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March 3, 2016

**PUBLIC VERSION - REDACTED FOR PUBLIC DISCLOSURE  
SUBJECT TO REQUEST FOR CONFIDENTIAL TREATMENT**

**VIA ELECTRONIC FILING (PUBLIC VERSION)  
VIA HAND DELIVERY (CONFIDENTIAL VERSION)**

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Room TW-A325  
Washington, DC 20554

ATTN: Mindel de la Torre, Chief, International Bureau

Re: Request for Confidential Treatment for Proprietary Information and Information Subject to  
Statutory Confidentiality Protections

Request for Review of Service Agreement, IB Docket No. 10-95; MCI International, Inc.  
ITC-214-19961003-00486

Dear Ms. Dortch:

MCI International, Inc. (“Verizon”)<sup>1</sup> submits for Federal Communications Commission (“Commission”) review the public version of its Service Agreement for the Operation of International Telecommunications with Empresa de Telecomunicaciones de Cuba, S.A. (“Service Agreement”), pursuant to the terms and conditions of the benchmark policy waiver applicable to U.S. carriers seeking to provide direct telecommunications services to Cuba as specified in the Commission’s *TeleCuba Waiver*

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<sup>1</sup> MCI International, Inc., a Delaware corporation, holds authorizations to provide international telecommunications services. It is a wholly-owned subsidiary of MCI Communications Corporation, which is authorized to provide global international telecommunications services pursuant to ITC-214-19961003-00486, among other authorizations. Pursuant to 47 C.F.R. §63.21(h), we hereby notify the Commission that MCI International, Inc. will be providing service based upon the authorization in ITC-214-19661003-00486 license held by MCI Communications Corporation.

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*Order*, and as revised by the Commission's *International Settlements Policy Reform Order* and the *Order Removing Cuba from the Exclusion List*.<sup>2</sup>

Verizon, by its attorneys, respectfully requests that the redacted portions of the Service Agreement attached hereto be withheld from public disclosure pursuant to sections 0.457 and 0.459 of the Commission's Rules.<sup>3</sup> The Service Agreement contains highly sensitive commercial information that should be withheld from public disclosure under Freedom of Information Act (FOIA) Exemption 4 which covers "trade secrets and commercial or financial information [that are] privileged and confidential."<sup>4</sup> In particular, the Service Agreement contains company-specific, confidential commercial and financial information—such as payment methods, liability limitation figures, and interconnection capacities—that is not routinely available for public inspection and is customarily guarded from competitors.

Verizon is simultaneously submitting, under separate cover, an unredacted version of the Service Agreement for Commission review marked "CONFIDENTIAL – NOT FOR PUBLIC DISCLOSURE."

In light of the above, Verizon respectfully requests that the Commission withhold from public disclosure the confidential, redacted portions of the Service Agreement. Information in support of this request for confidential treatment and in response to Section 0.459(b) of the Commission's rules, 47 C.F.R. § 0.459(b), is provided below.

1. **Specific information for which confidential treatment is sought, 47 C.F.R. § 0.459(b)(1).** Verizon requests confidential treatment for the information contained in the Service Agreement which is redacted on the version of the document bearing the legend "PUBLIC VERSION" at the top of each page, but is not redacted on the version bearing the legend "CONFIDENTIAL – NOT FOR PUBLIC DISCLOSURE" at the top of each page. The redacted portions of the Service Agreement contain detailed and highly sensitive commercial information, such as payment methods, liability limitation figures, and interconnection capacities.
2. **Circumstances giving rise to this submission, 47 C.F.R. § 0.459(b)(2).** The Service Agreement is submitted pursuant to requirements established in connection with the *TeleCuba Waiver Order* as revised by the Commission's *International Settlements Policy Reform Order* and the *Order Removing Cuba from the Exclusion List*.

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<sup>2</sup> *iConnect Wholesale, Inc. d/b/a TeleCuba, Petition for Waiver of the International Settlements Policy and Benchmark Rate for Facilities-Based Telecommunications Services with Cuba*, IB Docket No. 10-95, Memorandum Opinion and Order, 26 FCC Rcd 5217 at ¶31 (2011) (*TeleCuba Waiver Order*); *International Settlements Policy Reform*, IB Docket Nos. 11 -80, 05-254, 09-10, RM 11322, Report and Order, 27 FCC Rcd 15521 (2012) (eliminating the International Settlements Policy and applying a modified version to Cuba) (*International Settlements Policy Reform Order*); *Removing Cuba from the Exclusion List for International Section 214 Authorizations*, IB Docket No. 15-289, Order, DA 16-55 (Jan. 15, 2016) (*Order Removing Cuba from the Exclusion List*).

<sup>3</sup> 47 C.F.R. §§ 0.457, 0.459.

<sup>4</sup> 5 U.S.C. § 552(b)(4).

3. **Degree to which the information is commercial or financial, or contains a trade secret or is privileged, 47 C.F.R. § 0.459(b)(3).** As discussed above, the redacted portions of the Service Agreement contain sensitive commercial information that should be withheld from public disclosure pursuant to FOIA Exemption 4. 5 U.S.C. § 552(b)(4). The information is “confidential” in that it “would customarily not be released to the public.” *Critical Mass Energy Project v. NRC*, 975 F.2d 871, 873 (D.C. Cir. 1992); *see also Nat’l Parks and Conservation Ass’n v. Morton*, 498 F.2d 765, 770 (D.C. Cir. 1974) (noting that material is “confidential” if it would “cause substantial harm to the competitive position of the person from whom the information was obtained.”). Both of these considerations apply here, as explained in points (4) and (5) below.
4. **Degree to which the information concerns a service that is subject to competition, 47 C.F.R. § 0.459(b)(4).** The Service Agreement relates to Verizon’s routing of international calls, which are subject to actual and potential competition. International calling services are undisputedly subject to actual and potential competition from multiple competitors over a variety of platforms. *See, e.g.,* Federal Communications Commission, *2013 International Telecommunications Data*, DOC-334395, at Table 4 (2015).
5. **How disclosure of the information could result in substantial competitive harm, 47 C.F.R. § 0.459(b)(5).** Confidential treatment is warranted where release of information would raise “the likelihood of substantial competitive injury” in a competitive market. *Public Citizen Health Research Group v. F.D.A.*, 704 F.2d 1280, 1291 (D.C. Cir. 1983) (quoting *Gulf & Western Industries v. U.S.*, 615 F.2d 527, 530 (D.C. Cir. 1979)). Release of the information contained in the redacted portions of the Service Agreement, which reveals aspects of Verizon’s commercial operations, would cause Verizon competitive harm because competitors could use that information to undermine Verizon’s objectives and competitive position.
6. **Measures taken to prevent unauthorized disclosure, 47 C.F.R. § 0.459(b)(6).** The redacted portions of the Service Agreement contain sensitive commercial information that Verizon has not released to the public and is of a type that it does not customarily release to the public.
7. **Whether the information submitted is available to the public and the extent of any previous disclosure of the information to third parties, 47 C.F.R. § 0.459(b)(7).** The redacted information contained in the Service Agreement is not generally made available to the public or third parties.
8. **Period during which the submitted material should not be available for public disclosure, 47 C.F.R. § 0.459(b)(8).** Given the competitively sensitive nature of the redacted information provided in the Service Agreement, Verizon requests that confidential treatment apply indefinitely. This period of time is necessary to prevent an unfair competitive advantage for Verizon’s competitors.
9. **Any other information that the party seeking confidential treatment believes may be useful in assessing whether its request for confidentiality should be granted.** As described above, the information for which the exemption is requested is highly sensitive commercial information, submitted by Verizon, a non-government entity. It thus should be considered confidential. *See* 5 U.S.C. § 552(b)(4); *Nat’l Parks and Conservation Ass’n v. Morton*, 498 F.2d 765, 770 (D.C. Cir. 1974) (information required to be submitted to the government is considered to be “confidential”

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if disclosure is likely to harm substantially the competitive position of the person from whom the information was obtained); *see also Critical Mass Energy Project v. Nuclear Regulatory Comm'n*, 975 F.2d 871, 873 (D.C. Cir. 1992).

Therefore, for the reasons set out above, the Commission should withhold the redacted portions of the Service Agreement from public inspection. Verizon additionally requests that the non-redacted version of the Service Agreement, which Verizon is submitting under separate cover, not be included in any publication while this request is pending.

If you have any questions concerning this matter, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Ian Dillner". The signature is written in a cursive, slightly slanted style.

Ian J. Dillner

cc: via email (Redacted Version)  
Denise Coca  
David Kretch

**PUBLIC VERSION**

**SERVICE AGREEMENT  
FOR THE OPERATION OF INTERNATIONAL TELECOMMUNICATIONS**

**THIS SERVICE AGREEMENT FOR THE OPERATION OF INTERNATIONAL TELECOMMUNICATIONS** (hereinafter referred to as "Agreement") is made by and between MCI International, Inc., a company organized and existing under the laws of the State of Delaware in the United States (hereinafter referred to as "Verizon", a "Party"), having an office at 22001 Loudoun County Parkway, Ashburn, Virginia 20147, U.S.A., represented herein by Melissa Hefley in her capacity as a Senior Manager of Product Marketing and Contract Management; and

**EMPRESA DE TELECOMUNICACIONES DE CUBA, S.A.**, hereinafter referred to as "ETECSA," a "Party" (collectively with Verizon, the "Parties"), a commercial company with independent legal personality and patrimony organized and existing in the Republic of Cuba under Law No. 77 concerning Foreign Investment, having its registered office at Miramar Trade Center, Beijing Building, 3<sup>rd</sup> Ave between 78 and 80, Havana, Cuba, represented herein by Eng. Vivian Iglesias Barroso, in her capacity as Main Director of the Division of International Services, who was appointed by Agreement No. 66 and empowered to sign this Agreement subject to Agreement No. 44 on 15th May 2012 by the Board of Directors and by Agreement No. 4 on 13th February 2012 adopted by the Shareholders' meeting.

