verizon - Rhode Island is disputing charges totaling \$123,210.25 on Invoice 130115 dated November 01, 2010 for account RI.

INVOICE CHARGES DISPUTED

Verizon is disputing \$55,946.66 for an imbalance in reported Minutes of Use (MOUs). During November 2010, RNK Telecom billed Verizon for terminating the following minutes:

597,803 MOU for EO Local Switching from 10/1/2010 to 10/31/2010
2,982,398 MOU for Tandem from 10/1/2010 to 10/31/2010
11,745,781 MOU for Tandem Transit from 10/1/2010 to 10/31/2010

Based on data from Verizon's measurement systems, the traffic RNK Telecom terminated for Verizon was 460,683 MOUs. Verizon is disputing the difference between the MOUs billed by RNK Telecom, and the Verizon measured MOUs.

Verizon is disputing \$67,263.59 for a discrepancy(s) in the billed usage rate(s) for Local for the November 2010 invoice. RNK Telecom billed usage at a rate other than what has been agreed. The following are the products affected by this rate dispute:

Tandem: From 10/1/2010 to 10/31/2010 at \$.008/MOU Billed, \$.003433/MOU Paid
Tandem Transit: From 10/1/2010 to 10/31/2010 at \$.008/MOU Billed, \$.003433/MOU Paid

Verizon has re-rated the billed amount to reflect the paid rate.

Verizon requests that RNK Telecom issue a credit to Verizon for the disputed amount.

Verizon wants to work with RNK Telecom in resolving outstanding billing disputes between our companies. Please contact me at 617-743-6167 at your earliest convenience to discuss the disputes on this invoice.

Sincerely,

Ken Roos

Verizon - RNK
Invoice 130-115

LATA 130 Rhode Island
Reciprocal Compensation As Per Agreement - Month of October 2010

Invoice Date November 1 2010

Undisputed Local Traffic

	Minutes	Rate	Amount	
VZ Originated Peak Minutes	2,415,884	0.008	19,327.07	
VZ Originated Off Peak Minutes	566,514	0.008	4,532.11	
			Sub Total	\$ 23,859.18

IntraLata Local Traffic

Non-VZ Originated as per agreement	11,745,781	0.008	\$ 93,966.25	
			Subtotal	\$ 93,966.25

Toll Traffic

	Minutes	Rate	Amount	
VZ Originated Toll Traffic	597,803	0.039	\$ 23,314.32	
			Sub Total	\$ 23,314.32

Total	15,325,982		Total Due	<u>\$ 141,139.75</u>
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Verizon Finance - Local Interconnection Billing

125 High Street
Boston, Massachusetts 02110
Phone: 617-743-6167
Fax: 617-743-2519

Bill Specialist
Ken Roos
kenneth.w.roos@verizon.com

December 16, 2010

RNK Telecom
Attn: Richard N. Koch - President
333 Elm Street
Dedham, MA 02026

Dear Richard N. Koch:

This letter is notification that Verizon - Rhode Island is disputing charges totaling \$115,184.72 on Invoice 130116 dated December 01, 2010 for account RI.

INVOICE CHARGES DISPUTED

Verizon is disputing \$52,182.36 for an imbalance in reported Minutes of Use (MOUs). During December 2010, RNK Telecom billed Verizon for terminating the following minutes:

548,492 MOU for EO Local Switching from 11/1/2010 to 11/30/2010
2,716,137 MOU for Tandem from 11/1/2010 to 11/30/2010
11,078,993 MOU for Tandem Transit from 11/1/2010 to 11/30/2010

Based on data from Verizon's measurement systems, the traffic RNK Telecom terminated for Verizon was 425,636 MOUs. Verizon is disputing the difference between the MOUs billed by RNK Telecom, and the Verizon measured MOUs.

Verizon requests that RNK Telecom issue a credit to Verizon for the disputed amount.

Verizon is disputing \$63,002.36 for a discrepancy(s) in the billed usage rate(s) for Local for the December 2010 invoice. RNK Telecom billed usage at a rate other than what has been agreed. The following are the products affected by this rate dispute:

Tandem: From 11/1/2010 to 11/30/2010 at \$.008/MOU Billed, \$.003433/MOU Paid
Tandem Transit: From 11/1/2010 to 11/30/2010 at \$.008/MOU Billed, \$.003433/MOU Paid

Verizon has re-rated the billed amount to reflect the paid rate.

Verizon wants to work with RNK Telecom in resolving outstanding billing disputes between our companies. Please contact me at 617-743-6167 at your earliest convenience to discuss the disputes on this invoice.

Sincerely,

Ken Roos

Verizon - RNK
Invoice 130-116

LATA 130 Rhode Island
Reciprocal Compensation As Per Agreement - Month of November 2010

Invoice Date December 1 2010

<u>Undisputed Local Traffic</u>	Minutes	Rate	Amount	
VZ Originated Peak Minutes	2,200,180	0.008	17,601.44	
VZ Originated Off Peak Minutes	515,957	0.008	4,127.66	
			Sub Total	\$ 21,729.10
 <u>IntraLata Local Traffic</u>				
Non-VZ Originated as per agreement	11,078,993	0.008	\$ 88,631.94	
			Subtotal	\$ 88,631.94
 <u>Toll Traffic</u>				
	Minutes	Rate	Amount	
VZ Originated Toll Traffic	548,492	0.039	\$ 21,391.19	
			Sub Total	\$ 21,391.19
Total	14,343,622		Total Due	<u>\$ 131,752.23</u>

Verizon Finance - Local Interconnection Billing

*125 High Street
Boston, Massachusetts 02110
Phone: 617-743-6167
Fax: 617-743-2519*

**Bill Specialist
Ken Roos
kenneth.w.roos@verizon.com**

January 18, 2011

RNK Telecom
Attn: Richard N. Koch - President
333 Elm Street
Dedham, MA 02026

Dear Richard N. Koch:

This letter is notification that Verizon - Rhode Island is disputing charges totaling \$147,607.18 on Invoice 130117 dated January 01, 2011 for account RI.

INVOICE CHARGES DISPUTED

Verizon is disputing \$66,265.55 for an imbalance in reported Minutes of Use (MOUs). During January 2011, RNK Telecom billed Verizon for terminating the following minutes:

564,595 MOU for EO Local Switching from 12/1/2010 to 12/31/2010
3,059,934 MOU for Tandem from 12/1/2010 to 12/31/2010
14,750,801 MOU for Tandem Transit from 12/1/2010 to 12/31/2010

Based on data from Verizon's measurement systems, the traffic RNK Telecom terminated for Verizon was 434,138 MOUs. Verizon is disputing the difference between the MOUs billed by RNK Telecom, and the Verizon measured MOUs.

Verizon requests that RNK Telecom issue a credit to Verizon for the disputed amount.

Verizon is disputing \$81,341.63 for a discrepancy(s) in the billed usage rate(s) for Local for the January 2011 invoice. RNK Telecom billed usage at a rate other than what has been agreed. The following are the products affected by this rate dispute:

Tandem: From 12/1/2010 to 12/31/2010 at \$.008/MOU Billed, \$.003433/MOU Paid
Tandem Transit: From 12/1/2010 to 12/31/2010 at \$.008/MOU Billed, \$.003433/MOU Paid

Verizon has re-rated the billed amount to reflect the paid rate.

Verizon requests that RNK Telecom issue a credit to Verizon for the disputed amount.

Verizon wants to work with RNK Telecom in resolving outstanding billing disputes between our companies. Please contact me at 617-743-6167 at your earliest convenience to discuss the disputes on this invoice.