**WHEREAS**, Verizon is a telecommunications company duly authorized under the laws of the United States of America to provide international telecommunications services to customers in the United States of America, Puerto Rico, the United States Virgin Islands and other territories and possessions of the United States (hereafter collectively, for convenience, the "United States"), and

**WHEREAS**, ETECSA is a telecommunications company duly authorized under the laws of Cuba to provide international telecommunications services to customers in Cuba, and subject to the authorization granted by the Cuban government;

**INSOFAR AS** Verizon and ETECSA both wish to provide international telecommunications Services between the United States and Cuba and to other international destinations as agreed to in writing by the Parties.

**NOW THEREFORE**, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:



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## SERVICE AGREEMENT FOR THE OPERATION OF INTERNATIONAL TELECOMMUNICATIONS

### 1. GENERAL ASPECTS

- 1.1 Subject to the terms and conditions established hereby: (a) Verizon shall provide Services (as defined in Clause 2.1) to points in the United States as set forth in Annex A to this Agreement, and some other countries as set forth in Annex B to this Agreement; and (b) ETECSA shall provide Services to points in Cuba as set forth in Annex A to this Agreement.

### 2. SERVICES

- 2.1. The communications channels that will be operated jointly by Verizon and ETECSA shall be used to provide telecommunications services as agreed by the Parties in writing from time to time. The services are detailed in the Annexes attached hereto, which shall be an integral part of this Agreement (the "Services"). Except as stated in this Agreement, all conditions and warranties, whether express or implied, statutory or otherwise, including but not limited to warranties of merchantability and fitness for a particular purpose, are excluded to the extent permitted by law.
- 2.2. Neither Party authorizes anyone, whether an employee, agent or subcontractor or otherwise, to make a warranty of any kind on its behalf and the other Party should not rely on any such statement.
- 2.3. The Parties may use any Services provided by the other Party for their own purposes, provided that the Parties:
- (a) comply with the terms of any legislation on telecommunications, including applicable tariffs, and any license legally applicable to it in any country where the Services are provided;
  - (b) do not use the Services to send any communication which is illegal under the laws of either country from which the communications are originated or terminated; and
  - (c) shall remain responsible for any access to and use of the Services by its customers.
- 2.4. The Parties agree that, to the extent allowed by law or regulation, neither Party will have liability with respect to claims by the other Party or third-parties arising from the other Party's acting contrary to the provisions of this Agreement; and/or the Party's specific reasonable instructions given in writing under Clause 14 "Notices."
- 2.5. Any further service required to be implemented between the Parties shall be agreed to in a duly executed writing as an addendum to this Agreement.

### 3. TECHNICAL REGULATIONS AND METHODS OF OPERATION

Unless otherwise provided herein or if jointly agreed by the Parties in writing, as a general rule the technical regulations and methods of operations applied by the Parties shall be arranged according to the Recommendations of the International Telecommunications Union ("ITU") as they are now in effect and as they may become effective from time to time.

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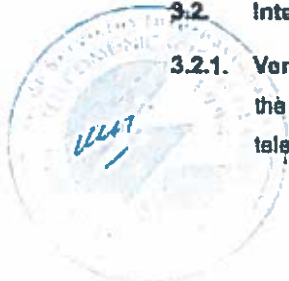
## SERVICE AGREEMENT FOR THE OPERATION OF INTERNATIONAL TELECOMMUNICATIONS

### 3.1 Operation

- 3.1.1. The Parties shall establish and provide international telecommunications services between the points in, or those that can be reached by transit through, the United States or between the points in, or those that can be reached through, Cuba supported by the circuits capacity of the telecommunications systems on submarine cable, satellite, radio or any other communications system available currently or in the future and shall be subject to all the required governmental authorizations. The circuits between the United States and Cuba will be provided jointly by Verizon and ETECSA.
- 3.1.2. Verizon and ETECSA agree that the operation of international telecommunications circuits may be upgraded as agreed to by the Parties and memorialized in an agreement signed by both Parties.
- 3.1.3. Each Party shall have the right, without liability, to:
- (a) change the technical specification of the Services for operational reasons after providing reasonable Notice in writing, provided that any such change does not materially decrease or impair performance of the Services;
  - (b) suspend the Services in an event of emergency, and/or need to safeguard the integrity and security of its network;
  - (c) immediately remove or disable access to any information or suspend or restrict the provision of the Services (wholly or in part) if a Party is aware of, or has some documented evidence to suspect, any abuse of the Services;
  - (d) suspend the Services (wholly or in part) if a Party is properly required to do so by applicable law, or regulatory or governmental body to which the Party is subject or subordinate; and
  - (e) disclose or grant access to any communication, content or data only to the extent required by applicable law, or regulatory or governmental body to which the Party is subject or subordinate, in accordance with the fulfillment of the requirements established by law.
- 3.1.4. The Parties acknowledge and agree that neither Party has any obligation to monitor or actively seek facts or circumstances indicating any misuse of the Services or illegal activities except upon: (a) agreement between the Parties, or (b) as relevant to an arbitration proceeding brought pursuant to Clause 16.3.

### 3.2 Internal Connections

- 3.2.1. Verizon shall, at its own costs and expenses, carry out or entrust someone with the execution of all the required actions to achieve an adequate connection of the circuits hereby provided with the telecommunications systems in the United States. ETECSA shall, at its own costs and expenses,



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carry out or entrust someone with the execution of all the required actions to achieve an adequate connection of the circuits hereby provided with the telecommunications systems in Cuba.

3.2.2. A Party will, upon reasonable Notice from the other Party, allow the notifying Party, its employees, agents and subcontractors access to the Party's premises if any of the notifying Party's telecommunications systems are located therein, as may be reasonably necessary for the performance by the Party under this Agreement, including installation, maintenance, recovery or removal of any of the notifying Party's equipment. The notifying Party will use its best efforts and care to avoid damage in the removal of its equipment and leave the premises in its original condition. The notifying Party, its employees, agents and subcontractors, shall observe the other Party's strict fulfillment of site regulations.

### 3.3. Quality of the Services

Both Parties shall make best efforts to render a reliable and steady Service with the usual internationally required quality. It is agreed that, in the event any direct circuits become unworkable or its capacity becomes insufficient, both Parties shall upgrade the capacity and/or route the communications through alternative paths, in accordance with the agreements they may reach from time to time and signed to such effect.

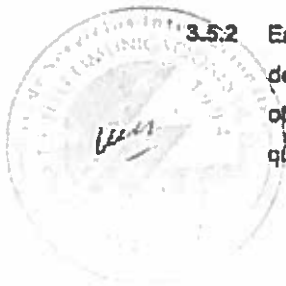
### 3.4. Interruptions

Each Party shall advise the other Party, in writing, as soon as possible, of any telecommunications system failure which arises or is likely to arise from a cause within its area of operation that is expected to cause a material interruption of any or all the Services. In the event any interruption of any of the Services hereby provided takes place, the Parties shall approve the appropriate recommendations on arrangements for interruptions. The Parties shall restore any interrupted Service as soon as reasonably possible.

### 3.5. Installation and Protection Devices

3.5.1 Each Party shall ensure that the features and methods of operation of its terminal equipment, and those of its international circuits hereby provided, shall not damage the other Party's plants causing a worsening of the telecommunications system, which could bring about a danger for the public or employees of any of the Parties hereof while operating any of the telecommunications systems hereby provided.

3.5.2 Each Party shall bear the expenses for the installation of its equipment and the proper protection devices for its equipment, if required, subject to this paragraph. Each Party will comply with the other Party's reasonable requests which are necessary for reasons of health, security, safety or the quality and/or provision of any Service rendered to the other Party.





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**4. STARTING DATE OF THE SERVICES**

In order to commence provision of the Services, either Party shall report in writing the availability of circuits and shall make tests for three (3) consecutive calendar days. If the outcome of such tests is positive, the commencement of the Service provision shall be confirmed by either Party to the other in writing. If, however, the tests are not positive, the Parties shall work together to remove the shortcomings and re-test the Services for positive results.

**5. RATES TO APPLY**

The rates that govern the Services are those specified in Annex A and Annex B, as may be amended from time to time in accordance with the procedures and timelines set forth in such Annexes.