Sincerely,

Ken Roos

Verizon - RNK
Invoice 130-117

LATA 130 Rhode Island
Reciprocal Compensation As Per Agreement - Month of December 2010

Invoice Date January 1 2011

Undisputed Local Traffic

	Minutes	Rate	Amount	
VZ Originated Peak Minutes	2,478,669	0.008	19,829.35	
VZ Originated Off Peak Minutes	581,265	0.008	4,650.12	
			Sub Total	\$ 24,479.47

IntraLata Local Traffic

Non-VZ Originated as per agreement	14,750,801	0.008	\$ 118,006.41	
			Subtotal	\$ 118,006.41

Toll Traffic

	Minutes	Rate	Amount	
VZ Originated Toll Traffic	564,595	0.039	\$ 22,019.21	
			Sub Total	\$ 22,019.21
Total	18,375,330		Total Due	<u>\$ 164,505.09</u>

Verizon Finance - Local Interconnection Billing

125 High Street
Boston, Massachusetts 02110
Phone: 617-743-6167
Fax: 617-743-2519

Bill Specialist
Ken Roos
kenneth.w.roos@verizon.com

February 17, 2011

RNK Telecom
Attn: Richard N. Koch - President
333 Elm Street
Dedham, MA 02026

Dear Richard N. Koch:

This letter is notification that Verizon - Rhode Island is disputing charges totaling \$159,533.15 on Invoice 130118 dated February 01, 2011 for account RI.

INVOICE CHARGES DISPUTED

Verizon is disputing \$72,845.03 for an imbalance in reported Minutes of Use (MOUs). During February 2011, RNK Telecom billed Verizon for terminating the following minutes:

522,275 MOU for EO Local Switching from 1/1/2011 to 1/31/2011
2,861,354 MOU for Tandem from 1/1/2011 to 1/31/2011
16,120,062 MOU for Tandem Transit from 1/1/2011 to 1/31/2011

Based on data from Verizon's measurement systems, the traffic RNK Telecom terminated for Verizon was 326,095 MOUs. Verizon is disputing the difference between the MOUs billed by RNK Telecom, and the Verizon measured MOUs.

Verizon requests that RNK Telecom issue a credit to Verizon for the disputed amount.

Verizon is disputing \$86,688.12 for a discrepancy(s) in the billed usage rate(s) for Local for the February 2011 invoice. RNK Telecom billed usage at a rate other than what has been agreed. The following are the products affected by this rate dispute:

Tandem: From 1/1/2011 to 1/31/2011 at \$.008/MOU Billed, \$.003433/MOU Paid
Tandem Transit: From 1/1/2011 to 1/31/2011 at \$.008/MOU Billed, \$.003433/MOU Paid

Verizon has re-rated the billed amount to reflect the paid rate.

Verizon wants to work with RNK Telecom in resolving outstanding billing disputes between our companies. Please contact me at 617-743-6167 at your earliest convenience to discuss the disputes on this invoice.

Sincerely,

Ken Roos

Verizon - RNK
Invoice 130-118

LATA 130 Rhode Island
Reciprocal Compensation As Per Agreement - Month of January 2011

Invoice Date February 1 2011

<u>Undisputed Local Traffic</u>	Minutes	Rate	Amount	
VZ Originated Peak Minutes	2,317,811	0.008	18,542.49	
VZ Originated Off Peak Minutes	543,543	0.008	4,348.34	
			Sub Total	\$ 22,890.83
 <u>IntraLata Local Traffic</u>				
Non-VZ Originated as per agreement	16,120,062	0.008	\$ 128,960.50	
			Subtotal	\$ 128,960.50
 <u>Toll Traffic</u>				
	Minutes	Rate	Amount	
VZ Originated Toll Traffic	522,275	0.039	\$ 20,368.73	
			Sub Total	\$ 20,368.73
Total	19,503,691		Total Due	<u>\$ 172,220.05</u>

Verizon Finance - Local Interconnection Billing

125 High Street
Boston, Massachusetts 02110
Phone: 617-743-6167
Fax: 617-743-2519

Bill Specialist
Ken Roos
kenneth.w.roos@verizon.com

March 15, 2011

RNK Telecom
Attn: Richard N. Koch - President
333 Elm Street
Dedham, MA 02026

Dear Richard N. Koch:

This letter is notification that Verizon - Rhode Island is disputing charges totaling \$139,614.41 on Invoice 130119 dated March 01, 2011 for account RI.

INVOICE CHARGES DISPUTED

Verizon is disputing \$63,286.30 for an imbalance in reported Minutes of Use (MOUs). During March 2011, RNK Telecom billed Verizon for terminating the following minutes:

293,833 MOU for EO Local Switching from 2/1/2011 to 2/28/2011
2,549,136 MOU for Tandem from 2/1/2011 to 2/28/2011
14,163,826 MOU for Tandem Transit from 2/1/2011 to 2/28/2011

Based on data from Verizon's measurement systems, the traffic RNK Telecom terminated for Verizon was 142,881 MOUs. Verizon is disputing the difference between the MOUs billed by RNK Telecom, and the Verizon measured MOUs.

Verizon is disputing \$76,328.11 for a discrepancy(s) in the billed usage rate(s) for Local for the March 2011 invoice. RNK Telecom billed usage at a rate other than what has been agreed. The following are the products affected by this rate dispute:

Tandem: From 2/1/2011 to 2/28/2011 at \$.008/MOU Billed, \$.003433/MOU Paid
Tandem Transit: From 2/1/2011 to 2/28/2011 at \$.008/MOU Billed, \$.003433/MOU Paid

Verizon has re-rated the billed amount to reflect the paid rate.

Verizon wants to work with RNK Telecom in resolving outstanding billing disputes between our companies. Please contact me at 617-743-6167 at your earliest convenience to discuss the disputes on this invoice.

Sincerely,

Ken Roos

Verizon - RNK
Invoice 130-119

LATA 130 Rhode Island
Reciprocal Compensation As Per Agreement - Month of February 2011

Invoice Date March 1 2011

<u>Undisputed Local Traffic</u>	Minutes	Rate	Amount	
VZ Originated Peak Minutes	2,064,902	0.008	16,519.22	
VZ Originated Off Peak Minutes	484,234	0.008	3,873.87	
			Sub Total	\$ 20,393.09
 <u>IntraLata Local Traffic</u>				
Non-VZ Originated as per agreement	14,163,826	0.008	\$ 113,310.61	
			Subtotal	\$ 113,310.61
 <u>Toll Traffic</u>				
	Minutes	Rate	Amount	
VZ Originated Toll Traffic	293,833	0.039	\$ 11,459.49	
			Sub Total	\$ 11,459.49
Total	17,006,795		Total Due	<u>\$ 145,163.18</u>

RNK Inc. d/b/a RNK Telecom Complaint

EXHIBIT E

RNK December 17, 2010 Letter

VIA OVERNIGHT UPS AND EMAIL

December 17, 2010

Charles A. Bando
Manager –VSO Customer Financial Services
125 High Street
Boston, MA 02110

Re: **Virtual Foreign Exchange Traffic Letter of December 9, 2010**

Dear Mr. Bando:

RNK Inc., d/b/a RNK Communications ("RNK") is in receipt of your letter of December 9, 2010 regarding Verizon's purported right to unilaterally reset the Virtual Foreign Exchange Traffic ("VFX") percentage and withhold valid payment due to RNK (the "Letter"). Verizon's actions are unsupported by the Interconnection Agreements ("ICAs") between the parties and amount to unlawful self-help that subverts the ICAs and the judicial dispute resolution invoked by Verizon and currently pending at the United States Federal District Court for the District of Massachusetts.¹ Verizon must immediately cease this conduct, confirm in writing the same and release payments due under the ICA no later than **December 22, 2010**.

Verizon's Unilateral VFX Percentage Recalculation

In its Letter, Verizon claims that it has "recalculated its reciprocal compensation obligations to RNK, based on [VFX] percentages derived from actual evidence obtained by Verizon" and has "revised" the VFX percentages retroactively (and unilaterally) back to May, 2008." Verizon's actions are a breach of the parties' ICAs. As Verizon is aware, RNK entered into three (3) ICA amendments in Massachusetts, Rhode Island and New York detailing the treatment of VFX traffic.² Section 1.3 of the Amendments clearly states that, upon delivery notice, "the Parties shall engage in good faith negotiations" for a period of thirty days to determine "whether or not to change the" percentage and any such change can only take place on a prospective basis after proper negotiation and amendment of the Interconnection Agreements "if the Parties agree to changes the presumption." The Section goes on further to

¹ Verizon New England Inc. v. RNK, Inc., No. 2008-cv-11457 (D. Mass. Filed August 22, 2008).

² RNK has several ICAs with Verizon, but the only ICAs that have provisions pertaining to the VFX percentage are those noted above. While Verizon has no right to take the action it has under the ICAs, which established an agreed upon presumption for the billing of VFX traffic, Verizon has apparently taken the extraordinary action of also applying its unilateral presumption of VFX traffic to all other RNK local minutes of use and thereby unjustifiably reclassified RNK's local traffic and refused to pay amounts due RNK for past and future termination of Verizon originated calls on RNK's network.

specify that if the parties “fail to agree within such thirty (30) day period, then either [of] them may invoke the dispute resolution provisions of the Interconnection Agreement.” Nowhere in these Sections does it provide that a Party may unilaterally impose a new percentage under the Agreement without an Amendment to the Agreement. Verizon’s unilateral resetting and application of a new VFX percentage to local traffic terminated to RNK is a breach of the ICA and circumvents the judicial process of which Verizon has availed itself.³ Accordingly, Verizon must cease its actions immediately and pay any invoices based on the agreed to 20% presumption for VFX traffic or makes payments and formal disputes for amounts billed in states where no VFX presumption exists pursuant to contract and pursue its dispute consistent with the dispute resolution provisions of the Parties applicable ICAs.

Verizon’s Purported Evidence

Verizon claims that it has derived its new percentage from “actual evidence obtained by Verizon.” Verizon has an obligation under the terms of its ICAs with RNK for NY, MA, and RI to provide “reasonably detailed information and/or data supporting the *requested* change.” Notwithstanding Verizon’s flagrant disregard for the pending federal judicial review that Verizon initiated to reset the Parties’ agreed to VFX presumption, among other things, it has failed to support its instant reset of the VFX and reclassification of local minutes of use with any information or data. Verizon’s actions in breach of contract can only be interpreted as an attempt to exert financial pressure on RNK to produce Verizon’s desired outcome as set forth in its pending Complaint.

Therefore, Verizon must immediately make payments on all local minutes of use less the agreed upon VFX percentage for those states where such Amendment exists and produce reasonably detailed information and/or data to support any disputes regarding RNK invoices that are related to Verizon’s “request” to calculate and reset the existing percentage and to reclassify RNK local minutes of use as VFX traffic. This information should include, but not be limited to, 1) how Verizon determined the Customer’s location; 2) for all periods at issue, what VFX percentage was applied on a LATA-by-LATA, month-by-month basis; and 3) the Traffic Track numbers for such periods on a LATA-by-LATA, month-by-month basis. If any of Verizon’s “actual evidence” was obtained through discovery in the above-referenced litigation, please identify which documents were relied upon and the persons that used the information.

Verizon’s Escrow Account

In keeping with Verizon’s brazen disregard of its obligations, Verizon claims it has established an escrow account for undisputed amounts due and owing to RNK. Verizon claims that its undisputed reciprocal compensation owed to RNK is \$103,067.44 (after applying its mystery VFX percentage) and \$189,417.85 in total for all states when undisputed access traffic is included. Verizon has not disputed the validity of these charges; charges that cover states for which no agreed upon VFX presumption percentage exists under the terms of the relevant ICAs. Nevertheless, Verizon declares it has placed these amounts in escrow to off-set an

³ RNK notes that Verizon previously attempted to subvert the ICA and impose an “interim percentage” pursuant to its Virtual Foreign Exchange Traffic Letter of April 25, 2008 from Michael Daly to Richard N. Koch. Verizon, however, abandoned its unlawful attempt to unilaterally change the terms of the Parties ICAs when RNK confronted Verizon with the clear terms of the ICA.

obligation that Verizon has unilaterally established in violation of the ICAs.⁴ This cannot be tolerated and Verizon must immediately release these amounts to RNK. Since these amounts are not in dispute, Verizon may not take advantage of any escrow arrangement and Verizon has no contractual right to off-set alleged amounts due under the ICAs. Verizon must pay the obligations that it admits are due and owing without delay, which includes all amounts due pursuant to the existing VFX presumption percentage, and cease this breach of contract. Further, and without acknowledging any propriety of Verizon's action, RNK demands that Verizon identify the third party escrow agent and provide all the details of the escrow arrangement.

Verizon must provide RNK with the information requested herein and cease its actions without delay. Verizon's complete disregard for the ICAs and its own Federal Court action are inexplicable, unlawful, unreasonable, and must end.

Please feel free to contact me regarding this matter. Payments may be made by ACH in accordance with our usual practice.

Regards,

A handwritten signature in black ink, appearing to read "Richard N. Koch", with a stylized flourish at the end.

Richard N. Koch
President, RNK

cc: Cherie Kiser, Cahill Gordon & Reindel LLP
Michael Tenore, Interim General Counsel, RNK
Michael A. Daly, Verizon Partner Solutions

⁴ The fact that these amounts are not in dispute is further supported by Verizon's most recent batch of dispute letters which state how much of each invoice Verizon is purportedly disputing.

RNK Inc. d/b/a RNK Telecom Complaint

EXHIBIT F

Verizon Email dated December 16, 2010

From: "Hadley, David E." <david.e.hadley@verizon.com>
Date: December 16, 2010 8:04:34 AM EST
To: Sanford McMurtry <sandy@rnkcom.com>
Cc: "Bando, Charles A (Chuck)" <charles.a.bando@verizon.com>
Subject: payments

Sandy,

Per the 12/9/10 letter from Chuck to Richard, payments for the undisputed charges on the 11/1/10 invoices has been made to an escrow account. Below is a breakdown of the deposits made.