**6. LIABILITY**

6.1. All liability shall be proved by clear and convincing documentary evidence showing such attributed responsibility.

Subject to Clause 6.3 and Clause 6.4, and to any limitation of liability set out in the relevant Annex, all contractual liability or any other kind of liability from each Party to the other Party, including liability for negligence or breach of contractual duties under or directly connected with this Agreement, shall be limited to

6.3 Notwithstanding any provision in the Agreement to the contrary, the Parties agree to the following Clauses, 6.3.1 and 6.3.2, concerning limitation of liability:

6.3.1 The Parties do not reject or limit their liability in the case of death or physical injury to the natural person, when such is a direct consequence of negligence, recklessness, fraudulent behavior or intention by one of the Parties.

6.3.2 Neither Party may leave out or limit its liability if the damage suffered by the other Party is caused by such Party's fraudulent misrepresentation.

6.4 The Parties agree on further limiting their liability to each other in the following respects, Clauses 6.4.1 and 6.4.2.

6.4.1 In no event shall either Party be liable to the other or to that Party's customers or any third party in any respect for any indirect, incidental, consequential, exemplary, punitive, reliance or special damages, or for any loss of revenue, profits, use, data, services of management or staff, goodwill or reputation, business opportunities of any kind or nature whatsoever, loss of use of any computer or



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any other equipment or plant, or losses or obligations under or in relation to any other contract with a third party, including customers, arising in any manner from this Agreement.

- 6.4.2 Neither Party will be liable for damages caused by any Service or equipment that is not provided, furnished or managed by it, if such Service or equipment caused or gave rise to such damage.
- 6.5 Neither Party shall withhold payments owed to the other Party for sums uncollectible from the end customer because of fraud or other causes. Therefore, each Party shall be responsible for the sums related to the same.
- 6.6 Subject to Clauses 6.1, 6.2, 6.3 and 6.4, each Party agrees to protect and hold harmless the other Party from any losses or legal procedure connected with claims of a third party arising from any negligence or intentional action or omission, and in which the other Party has not had participation or direct responsibility; provided that the indemnification and obligation to hold harmless is specifically conditioned on the following: (i) the Party against whom a claim is made by a third-party provides prompt notification in writing to the other Party of any such claim when it obtains knowledge thereof; (ii) if requested by the other Party, the Party against whom the claim has been made permits the other Party to have control of the defense, settlement and resolution of the claim; and (iii) the Party against whom the claim has been made cooperates, at its expense, in a reasonable way to facilitate the defense of such claim or the negotiations for its settlement.
- 6.7 Each Party shall implement reasonable precautions to prevent any unauthorized access by third parties to any of its telecommunications network used to provide the Services to the other Party, but the Parties shall not be liable for any loss or damage sustained by either Party in the event of any unauthorized access in spite of the reasonable precautions that the Parties undertook.

### 7. RELEVANT AUTHORITIES

- 7.1 The execution and performance of this Agreement by the Parties, shall be subject to all the existing and future relevant regulations and laws issued by any authority having a legitimate jurisdiction, and shall be subject to the obtaining and renewal of the governmental approvals, consents, authorizations, licenses and permits required for the entry into and performance of this Agreement according to each of its terms and conditions of this Agreement by the Parties hereof. Each of the Parties hereto shall make its best efforts to get and keep in effect such governmental approvals, consents, authorizations, licenses and permits, each of them in its respective country. Each Party shall ensure a fluency of information between them so as to allow the Parties to keep each other informed, to the extent they know of any information indicating any proposed, pending or adopted action by any regulatory or governmental body concerning the execution or performance of this Agreement, including, in the case of Verizon, waivers of the Federal Communications Commission ("FCC"), if any. As permitted by law, Verizon shall send ETECSA a copy in writing of the authorizations granted by the authorities of the United States or otherwise applicable to Verizon

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with respect to its execution or performance of this Agreement. As permitted by law, ETECSA shall send Verizon a copy in writing of the authorizations granted by the authorities of Cuba or otherwise applicable to ETECSA with respect to its execution or performance of this Agreement.

- 7.2. In no case does Verizon require any specific authorization from any relevant authority of the Republic of Cuba to enter into and perform this Agreement, nor does ETECSA require the specific authorization of any relevant authority of the United States to enter into and perform this Agreement.

### 8. EXCHANGE OF INFORMATION: CONFIDENTIALITY

- 8.1. Each Party hereby undertakes to protect Confidential Information received from the other Party in relation to this Agreement in the same or at least in a reasonably similar manner as it protects its own Confidential Information. All information regarding this Agreement rendered by a Party to the other Party, the Agreement itself, all information concerning or generated by or arising from performance of this Agreement, and all information which by its nature is confidential or is disclosed in confidence by whatever means (whether written, oral or in any other form), shall be considered confidential for the purpose of this Agreement, including without limitation, all documentation, technical information, software and business information ("Confidential Information"). This obligation shall not apply to information: (i) in the public domain other than because of a breach of this Agreement, (ii) which is known by the receiving Party before such disclosure has taken place, (iii) obtained from a third party who is authorized to divulge the same, or (iv) which is required to be disclosed by law; provided that, with respect to (iv) above, the Party making disclosure, or intending to make disclosure, of Confidential Information shall inform the other Party as soon as possible of any demand for the disclosure of such information, any disclosure, and all pertinent details, and shall provide all related documents, to the extent permitted by law.
- 8.2. The Parties acknowledge and agree that Confidential Information is and shall remain property of that Party. The Parties acknowledge and agree that Confidential Information shall be kept strictly confidential, shall be used only for the purpose of this Agreement, and shall not be disclosed to third parties without the prior, written consent of the other Party, aside from either Party's or its Affiliates' employees and professional advisors who need to know the same for the performance of this Agreement. For the purpose of this Clause 8, a Party's "Affiliates" are the entities owned or controlled by that Party or an entity that has common ownership or control with that Party. Upon termination of this Agreement and upon request, each Party shall return any such Confidential Information to the other Party as soon as possible, and shall cease and desist from making further use of such Confidential Information. The Parties shall not disclose any Confidential Information acquired during the course of their relationship and for a period of three (3) years after termination of this Agreement (except in the case of software, which shall be for an indefinite period), and shall

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reasonably endeavor, including the respective contractual relations, to prevent their respective employees, assignees, subcontractors or agents from disclosing it.

8.3 It is acknowledged by the Parties that a violation of this Clause 8 might cause irreparable harm for which monetary damages alone may not be adequate and, therefore, the Parties may seek specific performance and Injunctive or other equitable relief as a remedy for any such violation, breach, or anticipated breach without the necessity of posting a bond exclusively pursuant to the procedures set forth in Clause 16 of this Agreement. Notwithstanding Section 6.2 above, each Party ("Breaching Party") shall be liable to the other Party with respect to any proven damage or loss resulting directly from the Breaching Party's breach of its confidentiality obligations under Sections 8.1 and 8.2 up to, but not exceeding, the sum of [REDACTED]

8.4 Verizon shall request that the Federal Communications Commission ("FCC"), pursuant to applicable procedures, including 47 C.F.R. § 0.459, not make publicly available such parts of this Agreement that Verizon and ETECSA shall have jointly designated or, failing joint agreement, such parts that ETECSA has reasonably designated as Confidential Information. Verizon shall promptly inform ETECSA if the request not to make parts of this Agreement publicly available is denied, in whole or in part, and the Parties shall consult about how to proceed.

9. PUBLICITY AND MARKETING

9.1 Except as specified in this Clause 9, a Party shall not make any public statements, disclosure or announcements relating to this Agreement (except as expressly required by law), nor shall it utilize the name, trademarks or symbols that identify the other Party in any advertising, sales promotion, press releases or other publicity in connection to this Agreement, unless having received previous, written authorization to such effect, which authorization shall not be withheld unreasonably. All announcements, marketing materials, press releases or other materials to be distributed to the public, or to the media where one of the Parties utilizes the name of the other, shall first receive written authorization from the other prior to their release or distribution.

9.2 Verizon and ETECSA, at their own costs and expenses, may advertise, distribute marketing materials, and promote in any way the Services provided in this Agreement in their respective territories.

10. DURATION, EXTENSION AND TERMINATION; RIGHT OF SUSPENSION OR TERMINATION UPON THE OCCURRENCE OF CERTAIN EVENTS.

10.1 The Parties agree that this Agreement shall become effective ("Effective Date") on the later of: (a) the date when signed by both Parties or (b) issuance to Verizon by the governmental authorities of the United States of all licenses, waivers, and authorizations required for Verizon to enter into and perform this Agreement according to each of its terms and conditions, and it shall remain



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valid and in effect for an initial period of one (1) year from the Effective Date and will be automatically extended and shall continue in full force and effect for one (1) year consecutive periods, unless terminated by either Party by giving the other a Notice in writing at least (30) calendar days prior to the expiration of the Agreement. The obligation to make payments of sums owed prior to termination of this Agreement or the expiration of the term of this Agreement, whether or not invoiced at the time of termination or expiration, shall not be affected by, and shall survive, such termination. The Parties shall send invoices within ten (10) calendar days after any termination or expiration.

- 10.2 The Parties may, by agreement signed to this effect, terminate this Agreement at any time.
- 10.3. Notwithstanding anything in this Agreement to the contrary, either Party may terminate this Agreement or any Service immediately if the other Party:
  - (a) commits a material breach of this Agreement which is capable of remedy, and fails to remedy the breach within thirty (30) calendar days after of a written Notice to do so; or
  - (b) commits a material breach of this Agreement which cannot be remedied.

The Party terminating this Agreement pursuant to this Clause 10.3 shall promptly advise the other Party that it has terminated this Agreement.