State	Account #	Invoice #	Inv. Date	Check #	Payment Date	Payment Amt.
DC	RNKDC 236 LATA	236DC40	11/1/2010	3042847	12/16/2010	\$7,890.64
				3042847 Total		\$7,890.64
VA	RNKVA 236 LATA	236VA34	11/1/2010	3168379	12/16/2010	\$3,106.12
				3168379 Total		\$3,106.12
MD	RNKMA 236 LATA	236MD36	11/1/2010	3177317	12/16/2010	\$4,900.99
				3177317 Total		\$4,900.99
NJ	RNKNJ 224 LATA	224-58	11/1/2010	3187550	12/16/2010	\$45,040.15
				3187550 Total		\$45,040.15
PA	RNK-228	228-38	11/1/2010	3221909	12/16/2010	\$10,071.89
				3221909 Total		\$10,071.89
MA	RNKMA 126 LATA	126115	11/1/2010	3226223	12/16/2010	\$2,704.92
MA	RNKMA 128 LATA	128148	11/1/2010	3226223	12/16/2010	\$19,939.20
RI	RI	130115	11/1/2010	3226223	12/16/2010	\$17,929.50
				3226223 Total		\$40,573.62
NY	NY LATA 132	13287	11/1/2010	3493126	12/16/2010	\$77,834.44
				3493126 Total		\$77,834.44
				Grand Total		\$189,417.85

Thanks,

David

David E. Hadley
Operations Manager – Local Interconnection Billing
125 High Street, Room 205
Boston, MA 02110
Office: 617-743-2374
Fax: 617-743-2519
email: david.e.hadley@verizon.com

RNK Inc. d/b/a RNK Telecom Complaint

EXHIBIT G

Verizon Letter dated December 22, 2010



Charles A. Bando
Manager— VSO Customer Financial Services
125 High Street
Boston, MA 02110
(617) 743-2242
charles.a.bando@verizon.com

Via Overnight Mail

December 22, 2010

Richard Koch, CEO
RNK Communications
333 Elm Street, Suite 310
Dedham, MA 02026

Dear Mr. Koch:

This responds to your letter to me, dated December 17, which responded in turn to my letter of December 9. Verizon disagrees with virtually everything you say in that letter, including your central claim that Verizon's actions in disputing and withholding payment to RNK are "unlawful," and otherwise improper. To the contrary, Verizon is well within its rights.

The V/FX amendments, as well as the underlying ICAs, provide that access is due (and reciprocal compensation is not due) on traffic that is toll, based on the endpoints. The V/FX amendments establish a presumption that twenty percent of RNK's traffic is V/FX (and thus toll), and provide a process by which the parties can amicably re-set that presumption through negotiation. Where those negotiations prove fruitless, the parties may avail themselves of the dispute resolution provisions in their underlying contracts.

Well over two years on, it is plain that negotiations have failed. Verizon is therefore invoking those provisions in the underlying contracts that permit it to dispute and withhold improperly billed amounts.¹ RNK's bills include amounts for which it is not

¹ For example, section 28.8.3 of the MA ICA provides: "If any portion of an amount due to a Party (the "Billing Party") under this Agreement is subject to a bona fide dispute between the Parties, the Party billed (the "Non-Paying Party") shall within thirty (30) days of its receipt of the invoice containing such disputed amount give notice to the Billing Party of the amounts it disputes ("Disputed Amounts") and include in such notice the specific details and reasons for disputing each item. The Non-Paying Party shall pay when due (i) all undisputed amounts to the Billing Party and (ii) all Disputed Amounts into an interest bearing escrow account with a third party escrow agent mutually agreed upon by the Parties, provided that the Billing Party has responded to the Non-Paying Party's billing inquiries within ten (10) business days."

entitled to bill, and Verizon is disputing (and withholding) those amounts in accordance with the ICAs.

RNK's howls of protest sound particularly false in light of its own actions and words. Why is Verizon's withholding "unlawful self help," when RNK has failed to pay any portion – it has paid *none* – of Verizon's V/FX-based access charges for over three years? How can RNK claim that a court ruling is the only means to alter or enforce the V/FX percentage, while asserting in its court papers that the court lacks authority to do so?

Verizon's withholding is a valid, and contractually justified, response to RNK's persistent overbillings.

Very truly yours,

A handwritten signature in black ink, appearing to read "Charles Bando", written in a cursive style.

Charles Bando

RNK Inc. d/b/a RNK Telecom Complaint

EXHIBIT H

RNK Tariff - Switched Access Rates

SECTION 10 - SWITCHED ACCESS SERVICES(†)**10.1 Switched IntraLATA and InterLATA Access Service**

The Company's switched IntraLATA and InterLATA toll access service is available to wholesale customers (e.g., carriers, CLECs, ILECs, and others) for their use in furnishing their services to end users, including toll calls to and from different Company locations, among them end office (including end users), tandem, and the locations of other carriers. Total rates for these calls include local switching (and for the termination of calls at a Company Intercept operator or recording), transport, facilities, and tandem switching if the call passes through a Company tandem switch or a switch the functions as a Tandem switch. Should a carrier's end user customers avail themselves of RNK's InterLATA or IntraLATA toll access services, the carrier serving those end-user customers will be deemed to have consented to purchase the service and be held responsible for payment of respective rates contained below for use of those services.

Time Periods: No time periods (e.g., peak/off peak) apply for network services (e.g., Intrastate Toll and IntraLATA Switched Access).

10.2 Description of Switched Access Elements**10.2.1 Local Switching**

The Local Switching rate element is charged for the functions necessary to complete the transmission of Switched Access communications to and from the end users served by end office functionality.

The primary functions included in this rate element are:

- (1) The common switching functions associated with providing Switched Access origination or termination; and
- (2) The Trunk Side arrangements which terminate common transport facilities at the location where local switching functions are performed.

<u>Service Category</u>	(Per Access Minute)	<u>Rate (\$)</u>
Originating and Terminating		.022500

800/888/900 Access (Originating and Terminating)	.003300
--	---------

(†) Sections 10.1 and 10.2 replace, and supersede material previously found in Section 7.6

Issued: June 30, 2005

Effective: July 30, 2005

Richard N. Koch, President
333 Elm Street
Dedham, Massachusetts 02026

10.2.2 Local Transport

(M)

Local transport provides the transmission facilities between the Company's customer premises or collocated interconnection location and the Company's end-office switch (es) where the customer's traffic is switched to originate or terminate customer's communications. Local transport is comprised of a Local Transport Termination rate and a Local Transport Facility rate. Both the Local Transport Termination and Local Transport Facility rates are billed on a per-access-minute basis

(M)

(M)

<u>Service Category</u> (Per Access Minute)	<u>Rate (\$)</u>
---	------------------

(M)

Local Transport Termination

(M)

Originating and Terminating	.008250
-----------------------------	---------

800/888/900 Access (Originating and Terminating)	.005100
--	---------

(M)

Local Transport Facility

(M)

Originating and Terminating	.008250
-----------------------------	---------

800/888/900 Access (Originating and Terminating)	.000360
--	---------

(M)

10.2.3 Tandem Switching

(N)

The Tandem Switching rate element is charged for the provision of tandem switching functionalities. Tandem switching provides for trunk-side connections between two Company switches, or between one company switch and that of other carriers.

(N)

(M)

(M)

<u>Service Category</u> (Per Access Minute)	<u>Rate (\$)</u>
---	------------------

(M)

Originating and Terminating	.000500
-----------------------------	---------

800/888/900 Access (Originating and Terminating)	.000600
--	---------

(M)

10.2.4 Combined Rate Billing

(T)

(T)

(T)

Switched access rates will be billed at the combined element rate (in lieu of separate charges for the separate elements contained in 10.2.1 through 10.2.3), inclusive, unless a carrier requests and shows to RNK Telecom's satisfaction that the separate elements should not be contained within the billing for services.

(M)

Combined Rate: \$0.039 Originating and Terminating (per access minute per direction)

(N)

(†) Sections 10.1 and 10.2 replace, and supersede material previously found in Section 7.6

Issued: June 30, 2005

Effective: July 30, 2005

Richard N. Koch, President
333 Elm Street
Dedham, Massachusetts 02026

10.3 800/888/877 ("800") Database Access Service[‡]

(M)

800/888/877 ("800") Database Access Service is an originating-only trunk-side service. When a 800/888/877 + NXX + XXXX call is originated by an end user, RNK will perform customer identification based on screening of the full 10-digits of the 800 number to determine the location to which the call is to be routed.

10.3.1 Switched Access rates and charges apply to 800 Database Access service calls originated from RNK end offices.

10.3.2 In addition to Switched Access usage charges, a basic query charge applies to each 800 Database Access service call delivered to the customer.

10.3.3 A basic query charge consists of customer identification, i.e., Carrier Identification Code ("CIC"), delivery of the 10-digit number, ANI, and the allowable area of service, designated by the customer, from which 800 calls can be received.

10.3.4 800/888 Database Query Charge

Service Category	Rate Element	Rate
Customer Identification Charge	Per Query	.0100

(M)

[‡] This section supersedes material formerly located in Sections 6.5 and 7.6.

(N)

Issued: June 30, 2005**Effective: July 30, 2005**

Richard N. Koch, President
333 Elm Street
Dedham, Massachusetts 02026

RNK Inc. d/b/a RNK Telecom Complaint

EXHIBIT I

Verizon Complaint

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

Verizon New England Inc.,

Plaintiff,

v.

RNK Inc.,

Defendant.

)
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Case No. 1:08-cv-11457

COMPLAINT

1. This dispute arises out of defendant RNK Inc.'s ("RNK") refusal to pay charges as required by its contracts, known as "interconnection agreements," with plaintiff Verizon New England Inc. ("Verizon") in Massachusetts and Rhode Island, pursuant to which Verizon provides RNK with services required by federal law and which RNK uses to provide telephone service in competition with Verizon.

2. The parties' contracts expressly presume that 20 percent of the calls Verizon sends to RNK in those two states that *appear* to be local calls — based on the telephone numbers of the parties to the call — are, *in fact*, long-distance calls. That is because RNK provides its customers with a "Virtual Foreign Exchange" service, which permits a Verizon customer to dial a local telephone number in order to reach an RNK customer located in a distant local calling area. The parties' contract expressly requires RNK to pay Verizon's tariffed charges applicable to long-distance calls, known as access charges, for the 20 percent of traffic sent to RNK that is presumed to be Virtual Foreign Exchange Traffic. RNK has refused to do so and, in total, owes Verizon more than \$4.7 million.

3. In an apparent attempt to offset the amounts RNK owes Verizon for Virtual Foreign Exchange Traffic under the Rhode Island and Massachusetts agreements — as well as even larger amounts owed under an identical agreement with Verizon New York — RNK sent Verizon a bill on May 15, 2008 in which it purported to charge Verizon an additional \$8.76 million for local calls that Verizon sent to RNK in Massachusetts in 2006 and 2007, and for which Verizon had already paid RNK at the rate applicable under the terms of the parties' agreement, RNK's own tariff, and settlement agreements between the parties. RNK has also improperly billed Verizon for local calls that Verizon sent in 2008 at a rate far in excess of the applicable rate.

4. That bill also included an additional nearly \$4 million in charges, representing 26 months worth of charges for previously unbilled transport services RNK purportedly provided to Verizon in Massachusetts. Such charges had no basis in the parties' contract and, moreover, RNK had expressly agreed as part of a prior settlement with Verizon *not* to bill Verizon for such transport services. RNK has also improperly billed Verizon for these transport services since the May 2008 bill.

5. Finally, on a monthly basis, RNK routinely bills Verizon in Massachusetts and Rhode Island reciprocal compensation charges for calls that Verizon's bill auditing systems show are not Verizon's originating traffic and, therefore, not Verizon's responsibility to pay for. RNK has charged Verizon a total of more than \$4 million in Massachusetts and Rhode Island for such non-Verizon traffic, contrary to the parties' contract. RNK also seeks payment of reciprocal compensation from Verizon for calls that, pursuant to the contract are deemed to be Virtual Foreign Exchange Traffic, and for which RNK owes Verizon, not the other way around.

6. Therefore, Verizon seeks both an order requiring RNK to pay its bills, as well as a declaratory judgment and injunction precluding RNK from seeking to collect on its contractually improper bills to Verizon.

PARTIES

7. Verizon New England Inc. (“Verizon”) is a New York corporation with its principal place of business in Massachusetts. Verizon New England Inc. does business as Verizon Massachusetts when offering telecommunications services in the Commonwealth of Massachusetts; it does business as Verizon Rhode Island when offering telecommunications services in the State of Rhode Island.

8. RNK Inc., d/b/a RNK Telecom (“RNK”) is a Massachusetts corporation with its principal place of business in Massachusetts.

JURISDICTION AND VENUE

9. Subject-matter jurisdiction exists under 28 U.S.C. § 1331 because Verizon’s allegations of violations of federally mandated contracts that implement federal statutory duties raise federal questions. To the extent that any portion of this action is deemed a discrete matter not subject to 28 U.S.C. § 1331, supplemental jurisdiction exists over that portion of the action under 28 U.S.C. § 1367.

10. Venue is appropriate in this district pursuant to 28 U.S.C. § 1391(c) because defendant RNK is subject to personal jurisdiction in the District of Massachusetts. Venue is additionally appropriate pursuant to 28 U.S.C. § 1391(b) because a substantial part of the events or omissions giving rise to the claim occurred in this District, and a substantial part of property that is the subject of the action is situated within this District.

THE OPERATIVE INTERCONNECTION AGREEMENTS

11. Verizon and RNK are parties to two “interconnection agreements” under the federal Telecommunications Act of 1996 (“1996 Act”). An interconnection agreement provides the terms and conditions pursuant to which an incumbent local telephone company such as Verizon provides access to its telephone network and sells other legally required services to a competing local telephone company, such as RNK.

12. On September 1, 2002, Verizon and RNK entered into an interconnection agreement covering Massachusetts (the “Massachusetts Agreement”). The parties entered into this interconnection agreement when Verizon, acting pursuant to the requirements of federal law, made available to RNK the same terms and conditions in an interconnection agreement between Verizon and non-party AT&T Broadband Phone of Massachusetts. This adoption of another carrier’s interconnection agreement is permitted by the 1996 Act. *See* 47 U.S.C. § 252(i).

13. On August 30, 2001, Verizon New England and RNK entered into an interconnection agreement covering Rhode Island (the “Rhode Island Agreement”). The parties entered into this interconnection agreement when Verizon, again acting pursuant to federal law requirements, made available to RNK some of the terms and conditions in an interconnection agreement between Verizon and non-party Cox Communications, d/b/a Cox Rhode Island Telecomm II, as well as some of the terms and conditions in an interconnection agreement between Verizon and non-party Level 3 Communications, LLC. Creation of a contract by adopting portions of more than one pre-existing contract was permitted by applicable Federal Communications Commission rules in effect at that time.

14. Verizon and RNK amended both the Massachusetts Agreement and the Rhode Island Agreement effective December 20, 2004. The amendments stipulated that 20 percent of

the apparently local calls that Verizon delivers to RNK in each of these states are actually a form of long-distance call known as Virtual Foreign Exchange Traffic. RNK agreed to pay Verizon's tariffed long-distance access charges for such calls.