- 10.3.1. If a Party terminates this Agreement or any Service pursuant to this Clause 10.3, the obligation to make payments of sums owed prior to termination, whether or not invoiced at the time of termination, shall not be affected by, and shall survive, such termination. The Parties shall send invoices within ten (10) calendar days of any such termination.

- 10.4. Termination for breach is without prejudice to any other available right or remedy arising from the breach.

10.5. Right of Suspension or Termination upon the Occurrence of Certain Events

- 10.5.1 Notwithstanding any other provision of this Agreement to the contrary, including without limitation Clause 7.1 and Clause 15 (Force Majeure), either Party may, in its unreviewable discretion, suspend its performance of, or terminate, this Agreement, or suspend or terminate any Service under this Agreement, in the event of any of the following, (a), (b), (c) or (d):

- (a) a court of the United States (including federal, state or local courts), or the Clerk thereof, or any attorney of the United States purporting to act under legal authority, issues a writ of attachment, garnishment, execution, injunction or restraint, or comparable actions, or a lien of *lis pendens* or other lien, against any, some or all payments by Verizon in favor of ETECSA under this Agreement ("Measure"), including without limitation payments that are past due, currently due or yet to become due, and



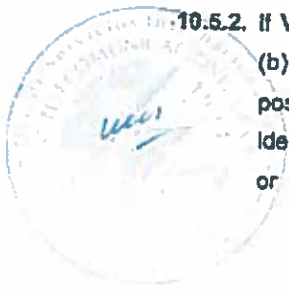
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- the payments provided for in Clause 11.3, and the Measure is not vacated by the effective date of the suspension or termination specified by ETECSA in its Notice; or
- (b) the United States Department of the Treasury's Office of Foreign Assets Control issues a specific license pursuant to the Cuban Assets Control Regulations, 31 C.F.R. Part 515, authorizing any of the Measures within the scope of Clause 10.5.1(a); or
  - (c) any license, waiver or authorization granted by a governmental authority of the United States (including federal, state or local authorities) that is required for Verizon to make any, some or all payments to ETECSA at ETECSA's account at the bank in Cuba specified by ETECSA in a confidential writing subject to Clause 8 for the receipt of payments due it under this Agreement, including without limitations payments that are past due, currently due or yet to become due, and the payments provided for in Clause 11.3, and at the rates and for the duration specified in this Agreement, including Annex A, is revoked, or not renewed prior to expiration, or any order is issued by governmental authorities of the United States or legislation is adopted by the United States blocking, freezing, confiscating or otherwise restraining, preventing or delaying any such payments being made by Verizon to ETECSA at ETECSA's account at the bank in Cuba specified by ETECSA in a confidential writing subject to Clause 8 for the receipt of payments due it under this Agreement ("Governmental Order"), and at the rates and for the duration specified in this Agreement, including Annex A, and the license or other authorization is not restored or renewed, or the Governmental Order is not rescinded, by the effective date of the suspension or termination specified in ETECSA's Notice; or
  - (d) any license, waiver or authorization granted by a governmental authority of the United States (including any federal, state or local authority) that is required for Verizon to perform this Agreement according to each of its terms and conditions is revoked, modified or not renewed prior to expiration of the term of this Agreement; or any legislation, regulation, order or other measure is adopted or issued by such governmental authority, with the effect that Verizon is prevented from performing this Agreement according to each of its terms and conditions; or any opinion or ruling is issued by any such governmental authority that it would be contrary to law for Verizon to perform this Agreement according to each of its terms and conditions.

10.5.2. If Verizon has knowledge of the occurrence of any of the events specified in subparagraph (a), (b), (c) or (d) of Clause 10.5.1, Verizon will use best efforts to notify ETECSA as soon as possible by the means provided for in Clause 14 and, in addition, by telephone to the persons identified according to what is established in Clause 14. Verizon is not responsible for monitoring or actively seeking information regarding the occurrence of any of the events specified in



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subparagraph (a), (b), (c) or (d) of Clause 10.5.1. ETECSA shall not rely on Verizon to notify ETECSA of the occurrence of the events specified in subparagraph (a), (b), (c) or (d) of Clause 10.5.1. Verizon shall provide ETECSA with all documents and papers served upon it in connection with the occurrence of any of these events as soon as possible by the fastest available means, unless the provision of such documents and papers is expressly prohibited by applicable law, including, but not limited to, statutes, regulations, judicial decrees, rulings, or orders, or agency decrees, rulings or orders.

10.5.3 A Party shall give Notice of its exercising its rights under Clause 10.5.1 in writing. Its exercise of its rights under this Clause 10.5.3 shall be effective immediately upon its giving such Notice, unless the Notice expressly provides otherwise.

10.5.4 The Parties agree to work together to preserve the security of their respective networks and communications against cybercrimes, illegal penetration or other similar actions. The occurrence of any cybercrime, illegal penetration or any other similar action is reason to cancel or suspend all or any Service.

**11 GENERAL OUTLINES, BILLING, PAYMENT, RECONCILIATION AND CLAIMS**

**11.1. General Outlines**

11.1.1 [REDACTED]

11.1.2 [REDACTED]



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11.1.3. For all purposes of this Agreement, and notwithstanding any other provision of this Agreement to the contrary, payment shall be deemed to have been made to ETECSA, and a payment in favor of ETECSA, shall be deemed to have been satisfied, only if, at the time, and to the extent the payment is received by ETECSA in Cuba at its account at the bank and branch in Cuba specified by ETECSA in separate, signed writing pursuant to Clause 11.3.13. For all purposes of this Agreement, and notwithstanding any other provision of this Agreement to the contrary, payment shall be deemed to have been made to Verizon, and a payment in favor of Verizon, shall be deemed to have been satisfied, only if, at the time, and to the extent that the payment is received by Verizon at its account at the bank and branch specified by Verizon pursuant to Clause 11.3.14. This Clause 11.1.3 shall be strictly construed and applied in every respect and circumstance. It is a material term.

11.1.4. Payments, including prepayments, which are not the subject of a pending conciliation or arbitration proceedings pursuant to Clauses 11.5 or 16, shall not be delayed by reason of the pendency of same. This Clause 11.1.4 is a material term.

11.1.5. The banking commission or any other expense for money transfer charged in the Debtor Party's country will be the Debtor Party's responsibility. All the other expenses, by way of bank transfer, stated beyond the country of the Debtor Party, including the commission of International intermediary banks, will be covered at the expense of the Creditor Party.

11.1.6. [REDACTED]

11.1.7. [REDACTED]

**11.2. Billing**

11.2.1. [REDACTED]

11.2.2. The invoices shall be sent by e-mail to the addresses set forth in a separate, signed writing by the Parties, which each Party shall keep confidential under Clause 8 and which the other Party shall not file with governmental authorities except with the prior written consent of the Party providing said information, which consent shall not be unreasonably withheld. Each Party will acknowledge receipt of the writing upon receiving it.





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11.2.3 The invoice shall be deemed accepted by the Party it is issued to, if that Party does not raise any objection in writing within [REDACTED] following the date the invoice is received. If either Party, in good faith, disputes the amount or appropriateness of any charge included in an invoice from the other, the disputing Party must provide the following documentation reasonably required to resolve the dispute.

**Minute Dispute** – The disputing Party must provide the billing Party with a hard copy of the type of minute dispute being issued. All minute disputes must be accompanied by a call detail record from the billing Party's call detail records supporting the alleged erroneous calls or differences in duration of minutes.

**Rate/Class Dispute** – The disputing Party must provide documentation identifying the time period, appropriate rate/code, total minutes and amount in dispute for each country and documentation detailing the rate/code agreed upon and/or call detail records to support the claim.

11.2.4 No payment may be withheld for sums uncollectible from the end customer because of fraud or other causes. Therefore, each Party shall be responsible for the sums related to the same.

**11.3 Payments**

11.3.1 Verizon shall make [REDACTED]

Clause 11.1.2 and which shall remain confidential pursuant to Clause 8 hereof.

11.3.2 Verizon shall make [REDACTED]

which shall be paid in the Designated Currency pursuant to Clause 11.1.2 and which shall remain confidential pursuant to Clause 8 hereof.

Thereafter, Verizon shall make [REDACTED]



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[REDACTED]

[REDACTED]

11.3.6 If ETECSA estimates that the amount prepaid by Verizon will not be enough to cover [REDACTED]

11.3.7 Upon Verizon's receipt of the Notice, in order to avoid exhaustion of its prepayment amount, Verizon shall, [REDACTED]

[REDACTED] In the event that ETECSA provides Service in a traffic month which was not covered by a prepayment, ETECSA shall, at its election, either (a) provide Notice of the amount due for the uncovered Service, and, upon ETECSA's request in the Notice, Verizon shall make payment of such amount at the same time that it makes its next prepayment, (b) include the amount due for the uncovered Service in its monthly settlement statement pursuant to Clause 11.4; or (c) request Verizon to make payment of the amount due for the uncovered Service within [REDACTED]

11.3.9 Notwithstanding any other provision of this Agreement to the contrary, ETECSA may suspend Services immediately with Notice to Verizon in the event that [REDACTED]

11.3.10 All the payments under this Agreement, including but not limited to prepayments under this Clause 11.3, shall be made [REDACTED]

[REDACTED] Verizon may, at any time, request a refund (in whole or in part) of its unused prepayment balance. In the event of such request, [REDACTED]



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11.3.12 To send bank transfers, no U.S. bank (or branches or subsidiaries of same) located in any country, nor any non-U.S. bank (or branches or subsidiary of same) based in the United States, may be used as an intermediary.