RNK'S BREACHES OF THE INTERCONNECTION AGREEMENTS

15. RNK has breached the Massachusetts Agreement and the Rhode Island Agreements in the following ways: First, RNK has breached the agreements by failing to pay Verizon's tariffed charges applicable to long-distance calls, known as access charges, for Virtual Foreign Exchange Traffic. Second, in an apparent attempt to offset the amounts it owes Verizon, and in violation of the Massachusetts Agreement, RNK purported to backbill Verizon in Massachusetts more than \$12.7 million for local calls Verizon sent to RNK (and for which Verizon had already paid RNK at the contract rate) and for transport services RNK purportedly provided to Verizon (and for which RNK had not previously billed Verizon). Third, in both Massachusetts and Rhode Island, RNK has improperly billed Verizon reciprocal compensation charges for calls that (a) Verizon's bill auditing systems show were not originated on Verizon's network or (b) are deemed to be Virtual Foreign Exchange Traffic, for which RNK must pay Verizon, not the other way around.

1. Virtual Foreign Exchange Traffic

16. As the First Circuit has recognized, Virtual Foreign Exchange Traffic (also known as Virtual NXX traffic) occurs when a "party [can] call what appears to be a 'local' number, although behind the scenes that call is actually routed to a different local calling area." *Global NAPs, Inc. v. Verizon New England Inc.*, 444 F.3d 59, 64 (1st Cir. 2006). Virtual Foreign Exchange Traffic can occur when RNK has assigned its customer a telephone number that is normally associated with a geographic area other than the one in which the customer is located.

For example, telephone numbers beginning 617-478-xxxx are associated with Boston, Massachusetts; RNK, however, could assign 617-478-1234 to a customer in Cape Cod or in Manhattan. Verizon customers in Boston dialing that number would be placing a long-distance call to a person or business in Cape Cod (or Manhattan), while believing that they are placing a local call.

17. To address RNK's assignment of Virtual Foreign Exchange numbers to its customers — as well as other activities of RNK's that enable Verizon customers to place long-distance calls while dialing a "local" RNK number — Verizon and RNK amended their interconnection agreements effective December 20, 2004.

18. The amendments state clearly that Verizon and RNK "agree that reciprocal compensation" — a payment arrangement applicable to local calls, where the originating telephone company pays the terminating company — "shall not apply to Virtual Foreign Exchange Traffic." Amendment No. 1 to the Interconnection Agreement Between Verizon New England Inc. and RNK Inc. § 1.3; *accord* Amendment No. 2 to the Interconnection Agreement Between Verizon New England Inc. and RNK Inc. § 1.3. In these amendments, Verizon and RNK further "agree[d] that twenty percent (20%) of the Verizon originated traffic sent to RNK is V/FX traffic" — that is, Virtual Foreign Exchange Traffic — and that "RNK shall pay Verizon's tariffed originating access charges for all V/FX Traffic originated by a Verizon customer." *Id.* The amendment also permitted either party to "request that the Parties recalculate and reset the . . . twenty percent (20%) presumption," *id.*, and Verizon believes that the percentage of apparently local calls it sends to RNK that is actually Virtual Foreign Exchange Traffic is much higher than 20 percent.

19. Consistent with the terms of the amendment, Verizon has billed RNK, based on its state and federal access tariffs, for the 20 percent of traffic that is presumed under the amendments to be Virtual Foreign Exchange Traffic. RNK has refused to pay \$3,574,601.99 for Virtual Foreign Exchange Traffic in Massachusetts and \$1,155,163.86 in Rhode Island.

20. In addition, the Interconnection Agreements require RNK to pay late payment charges for any amounts owed to Verizon but not paid in a timely manner, with payments normally required within 30 days from the date of the invoice. *See* Massachusetts Agreement § 20.4; Rhode Island Agreement § 6.1.

2. *RNK's May 15, 2008 Bill*

21. After Verizon began pressing RNK to pay the amounts it owed Verizon for Virtual Foreign Exchange Traffic in Massachusetts and Rhode Island (among other places), RNK submitted to Verizon a two-page “bill” for more than \$12.7 million. This was an apparent attempt to offset the amounts RNK owed Verizon.¹

22. The first page of the bill sought to re-bill Verizon \$8,760,554 for local traffic that Verizon sent to RNK in Massachusetts from January 2006 through December 2007. Verizon, however, had already paid RNK for that traffic at the proper rate of \$0.002075 per minute. RNK now sought to charge Verizon \$0.008 per minute — or nearly four times as much — for the same traffic. Although the terms of the parties’ contract initially provided for a “negotiated rate for reciprocal compensation of \$0.008/minute,” Massachusetts Agreement, Pricing Schedule (Exhibit A) n.4, the contract also made clear that the “charges and fees set forth in Exhibit A . . . shall be modified when and if ordered or authorized by the [Massachusetts] Department” of

¹ Verizon New York is filing a demand for arbitration seeking payment for nearly \$6.1 million in Virtual Foreign Exchange Traffic, as the contract between RNK and Verizon New York requires disputes to be addressed through commercial arbitration.

Telecommunications and Energy (now the Massachusetts Department of Telecommunications and Cable), including when “any new rate or charge . . . is required by any order of the Department . . . , approved by the Department . . . , or otherwise allowed to go into effect,” Massachusetts Agreement § 20.2.

23. The Massachusetts Department issued such an order in its Docket D.T.E. 01-20, establishing a reciprocal compensation rate of \$0.002075 per minute. Consistent with that ruling, RNK’s own Massachusetts tariff states that its reciprocal compensation rate is \$0.002075 per minute. Verizon and RNK signed settlements in which RNK agreed that, no later than January 2006, it would bill Verizon for reciprocal compensation at a rate of \$0.002075 per minute.

24. RNK also has billed Verizon for local calls exchanged from January 2008 through July 2008 at the \$0.008 per minute rate. Verizon has paid RNK for such calls at the proper, \$0.002075 per minute rate, and disputed RNK’s charges in excess of that rate. Those additional disputed amounts bring the total that RNK has improperly billed Verizon to more than \$11.2 million.

25. The second page of the bill claimed the right to bill Verizon for 26 months of previously unbilled circuits carrying traffic from Verizon to RNK, and for transporting more than *1 billion* previously unbilled minutes of traffic, for a total of \$3,997,000. The parties’ interconnection agreement, however, expressly precludes RNK from assessing “additional charges” other than the reciprocal compensation charge for Verizon’s delivery of local tariff to RNK. Massachusetts Agreement § 5.7.1. Moreover, in 2006, RNK had expressly agreed *not* to bill such charges to Verizon. Nonetheless, RNK has continued to bill Verizon those circuit and transport charges in 2008, and has now billed Verizon more than \$5.3 million in such charges.

26. RNK has also sought more than \$500,000 based on Verizon's refusal to pay these improper charges.

3. Reciprocal Compensation Charges for Non-Verizon-Originated or Virtual Foreign Exchange Traffic

27. As another breach of the parties' contract, RNK has also attempted to bill Verizon reciprocal compensation for traffic for which the contracts do not permit it to charge Verizon.

28. Under the parties' contracts, reciprocal compensation is paid by an originating carrier for local traffic that it delivers to the carrier that terminates the call — that is, delivers it to the customer receiving the call. *See* Massachusetts Agreement § 5.7; Rhode Island Agreement § 5.7. If the originating carrier's and terminating carrier's networks are not directly connected to each other — but each is connected to Verizon's network — the call will pass through, or “transit,” Verizon's network. Under the parties contract, however, the terminating carrier must look to the originating carrier — not Verizon — for payment of reciprocal compensation. *See* Massachusetts Agreement § 5.7.2(b); Rhode Island Agreement § 5.7.1.

29. RNK is therefore supposed to bill Verizon for the local calls that Verizon originates and sends to RNK for delivery to its customers. But RNK is *not* supposed to bill Verizon for calls that merely “transit” Verizon's network. Nevertheless, RNK appears to have done just that, billing Verizon in Massachusetts and in Rhode Island for calls that Verizon's bill validation tool has determined either did not exist or were actually originated by another carrier and only transited through Verizon's network.