11.3.13 All payments in favor of ETECSA that are required or permitted under this Agreement shall be made to ETECSA [REDACTED]

[REDACTED] Verizon shall keep ETECSA's writing confidential pursuant to Clause 8 of this Agreement, and shall not file same with any governmental authority without ETECSA's prior, written consent. Such consent shall not be unreasonably delayed, withheld or conditioned; provided, however, that it is understood that it is not unreasonable for a Party to condition consent upon a Party pursuing and exhausting available administrative procedures to relieve a Party from any obligation to file such writing or to have the writing maintained as confidential and not available to third-parties by the governmental authority.

11.3.14 In the event ETECSA has to make any payment in favor of Verizon, such payment shall be made by [REDACTED]

[REDACTED] ETECSA shall keep Verizon's writing confidential pursuant to Clause 8 of this Agreement, and shall not file same with any governmental authority without Verizon's prior written consent.

11.3.15 Neither Party shall set-off, seize, or act against the amounts owed to the other Party under this Agreement on account of any obligations or debts the other Party may have to it under any other agreement or covenant in writing. Nevertheless, the Parties shall reconcile their mutually owed amounts on various Services rendered by virtue of this Agreement, as set forth in Clause 11.4.

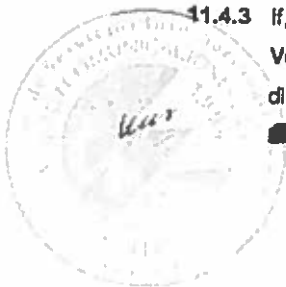
11.3.16 This Clause 11.3, including each of its provisions, is a material term.

**11.4. Reconciliation**

11.4.1 ETECSA shall make a monthly settlement reconciliation of the invoices approved by both Parties, figuring out the net balance of same, that is, the result of the difference between the amounts receivable and payable as per the Services provided between the Parties under this Agreement. The monthly settlement reconciliation shall include the difference between the volume of Estimated Traffic that was paid and the actual sent traffic.

11.4.2 The monthly settlement reconciliation shall be sent to Verizon for approval no later than the first five (5) calendar days following the receipt by ETECSA of Verizon's monthly invoice.

11.4.3 If, as a result of such reconciliation, a net balance is due to ETECSA and such net balance exceeds Verizon's current prepayment balance, Verizon shall make payment in favor of ETECSA for the difference between the net balance and the prepayment balance [REDACTED]



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[REDACTED] If, as a result of such reconciliation, there has been a prepayment by Verizon in excess of the amount that is due, [REDACTED]  
[REDACTED]

11.4.4 Likewise, as part of the prepayment for the following traffic [REDACTED]  
[REDACTED] ETECSA shall enter as credits the relevant amounts ETECSA owes to Verizon for the Services Verizon rendered to ETECSA, reducing in the corresponding amount of the prepayment to be made by Verizon.

11.4.5 [REDACTED]

**11.5 Disputes**

11.5.1 The Parties shall attempt in good faith negotiations to seek a solution for any differences, disputes, controversy or claim which may arise between them regarding the interpretation, performance or failure to perform under this Agreement, or otherwise arising under or concerning or as a consequence of the implementation of this Agreement (collectively "Dispute"), in accordance with the procedures set out in this Clause 11.5 and Clause 16.

11.5.2 All Disputes between the Parties shall be presented in writing and shall be notified to the relevant persons identified in Clause 14.

[REDACTED] Except with respect to Disputes within the scope of Clause 11.2.3, the claims shall be presented within the shortest of the following periods: [REDACTED]  
[REDACTED]  
[REDACTED]

11.5.4 The Party that receives the claim about the Dispute shall acknowledge receipt of it in writing.

11.5.5 The Party that receives the claim about the Dispute shall have to analyze the subject, conciliate it with the other Party and take the required actions, giving answer in writing to the disputing Party within thirty (30) calendar days following the date of notification of the Dispute.

11.5.6 In the event that the Parties have not resolved in writing a Dispute within the scope of Clause 11.2.3 within the term stipulated in Clause 11.5.5, the matter may be referred to arbitration by either Party pursuant to Clause 16.3.1 through Clause 16.7.

11.5.7 In the event that the Parties have not resolved in writing a Dispute within the term stipulated in Clause 11.5.5 (other than Disputes within the scope of Clause 11.2.3), the matter shall be referred to more senior persons pursuant to Article 16.2.



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11.5.8 All claims and other communications concerning a Dispute shall be kept confidential pursuant to Clause 8.

### 12. FAILURE TO PAY

12.1 Notwithstanding any other provision in this Agreement to the contrary, if a Party fails to make a payment at the time payment is required, or in the case of ETECSA's credits pursuant to Clause 11.4.4, the other Party may, after giving Notice of such failure to "pay": (a) limit or suspend some or all of the Services provided under this Agreement until the owed balance is paid; or (b) terminate this Agreement. The Party may exercise its rights under (a) and (b) of this Clause 12.1 without any further procedures.

12.2. In addition, or in the alternative, to the rights and remedies provided for in Clause 12.1, the non-breaching Party may:

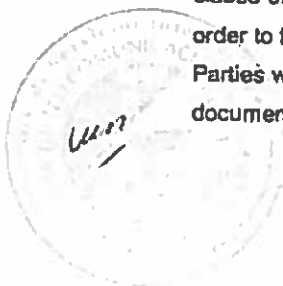
- Impose or apply any other remedies available to it to remedy non-payment, and/or;
- apply a late payment charge to the debtor Party, of 0.0333% over the total amount due, per each day in arrears, but such charge may not exceed eight percent (8%) per year of the total amount due, regardless of the damage that may arise out of it. Payment of the late payment charge shall be deemed a material term, and subject to Clause 12.1. Notwithstanding this Clause 12.2, Verizon's failure to make a timely prepayment [REDACTED]

### 13. MODIFICATIONS

This Agreement may not be amended or modified in any way, except by means of a document signed by representatives duly authorized by each Party.

### 14. NOTICES

All the notices, reports, writings and other communications required or permitted in relation to this Agreement shall be sent to all of the persons specified by each Party in a separate writing by: personal delivery, e-mail, courier service with the shortest available time for delivery, or fax. Said writings shall be maintained as confidential under Clause 8 and shall not be filed by either Party with any governmental authority without the other Party's prior written consent, which consent shall not be unreasonably withheld. Notice shall be deemed to have been provided, given or received only at the earliest time of actual receipt by one of the methods detailed above. The preceding sentence shall apply whether a clause of this Agreement refers to the provision of Notice, the giving of Notice or the receipt of Notice. In order to fully comply with Clause 8 of the Agreement, certain sensitive strictly-corporate information of the Parties will be exchanged in accordance with the terms and conditions that the Parties may agree to in a document signed by both Parties.



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### 15. FORCE MAJEURE

15.1. Non-performance of either Party's obligations pursuant to the Agreement or delay in performing same shall not constitute a breach of the Agreement if, and for as long as, it is due to a force majeure event, including, but not being limited to, Governmental Action, or requirement of regulatory authority, lockouts, strikes, shortage of transportation, war, rebellion or other military action, fire, flood, natural catastrophes, or any other unforeseeable obstacles that a Party is not able to overcome with reasonable efforts, or non-performance of obligations by a sub-contractor to a Party pursuant to any of the aforementioned reasons. The Party prevented from fulfilling its obligations shall, on becoming aware of such event, inform the other Party in writing of such force majeure event as soon as possible. The term for the performance of contractual obligations affected by the force majeure shall be understood as extended for the same period as the force majeure may last. If the force majeure event continues for more than sixty (60) calendar days, either Party shall have the right to terminate this Agreement or any Service with immediate effect by written Notice, and neither Party shall have the right to be compensated for any loss related to such termination. For purposes of this Clause 15.1, the term "Governmental Action" includes, without limitation, governmental provisions, regulations, proclamations, orders, actions or revocation or denial of or failure to timely renew licenses of the Parties or any parent company of the Parties, or any writ or order issued by any judicial authority or attorney purporting to act under legal authority, that prevents or intends to prevent, fully or partially, the timely and full performance of this Agreement.

15.2 If the affected Party fails to inform the other Party of the occurrence of a force majeure event as set forth in Clause 15.1 above, then such Party thereafter shall not be entitled to refer such events to force majeure as a reason for non-fulfilment. This obligation does not apply if the force majeure event is known by both Parties or the affected Party is unable to inform the other Party due to the force majeure event.

### 16. APPLICABLE LAW / SETTLEMENT OF DISPUTES

16.1 The Agreement shall be governed by, and interpreted and construed in accordance with, the laws of France.

16.2 If a Dispute, other than a Dispute within the scope of Clause 11.2.3 (Billing), is not resolved pursuant to Clause 11.5.7, the Dispute shall be referred to more senior persons of the Parties who shall try to resolve the dispute within a further thirty (30) calendar day period. If no resolution is found each Party is entitled to commence the arbitration proceedings described below.