30. Verizon's bill validation tool — a product designed and sold by Agilent (formerly part of Hewlett Packard) that Verizon refers to internally as “Traffic Track” — monitors and collects information about every call that Verizon's network in Massachusetts and Rhode Island

delivers to RNK's network. By reviewing that data, Verizon can determine how many minutes of local calls that Verizon delivered to RNK are Verizon-originated.

31. RNK's bills to Verizon routinely show significantly more minutes as being Verizon-originated than Traffic Track has validated. Verizon does not know the source of this discrepancy. RNK may have improperly billed Verizon for transit traffic or may have fabricated non-existent traffic. In any case, RNK has never offered a satisfactory explanation for the discrepancy.

32. In addition, as explained above, under the contract, 20 percent of the apparently local calls that Verizon sends to RNK are deemed to be Virtual Foreign Exchange Traffic, for which RNK owes Verizon, not the other way around. Nonetheless, RNK includes those Virtual Foreign Exchange calls on its reciprocal compensation bills to Verizon.

33. Verizon has repeatedly disputed RNK's bills on these grounds, and has withheld amounts that it maintains are not its responsibility to pay for. Those amounts total more than \$3.4 million for Massachusetts and more than \$650,000 for Rhode Island.

COUNT ONE
BREACH OF CONTRACT
(Massachusetts Agreement)

34. The preceding paragraphs are incorporated as if set forth fully herein.

35. The Massachusetts Agreement, as amended, is a valid and binding contract between RNK and Verizon.

36. Verizon has substantially performed under the Massachusetts Agreement.

37. RNK's refusal to pay amounts due for Virtual Foreign Exchange Traffic, as described in the preceding paragraphs, is a breach of the plain terms of the Massachusetts Agreement.

38. As a result of RNK's conduct, Verizon New England has been injured and incurred damages in an amount of \$3,574,601.99, plus all applicable late payment charges.

COUNT TWO
BREACH OF CONTRACT
(Rhode Island Agreement)

39. The preceding paragraphs are incorporated as if set forth fully herein.

40. The Rhode Island Agreement, as amended, is a valid and binding contract between RNK and Verizon.

41. Verizon has substantially performed under the Rhode Island Agreement.

42. RNK's refusal to pay amounts due for Virtual Foreign Exchange traffic, as described in the preceding paragraphs, is a breach of the plain terms of the Rhode Island Agreement.

43. As a result of RNK's conduct, Verizon New England has been injured and incurred damages in an amount of \$1,155,163.86, plus all applicable late payment charges.

COUNT THREE
BREACH OF CONTRACT
(Massachusetts Agreement)

44. The preceding paragraphs are incorporated as if set forth fully herein.

45. RNK has billed Verizon an additional \$11,280,063.34 for local traffic for which Verizon has already paid RNK at the rate authorized under the Massachusetts Agreement and agreements between the parties, as well as late payment charges.

46. The bills from RNK impose a rate different from the rate due under the terms of the contract, RNK's tariff, and settlement agreements between the parties; therefore, the rate is unlawful.

47. RNK has breached the parties' contract.

48. Verizon has disputed the bills, but RNK insists on payment of the amounts billed.

49. There is a real and actual controversy between the parties over Verizon's obligation to pay the bill.

50. Verizon therefore requests declaratory judgment that it is not obligated to pay the \$11,280,063.34 or the associated late payment charges, and that RNK be enjoined from attempting to collect those amounts.

COUNT FOUR
BREACH OF CONTRACT
(Massachusetts Agreement)

51. The preceding paragraphs are incorporated as if set forth fully herein.

52. RNK has billed Verizon \$5,368,819.60 for facilities and transport used to carry local traffic from Verizon to RNK, as well as associated late payment charges.

53. The bills are in violation of the contract, which prohibits such additional charges, and are therefore unlawful.

54. Verizon has disputed the bills, but RNK insists on payment of the amounts billed.

55. There is a real and actual controversy between the parties over Verizon's obligation to pay the bill.

56. Verizon therefore requests declaratory judgment that it is not obligated to pay the \$5,368,819.60 or the associated late payment charges, and that RNK be enjoined from attempting to collect those amounts.

COUNT FIVE
BREACH OF CONTRACT
(Massachusetts Agreement)

57. The preceding paragraphs are incorporated as if set forth fully herein.

58. Under the Massachusetts Agreement, Verizon owes RNK reciprocal compensation only for local traffic that originates on Verizon's network and terminates on RNK's network. In addition, RNK is required to pay Verizon for apparently local calls that the contract deems to be Virtual Foreign Exchange Traffic; Verizon is not required to pay RNK for those calls.

59. RNK has sought payment from Verizon for \$3,411,007 in reciprocal compensation for calls that either did not originate on Verizon's network or are Virtual Foreign Exchange Traffic.

60. Those charges are in violation of the contract and unlawful.

61. Verizon has disputed those charges, but RNK insists on payment of the amounts billed.

62. There is a real and actual controversy between the parties over Verizon's obligation to pay these charges.

63. Verizon therefore requests declaratory judgment that it is not obligated to pay the \$3,411,007 that RNK has billed and that RNK be enjoined from attempting to collect the bill.

COUNT SIX
BREACH OF CONTRACT
(Rhode Island Agreement)

64. The preceding paragraphs are incorporated as if set forth fully herein.

65. Under the Rhode Island Agreement, Verizon owes RNK reciprocal compensation only for local traffic that originates on Verizon's network and terminates on RNK's network. In addition, RNK is required to pay Verizon for apparently local calls that the contract deems to be Virtual Foreign Exchange Traffic; Verizon is not required to pay RNK for those calls.

66. RNK has sought payment from Verizon for \$651,398 in reciprocal compensation for calls that either did not originate on Verizon's network or are Virtual Foreign Exchange Traffic.

67. Those charges are in violation of the contract and unlawful.

68. Verizon has disputed those charges, but RNK insists on payment of the amounts billed.

69. There is a real and actual controversy between the parties over Verizon's obligation to pay these charges.

70. Verizon therefore requests declaratory judgment that it is not obligated to pay the \$651,398 that RNK has billed and that RNK is enjoined from attempting to collect the bill.

RELIEF REQUESTED

Verizon requests that this Court enter an order granting judgment in its favor and:

i. Order RNK to compensate Verizon for Virtual Foreign Exchange Traffic pursuant to the terms of the Massachusetts Agreement and the Rhode Island Agreement in the amount of \$4,729,765.85, plus all amounts billed during the pendency of this litigation, and all applicable late payment fees;

ii. Declare that Verizon owes RNK a rate of only \$0.002075 per minute for reciprocal compensation for Verizon-originated local calls in Massachusetts and does not owe RNK additional amounts for those calls or for the facilities or transport used in carrying those calls, including the \$17,163,870.90 RNK has billed through July 2007 for such local calls, facilities, transport, and associated late payment fees;

iii. Enjoin RNK from seeking to collect amounts billed for Verizon-originated local calls in excess of the \$0.002075 per minute reciprocal compensation rate authorized under the

contract, including the \$17,163,870.90 RNK has billed through July 2007 for such local calls, facilities, transport, and associated late payment fees;

iv. Declare that Verizon does not owe RNK the \$4,062,405 in reciprocal compensation payments it has billed Verizon, but which is not for Verizon-originated traffic or is for Virtual Foreign Exchange Traffic.

v. Enjoin RNK from seeking to collect the \$4,062,405 in reciprocal compensation payments it has billed Verizon, but which is not for Verizon-originated traffic or is for Virtual Foreign Exchange Traffic; and

vi. Award any other relief, including injunctive relief and reasonable attorneys' fees and expenses that the Court deems just and proper.