16.3 When entitled to submit a Dispute to arbitration pursuant to Clause 11.5.6 or Clause 16.2, a Party may submit the Dispute to be finally settled by the International Court of Arbitration of the International Chamber of Commerce (the "Court"), according to the Rules of Arbitration of the



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International Chamber of Commerce ("ICC"), by three arbitrators appointed in accordance with said Rules, provided that:

- (a) ETECSA and Verizon shall each appoint an arbitrator, and that a person nominated by ETECSA to be an arbitrator is a citizen of Cuba, and that a person nominated by Verizon to be an arbitrator is a citizen of the United States, shall not be grounds for challenge to the nominations or grounds for refusal to appoint the person so nominated;
  - (b) the two (2) nominated and appointed arbitrators shall select the third arbitrator to serve in addition to the two arbitrators nominated by the Parties, which third arbitrator shall serve as president of the Arbitration Tribunal, and such third arbitrator shall not be a national of the United States or Cuba. In the event the two nominated and appointed arbitrators cannot agree on the appointment of the third arbitrator, the Court shall appoint the third arbitrator pursuant to its rules; provided, however, that it shall not appoint a national of the United States or Cuba; and
  - (c) The arbitration shall be conducted in the English and Spanish languages.
- 16.3.2 The place of arbitration shall be Paris, France, or such other location as may mutually be agreed upon by the Parties in writing.
- 16.3.3 Any monetary award by the arbitral tribunal shall be denominated in the currency specified in Clause 11.1.1 and payable in the currency specified in Clause 11.1.2 of this Agreement.
- 16.3.4 The Parties agree that this Agreement and any dispute between the Parties arising out of or relating to same are commercial in nature.
- 16.3.5 The decision of the arbitral tribunal, including with respect to its jurisdiction, shall be final and binding on the Parties, who waive any recourse to judicial authorities for review of the arbitral award to the fullest extent permitted by law. The arbitral tribunal shall not have the power to award punitive or exemplary damages; any other liabilities, damages or remedies excluded by this Agreement, including limitations of liability and exclusions; or a Party's attorney fees and costs, which each Party shall bear.
- 16.3.6 Notwithstanding any provision of the Rules of Arbitration of the ICC to the contrary, neither Party may seek interim nor conservatory measures from a judicial authority, including, but not limited to, requiring that the other Party continue the Services that have been suspended or terminated.
- 16.3.7 In no case shall the tribunal issue an interim or final decision that shall obligate the resumption or continuation of a Service.
- 16.4 The arbitration costs shall be paid as per the arbitration award.
- 16.5 This Clause 16 shall be treated as an agreement independent of the other terms of this Agreement. A decision by the arbitration authority that this Agreement is null and void shall not





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entail ipso-jure the invalidity of this Clause 16.

- 16.8 Arbitration pursuant to this Clause 16 shall be the sole and exclusive means for the resolution of any dispute, controversy or claim which may arise between the Parties regarding the interpretation, performance, or failure to perform, or the exercise of any right, or the satisfaction of any obligation, under this Agreement, or otherwise arising under or concerning this Agreement.
- 16.7. An arbitration award rendered pursuant to this Clause 16 may be recognized and enforced by any court of competent jurisdiction.

17. MISCELLANEOUS

- 17.1 **Entire Agreement:** This Agreement and the Annexes hereto are the agreement and the full understanding reached by the Parties with respect to the purpose of this Agreement, and they supersede all previous negotiations, undertakings or documents referred to what is provided for herein. Except as otherwise stated specifically in this Agreement, the obligations and responsibilities of the Parties under this Agreement are only to the other Party and not to third parties, including any other client.
- 17.2. **Waiver:** Failure by any Party at any time or times to require performance of any provision of the Agreement shall in no manner affect its rights to enforce the same, and the waiver by any Party of any breach of any provisions of the Agreement shall not be construed to be a waiver by such Party of any succeeding breach of such provision or waiver by such Party of any breach of any other provision hereof.
- 17.3 **Exercise of Rights without Prejudice:** The exercise of any right by a Party deriving from this Agreement or from the law applicable to it shall take place without prejudice or limitation as to any other right or additional right or remedy that may exist in conformity with this Agreement, explicit or implicit, under the applicable law.
- 17.4 **Failure or Delay In Exercising Rights:** No delay by a Party to exercise any right or a non-exercise of it by the Party under this Agreement or the applicable law shall operate as a waiver of such right. The exercise in part of a right shall not preclude any other exercise or future exercise of such right or remedy deriving from it.
- 17.5 **Severability:** If any provision of this Agreement is or becomes or is deemed invalid, illegal or unenforceable in any jurisdiction, such provision shall be deemed amended to conform to applicable law, so as to be valid and enforceable or, if it cannot be amended without materially altering the intention of the Parties, it shall be stricken and the remainder of this Agreement shall remain in full force and effect; provided, that this Clause 17.5 shall not apply to the following Clauses, and each of the provisions: Clauses 1, 2.1, 2.3, 3.1.1, 5, 6, 7, 8, 10, 11, 12.1, 16, 17.5, 17.8, 17.12, 18, Annex A, Annex B and Annex C; and provided further, that, in the event any of





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foregoing Clauses, or any part or provision thereof is, or becomes, or is deemed invalid, illegal or unenforceable in any jurisdiction, either Party may terminate this Agreement in its unreviewable discretion.

- 17.6 Designation as material; other designations:** The explicit designation of certain provisions in this Agreement as material terms does not imply other terms are or are not material, and it shall not be used as evidence or indication that such other terms are immaterial or that such other terms are not material. The explicit provisions in this Agreement as to the exercise of a right being at the unquestionable discretion of a Party do not mean that the exercise of other rights is not within the unquestionable exercise at the discretion of a Party and shall not be used as evidence or indication that the exercise of other rights is not at the unquestionable discretion of a Party.
- 17.7 Section Headings:** The headings of the Agreement are for the convenience of reference only and shall in no way limit or affect the meaning or interpretation of the provisions of this Agreement.
- 17.8. Assignment; Controlling Interests**
- 17.8.1** Neither Party shall transfer or assign this Agreement or any of its rights and obligations herein to a third party, including without limitation a parent or Affiliate, without the prior written consent of the other Party.
- 17.8.2** If a Party wishes to transfer its rights and obligations herein to any entity which is its parent company or an Affiliate, the Party shall give prior, written Notice to the other Party at least one hundred and twenty (120) calendar days prior to the scheduled date of assignment. The Notice shall include a list of all the principal shareholders of the parent or Affiliate to which the rights and obligations shall be transferred, unless this requirement is waived by the non-assigning Party. The other Party shall give written Notice of its consent or refusal to consent to the assignment within thirty (30) calendar days of receipt of such Notice. If consent is denied, the Party may terminate this Agreement upon thirty (30) calendar day's written Notice.
- 17.8.2.1** In the event of a change in the direct or indirect Controlling Interest in Verizon (other than a Controlling Interest being obtained by an entity that, at the time of the change, already had a Controlling Interest in Verizon), Verizon shall give written Notice to ETECSA of same within sixty (60) calendar days before such change, and ETECSA shall have the right to terminate this Agreement within ninety (90) calendar days of receiving the Notice. The Notice given by Verizon shall include a list of all the principal persons with a direct or indirect Controlling Interest in Verizon, provided, however, that Verizon may elect not to provide such list, in which event ETECSA shall have the right to terminate this Agreement within ninety (90) calendar days after receiving the Notice. For purposes of this Clause 17.8.2.1, "Controlling Interest" shall mean an interest that provides control in fact of Verizon, that is, the authority or ability to establish the



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general policies or to control day-to-day operations of Verizon.

- 17.8.2.2** In the event of a change in the direct or indirect Controlling Interest in ETECSA (other than a Controlling Interest being obtained by an entity that, at the time of the change, already had a controlling interest in ETECSA), ETECSA shall give written Notice to Verizon of same within sixty (60) calendar days before such change, and Verizon shall have the right to terminate this Agreement within ninety (90) calendar days of receiving the Notice. The Notice given by ETECSA shall include a list of all the principal persons with a direct or indirect Controlling Interest in ETECSA, provided, however, that ETECSA may elect not to provide such list, in which event Verizon shall have the right to terminate this Agreement within ninety (90) calendar day after receiving the Notice. For purposes of this Clause 17.8.2.2, "Controlling Interest" shall mean an Interest that provides control in fact of ETECSA, that is, the authority or ability to establish the general policies or to control day-to-day operations of ETECSA.
- 17.8.3** It is a condition of an assignment permitted by Clause 17.8.1 that the assignee will undertake in a prior written agreement with the non-assigning Party to assume and fulfill those obligations, rights and interests as to which it succeeds the assigning Party in this Agreement; and the assigning Party shall be relieved of such obligations, rights and interests except those matters deriving from events which have occurred prior to such undertaking.
- 17.8.4** For the sake of clarity, this Agreement shall be binding on the Parties and it shall benefit the Parties and their authorized successors and assignees under the terms and conditions of this Agreement. A person who is not a Party to this Agreement or who is not an authorized successor or assignee under the terms and conditions of this Agreement shall not acquire any right whatsoever under it as a third-party beneficiary or other condition by virtue of this Agreement.
- 17.8.5** A non-fulfilment of the terms and conditions agreed for a transfer shall be deemed as a material non-fulfilment which shall give the other Party the right to suspend or terminate this Agreement immediately, without limitation, regardless the damages resulting from its actions.
- 17.9. Data Protection.** Each Party will strictly comply with the applicable laws and regulations regarding telecommunications services and data privacy. To the extent that a Party processes the data of the other Party, the Party processing the data shall:
- (a) only process the data in accordance with the instructions of the other Party; and
  - (b) take appropriate technical and organizational measures against unauthorized or unlawful processing of data and against accidental loss, destruction or damage of the same.



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**17.10. Survival of Obligations**

The rights and obligations of the Parties which by their nature remain valid after a termination, suspension, cancellation or expiry of this Agreement shall survive the termination, suspension, cancellation or expiry of this Agreement.

**17.11 Forecasts**

17.11.1 A Party may request that the other Party provide written non-binding traffic forecasts to ensure that the Parties are able to provide adequate dimensioning of the telecommunications facilities between the Parties and with its interconnection partners.

17.11.2 The Parties shall not be under any obligation to provide the Services with respect to traffic received from the other Party's network which:

17.11.2.1 exceeds to a material extent the volume of traffic specified in the forecast provided by the other Party in respect of the period to which the forecast relates;

17.11.2.2 is materially different from the profile of the traffic specified in the forecast provided by the other Party in respect of the period to which the forecast relates;

17.11.2.3 in the absence of a forecast for the relevant period, it exceeds to a material extent the volume of traffic received from the other Party's network during the preceding three month period; or

17.11.2.4 in the absence of a forecast for the relevant period, it is materially different from the profile received during the preceding three month period from the other Party's network.

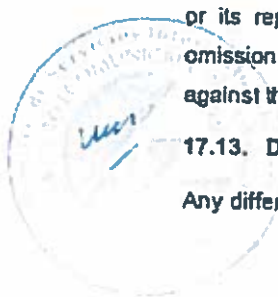
**17.12 Separate Entity**

ETECSA shall not be held, or deemed, responsible or liable for the acts, omissions, obligations or debts of, or claims or judgments against, the Republic of Cuba or any entities, institutions and agencies controlled or owned by or affiliated with the Republic of Cuba as well as other entities incorporated under the Cuban law. Neither the Republic of Cuba nor its controlled, owned or affiliated agencies, institutions or entities are to be or shall be held accountable for acts, omissions, obligations, or debts of, or claims or judgments against, ETECSA.

No act or omission by the Republic of Cuba or its controlled, owned or affiliated agencies, institutions or entities shall be used as, or deemed to be, a basis for estoppel or similar legal doctrines against ETECSA or its representatives or controlled, owned or affiliated institutions and entities, nor shall any act or omission by ETECSA be used as, or deemed to be, a basis for a estoppel or similar legal doctrines against the Republic of Cuba or its controlled, owned or affiliated agencies, institutions or entities.

**17.13. Differences with Other Agreements/Entire Agreement**

Any differences between the provisions of this Agreement and any other agreement between the Parties



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shall not be considered in the interpretation of this Agreement. This Agreement, including any Annexes attached hereto, sets forth the entire agreement and understanding of the Parties hereto and supersedes and merges any and all prior proposals, negotiations, representations, agreements, arrangements or understandings, both oral and written, relating to the subject matter hereof.

### 17.14 Anti-Bribery

Each Party hereby represents, warrants, covenants and agrees that it has not, and will not, under any circumstances, and at all relevant times, make, or cause or authorize any third party acting on its behalf to make, directly or indirectly, any prohibited bribes, offers, promises or payments of money, or anything of value, to any government official (including, but not limited to, government officials, government employees, any political party or political party official, any candidate for political office, or any person otherwise acting in an official capacity) subject to the applicable laws (including, but not limited to any of the local anti-bribery laws) or any third person for the purpose of influencing a government official such party's acts or decisions or in order to obtain or retain business or secure an unfair business advantage for either Verizon or ETECSA, in performing its duties and obligations under this Agreement. The non-breaching Party may, upon written Notice to the breaching Party, immediately terminate this Agreement or suspend Service(s) under this Agreement if the non-breaching Party reasonably suspects that the other Party has violated or breached the obligations of the foregoing sentence. Both Verizon and ETECSA expressly agree that this Agreement is the result of arms-length negotiations, and that neither Party has entered into this Agreement with a corrupt motive to obtain or retain business or to secure an unfair business advantage. Both Parties hereby warrant and undertake that they shall, at all material times, keep and maintain accurate and up to date accounting records to ensure that all transactions relating to this Agreement are sufficiently documented. This Clause 17.14 is a material term.

### 17.15 No Special Concessions

Verizon represents and warrants that it will not agree to accept special concessions directly or indirectly from ETECSA with respect to any U.S. international route to the extent, if any, that Verizon is prohibited by 47 C.F.R. § 63.14 of the FCC regulations from its doing so.

### 18 Taxes

18.1 Verizon, not ETECSA, shall be responsible for the payment in full of any U.S. taxes (including federal, state and local taxes) invoiced or owed in connection with or arising out of this Agreement and the Services, including, without limitation, taxes imposed upon either Party. ETECSA shall not be obligated to reimburse Verizon for any such payment, in whole or in part.

18.2 ETECSA, not Verizon, shall be responsible for the payment in full of any Cuban taxes (including national, provincial and municipal) owed in connection with or arising out of this Agreement and the Services, including, without limitation, taxes imposed upon either Party. Verizon shall not be obligated to reimburse ETECSA for any such payment, in whole or in part.




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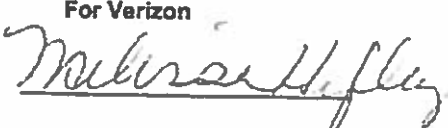
18.3 Notwithstanding anything in this Agreement to the contrary, including, without limitation, Clause 7.1 and Clause 15 (Force Majeure), ETECSA shall be entitled to terminate this Agreement upon thirty (30) calendar days written Notice in the event that the Verizon fails to or is prevented by law or otherwise from performing its obligations under this Clause 18, and Verizon shall be entitled to terminate this Agreement upon thirty (30) calendar days written Notice in the event that ETECSA fails to or is prevented by law or otherwise from performing its obligations under this Clause 18. This Clause 18 is a material term.

IN WITNESS WHEREOF, the Parties hereto have entrusted their duly authorized officials with the execution of this Agreement in four originals, two originals in English language and two originals in Spanish language, all with the same legal force, on this 2 day of February, 2016.

For ETECSA

  
\_\_\_\_\_  
Eng. Vivian Iglesias Barroso  
Main Director  
International Services

For Verizon

  
\_\_\_\_\_  
Melissa Hafley  
Senior Manager of Product Marketing and  
Contract Management



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ANNEX A

INTERNATIONAL TELEPHONE SERVICE

The Services to be rendered to the Parties between the United States and Cuba are the following:

1. Voice Services:

Automatic	International Direct Dialing (IDD)
Semiautomatic:	Person to Person
(Only From Cuba)	Telephone to Telephone

2. Period of Services:

The Parties will use commercially reasonable efforts to provide these Services on a twenty four (24) hours per day, seven (7) days a week basis. For purposes of this Annex A and Annex B to this Agreement, United States means all the states of the United States of America, the District of Columbia, the Commonwealth of Puerto Rico and any other Commonwealth of the United States, and any territory or possession of the United States.

3. Rates relating to Incoming Traffic to Cuba and Incoming Traffic to the U.S.

3.1 The incoming traffic from the United States to Cuba will be rated at USD 0.60 per minute and calls are billed in one (1) second increments with minimum call duration of one (1) second.

3.2 The incoming traffic from Cuba to the United States (except for toll free services, which are not within the scope of this Agreement) will be rated at USD 0.15 per minute. Calls are billed in one (1) second increments with minimum call duration of one (1) second.

3.2.1 The Parties agree and acknowledge that (A) the rate for the incoming traffic to Cuba (0.60 USD per minute) applies during the three years following the Effective Date of this Agreement and (B) it represents a significant reduction with respect to 0.84 USD per minute. This rate will remain in effect at least for three (3) years starting from the Effective Date of this Agreement, unless otherwise agreed to by the Parties.

3.2.2 (A) If ETECSA enters into an agreement providing a lower rate than 0.60 USD per minute to any other United States carrier for incoming traffic from the United States to Cuba Verizon may: (i) terminate this Agreement or suspend Services under this Agreement immediately upon Notice to ETECSA; or (ii) propose to ETECSA that ETECSA and Verizon enter into negotiations to amend this Agreement. ETECSA shall not be under any obligation to accept a proposal by Verizon to enter into any such negotiations. On receipt by ETECSA of Notice given by Verizon, Verizon may suspend Services under this Agreement pending the outcome of any such



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negotiation. ETECSA may terminate this Agreement in the event that Verizon suspends Services pursuant to this Article 3.2.2.