Dated: August 22, 2008
Washington, D.C.

Respectfully submitted,

/s/ Derek T. Ho

Derek T. Ho [Dist. of Mass. No. 4022778]

Kevin B. Huff

Scott H. Angstreich

KELLOGG, HUBER, HANSEN, TODD,

EVANS & FIGEL, PLLC

Sumner Square

1615 M Street, N.W. – Suite 400

Washington, D.C. 20036

(202) 326-7900

(202) 326-7999 (facsimile)

Counsel for Verizon New England Inc.

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

I. (a) PLAINTIFFS

Verizon New England Inc.

(b) County of Residence of First Listed Plaintiff Suffolk

(EXCEPT IN U.S. PLAINTIFF CASES)

Scott H. Angstreich

Kellogg, Huber, Hansen, Todd, Evans & Figel, P.L.L.C.

(c) Attorney's (Firm Name, Address, and Telephone Number)

1615 M Street, N.W., Suite 400, Washington, D.C. 20036

Tele: (202) 326-7900 Fax: (202) 326-7999

DEFENDANTS

RNK Inc.

County of Residence of First Listed Defendant Norfolk

(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.

Attorneys (If Known)

RNK Inc. c/o Registered Agent Michael Tenore

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff
- ☒ 3 Federal Question (U.S. Government Not a Party)
- ☐ 2 U.S. Government Defendant
- ☐ 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | PTF | DEF | | PTF | DEF |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
| Citizen of This State | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES	
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury	PERSONAL INJURY <input type="checkbox"/> 362 Personal Injury - Med. Malpractice <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs. <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus - Alien Detainee <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input checked="" type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes

V. ORIGIN

(Place an "X" in One Box Only)

- ☒ 1 Original Proceeding
- ☐ 2 Removed from State Court
- ☐ 3 Remanded from Appellate Court
- ☐ 4 Reinstated or Reopened
- ☐ 5 Transferred from another district (specify)
- ☐ 6 Multidistrict Litigation
- ☐ 7 Appeal to District Judge from Magistrate Judgment

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):

47 U.S.C. 252

Brief description of cause:

Breach of Interconnection Agreements

VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DEMAND \$ 4,729,765.85

CHECK YES only if demanded in complaint:

JURY DEMAND: ☐ Yes ☒ No**VIII. RELATED CASE(S) IF ANY**

(See instructions):

JUDGE

DOCKET NUMBER

DATE

08/19/2008

SIGNATURE OF ATTORNEY OF RECORD

FOR OFFICE USE ONLY

RECEIPT # AMOUNT APPLYING IFP JUDGE MAG. JUDGE

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44**Authority For Civil Cover Sheet**

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

I. (a) Plaintiffs-Defendants. Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.

(b) County of Residence. For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)

(c) Attorneys. Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".

II. Jurisdiction. The basis of jurisdiction is set forth under Rule 8(a), F.R.C.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.

United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.

United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.

Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.

Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; federal question actions take precedence over diversity cases.)

III. Residence (citizenship) of Principal Parties. This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.

IV. Nature of Suit. Place an "X" in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerks in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.

V. Origin. Place an "X" in one of the seven boxes.

Original Proceedings. (1) Cases which originate in the United States district courts.

Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.

Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.

Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.

Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.

Multidistrict Litigation. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407. When this box is checked, do not check (5) above.

Appeal to District Judge from Magistrate Judgment. (7) Check this box for an appeal from a magistrate judge's decision.

VI. Cause of Action. Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553
Brief Description: Unauthorized reception of cable service

VII. Requested in Complaint. Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.

Demand. In this space enter the dollar amount (in thousands of dollars) being demanded or indicate other demand such as a preliminary injunction.

Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.

VIII. Related Cases. This section of the JS 44 is used to reference related pending cases if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

Date and Attorney Signature. Date and sign the civil cover sheet.

UNITED STATES DISTRICT COURT

for the

District of Massachusetts

Verizon New England Inc.

Plaintiff

v.

RNK, Inc.

Defendant

Civil Action No.

Summons in a Civil Action

To: *(Defendant's name and address)*

RNK Inc. c/o Registered Agent Michael Tenore
333 Elm Street, Suite 310
Dedham, MA 02026

A lawsuit has been filed against you.

Within 20 days after service of this summons on you (not counting the day you received it), you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff's attorney, whose name and address are:

Derek T. Ho
Kellogg, Huber, Hansen, Todd, Evans & Figel, P.L.L.C.
1615 M Street, N.W., Suite 400
Washington, D.C. 20036
Direct Telephone: (202) 326-7900 Facsimile: (202) 326-7999

If you fail to do so, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

Name of clerk of court

Date: 08/22/2008

Deputy clerk's signature

(Use 60 days if the defendant is the United States or a United States agency, or is an officer or employee of the United States allowed 60 days by Rule 12(a)(3).)

Proof of Service

I declare under penalty of perjury that I served the summons and complaint in this case on _____,
by:

- (1) personally delivering a copy of each to the individual at this place, _____;
_____; or
- (2) leaving a copy of each at the individual's dwelling or usual place of abode with _____
who resides there and is of suitable age and discretion; or
- (3) delivering a copy of each to an agent authorized by appointment or by law to receive it whose name is
_____; or
- (4) returning the summons unexecuted to the court clerk on _____; or
- (5) other (*specify*) _____

_____.

My fees are \$ _____ for travel and \$ _____ for services, for a total of \$ 0.00.

Date: _____

Server's signature

Printed name and title

Server's address

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS**

Verizon New England Inc.,

Plaintiff,

v.

RNK Inc.,

Defendant.

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Case No. 1:08-cv-11457

**RULE 7.3 FINANCIAL DISCLOSURE STATEMENT FOR
VERIZON NEW ENGLAND INC.**

Pursuant to Federal Rule of Civil Procedure 7.3 and Local Rule 7.3, Plaintiff Verizon New England Inc. ("Verizon") by its undersigned counsel, hereby discloses to the Court that it is a subsidiary of Verizon Communications Inc., which has issued stock and debt securities to the public. No publicly held corporation owns more than 10 percent of Verizon Communications Inc.'s stock.

Date: August 22, 2008

Respectfully submitted,

/s/

Derek T. Ho [Dist. of Mass. No. 4022778]

Kevin B. Huff

Scott H. Angstreich

KELLOGG, HUBER, HANSEN, TODD,

EVANS & FIGEL, PLLC

Sumner Square

1615 M Street, N.W. – Suite 400

Washington, D.C. 20036

(202) 326-7900

(202) 326-7999 (facsimile)

Counsel for Verizon New England Inc.

CERTIFICATE OF SERVICE

I hereby certify that, on August 22, 2008, a true and correct copy of Rule 7.3 Corporate Disclosure Statement for Plaintiff Verizon New England Inc. was served by electronic mail through the Court's ECF system upon the following:

RNK Inc.
c/o Registered Agent Michael Tenore
333 Elm Street, Suite 310
Dedham, MA 02026

_____/s/
Derek T. Ho [Dist. of Mass. No. 4022778]
Kevin B. Huff
Scott H. Angstreich
KELLOGG, HUBER, HANSEN, TODD,
EVANS & FIGEL, PLLC
Sumner Square
1615 M Street, N.W. – Suite 400
Washington, D.C. 20036
(202) 326-7900
(202) 326-7999 (facsimile)

Counsel for Verizon New England Inc.