(B) If ETECSA enters into an agreement with any other United States carrier that provides a lower rate than 0.15 USD per minute for incoming traffic to the United States from Cuba, ETECSA may: (i) terminate this Agreement or suspend Services under this Agreement immediately upon Notice to Verizon; or (ii) propose to Verizon that ETECSA and Verizon enter into negotiations to amend this Agreement. Verizon shall not be under any obligation to accept a proposal by ETECSA to enter into any such negotiations. On receipt by Verizon of Notice given by ETECSA, ETECSA may suspend Services under this Agreement pending the outcome of any such negotiation. Verizon may terminate this Agreement in the event that ETECSA suspends Services pursuant to this Article 3.2.2. This Clause 3.2.2 is a material term.

- 3.2.3 Notwithstanding any other provision of this Agreement to the contrary, each Party, in its discretion, may terminate this Agreement upon thirty (30) calendar days written Notice in the event of any action of a governmental authority that prevents: (i) Verizon from paying said rate for incoming traffic to Cuba or charging said rate for incoming traffic from Cuba to the United States for three (3) years from the Effective Date; or (ii) ETECSA from paying said rate for incoming traffic from Cuba to the United States or charging said rate for incoming traffic to Cuba for three (3) years from the Effective Date.
4. The Parties agree that all charges and invoices will be based on the time recorded by the facilities of the Party providing the Service. This time will be as follows: by Verizon in Greenwich Mean Time ("GMT"), and by ETECSA in GMT-5. The Parties further agree that the Party receiving the providing Party's charges or invoice(s) shall be responsible for converting the time zone used by the providing Party, as applicable, for validation or reconciliation purposes.
5. The Parties have no obligation to continue the Services beyond the expiration of three years from the Effective Date of this Agreement. In the event that the Parties mutually wish to continue the Services beyond said date, they will, no later than thirty (30) calendar days prior to the expiration of three years from the Effective Date of this Agreement, and periodically thereafter, review the applicable rates with the goal of reaching a commercially negotiated reduction in such rates, taking into consideration the increase of the volume of traffic and its trends, any improvement in the efficiency and quality of the Services, the benefit received by final customers (perception rate) from the Effective Date of this Agreement, as well as the general behavior of the costs, and may sign, as they deem appropriate, relevant addendums setting such reduced rates. Notwithstanding any other provision of this Agreement to the contrary, the sole and exclusive right and remedy with respect to any breach of this Clause 5 is for the Party claiming a breach to terminate this Agreement upon thirty (30) calendar days written Notice, or not renew or extend the Agreement upon its expiration.

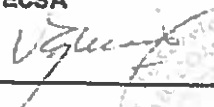


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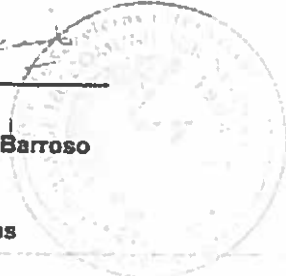
Given in four originals, two originals in English language and two originals in Spanish language, all with the same legal force on this 29 day of February, 2016.

For ETECSA

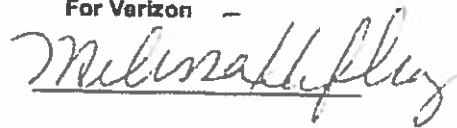
  
\_\_\_\_\_

**Eng. Vivian Iglesias Barroso**

**Main Director  
International Services**



For Verizon

  
\_\_\_\_\_

**Melissa Hefley**

**Senior Manager of Product Marketing and  
Contract Management**



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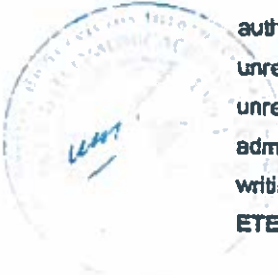
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ANNEX B

INTERNATIONAL ENHANCED TRANSIT SERVICES

With respect to Verizon's provision of Enhanced Transit Service to ETECSA, the Parties hereby agree as follows:

1. **Enhanced Transit Service**
  - 1.1 Verizon will provide ETECSA with the opportunity to send international switched voice traffic to Verizon for termination outside the U.S. by means of the interconnection facilities established between the Parties under this Agreement in return for a per-minute rate ("Enhanced Transit" also a "Service"). The chosen destinations, as well as the initial per-minute rate applied to them shall be listed and sent by Verizon to ETECSA (via e-mail or some other electronic form) once this Agreement is fully executed. Hereinafter the listing will be referred to as "A-Z List".
  - 1.2 Rates are shown in terms of full minutes and calls are billed in one (1) second increments after the initial one (1) second call duration with the exception of: (a) calls to Mexico which are billed in sixty (60) second increments with a minimum call duration of sixty (60) seconds; and (b) calls to Gambia which are billed in one (1) second increments with a minimum call duration of sixty (60) seconds. Availability of Services is dependent upon the availability of facilities. Verizon may offer, in its sole discretion, rates decreases at any time upon written or electronic Notice; any such decrease shall be effective immediately unless otherwise stated in the Notice. Verizon reserves the right to increase its rates and change destination codes at any time upon five (5) days prior written or electronic Notice. For purposes of this Annex B, email shall be a valid method of "written Notice". Notice of rate/code changes shall be sent via email to the email address designated by ETECSA in a separate writing, which Verizon shall keep confidential under Clause 8 and shall not file same with any governmental authority without ETECSA's prior written consent. Such consent shall not be unreasonably delayed, withheld or conditioned; provided, however, that it is understood that it is not unreasonable for a Party to condition consent upon a Party pursuing and exhausting available administrative procedures to relieve a Party from any obligation to file such writing or to have the writing maintained as confidential and not available to third-parties by the governmental authority. Upon receipt of a Notice regarding an increase of rates or a change in codes, ETECSA shall acknowledge receipt of the rate and/or code change Notice by providing email confirmation of receipt of the Notice to the email address designated by Verizon in a separate writing, which ETECSA shall keep confidential under Clause 8 and shall not file same with any governmental authority without Verizon's prior written consent ("Confirmation"). Such consent shall not be unreasonably delayed, withheld or conditioned; provided, however, that it is understood that it is not unreasonable for a Party to condition consent upon a Party pursuing and exhausting available administrative procedures to relieve a Party from any obligation to file such writing or to have the writing maintained as confidential and not available to third-parties by the governmental authority. If ETECSA fails to submit such Confirmation in accordance with the terms of this paragraph, Verizon




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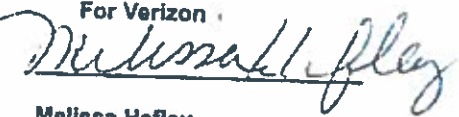
reserves the right to suspend or terminate Services. ETECSA's continued use of the Services, regardless of whether or not a Confirmation is sent, shall constitute an acceptance of the changed rates and/or codes and agreement to pay all applicable charges. All Confirmations shall be sent to the email address from which ETECSA received the rates from Verizon.

- 1.3 These rates will be confidential and they shall not be disclosed to third parties. These rates shall not be filed by either Party with any governmental authority without the other Party's prior written consent, which consent shall not be unreasonably withheld. The Parties agree that all charges and invoices will be based on the time recorded by Verizon's facilities. This time will be in Greenwich Mean Time ("GMT"), and ETECSA shall be responsible for converting from GMT, as-applicable, for validation or reconciliation purposes.
- 1.4 For adding new destinations at the A-Z List, ETECSA will request Verizon and/or Verizon will request ETECSA the opening of the routes, and both Parties shall report to each other on the volumes to be sent to the new destinations (this information is just for guidance so, it does not involve volume commitment for Verizon or ETECSA). The proposals will be established as soon as agreed by the Parties and there shall be time enough for being able to carry out the required routing changes by the Parties.
- 2. Billing and Payment.
  - 2.1 Every month Verizon shall send ETECSA an invoice regarding the allocated Enhanced Transit traffic received pursuant to this Annex B.
  - 2.2 The invoice shall set forth the rate per minute to apply, destination country, traffic per minute and the amount due.
  - 2.3 Such invoice shall be issued within ten (10) calendar days following the last calendar day of each month.
  - 2.4 The payment of the invoice shall be included in the corresponding monthly settlement statement of the bilateral telephone traffic pursuant to Clause 11 of this Agreement.
  - 2.5 Disputes of invoices shall be arranged under the procedures already set between the Parties to settle disagreements in respect of the monthly statements of terminal traffic as set by Clause 11 of this Agreement.

Given in four originals, two originals in English language and two originals in Spanish language, all with the same legal force, on this 21 day of February, 2016.

For ETECSA  
  
 Eng. Vivian Iglesias Barroso  
 Main Director  
 International Services



For Verizon  
  
 Melissa Hefley  
 Senior Manager of Product Marketing and  
 Contract Management

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ANNEX C

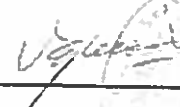
INTERCONNECTION

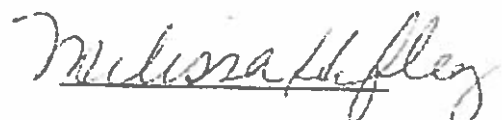
Capacities:	[REDACTED]
Interconnection cost(s):	[REDACTED]

Given in four originals, two originals in English language and two originals in Spanish language, all with the same legal force, on this 29 day of February, 2018.

For ETECSA

For Verizon

  
\_\_\_\_\_  
Eng. Vivian Iglesias Barroso  
Main Director  
International Services

  
\_\_\_\_\_  
Melissa Hefley  
Senior Manager of Product Marketing and  
Contract Management