

COMMUNICATIONS SERVICES TARIFF

SECTION 9 - CONTRACT TARIFFS

9. Contract Tariffs (Continued)

9.2 Contract Tariff Option 1 (Continued)

(F) Minimum Annual Revenue Commitment (MARC) (Continued)

(1) General (Continued)

(d) Unless otherwise mutually agreed to by the customer and the Company, in the event the customer merges with another company, acquires a company or a portion of the business of another company, or is acquired in whole or in part by another company, the following terms and conditions will apply.

(1) The customer may not combine or include any revenues from the merged, acquiring, or acquired company, or assets of such merged, acquiring, or acquired company in the calculation of the MARC for Qualifying Services.

(2) The customer may continue subscribing to this Option 1 for the duration of the Service Period based on its business with the Company as of the date of subscription to this Option 1, without adding the revenues attributable to expansion of the customer's purchase of Services from the Company through merger, transfer, assignment, or acquisition.

(3) The Company reserves right to terminate the customer's subscription to this Option 1 if the customer does not adhere to the provisions of this Section (F)(1)(d).

(e) If an Issuing Carrier of this tariff is acquired by an unaffiliated third party (**Acquired VZ Telco**), or all or part of the assets of such Issuing Carrier are acquired by an unaffiliated third party (Acquired VZ Telco), then the terms and conditions set forth in (F)(1)(e)(1) following shall apply to the Issuing Carriers. If the unaffiliated third party is a Concurring Carrier of FCC11, then the terms and conditions set forth in (F)(1)(e)(1) following apply to the Issuing Carriers, and the terms and conditions set forth in (F)(1)(e)(2) following also apply during the portion of the Service Period that the unaffiliated third party concurs in FCC11 (**Concurrence Period**).

(C)
(N) | (x)
|
(x)
(N)

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Vice President, Federal Regulatory
1300 I Street, NW, Washington, D.C. 20005

COMMUNICATIONS SERVICES TARIFF

SECTION 9 - CONTRACT TARIFFS

9. Contract Tariffs (Continued)9.2 Contract Tariff Option 1 (Continued)

(F) Minimum Annual Revenue Commitment (MARC) (Continued)

(1) General (Continued)

(e) (Continued)

- (1) Where the unaffiliated third party is not a Concurring Carrier of FCC11 or no longer concurs in FCC11, then the MARC for Qualifying Services shall be proportionately reduced by the applicable Acquisition Reduction Amount (defined in (a) following). (C) (C) (x) (M) (T)
- (a) An Acquisition Reduction Amount shall be calculated for the Qualifying Services as follows: (T) (M)
- (i) calculate the amount of Qualifying Services purchased by the customer from the Acquired VZ Telco during the twelve (12) months prior to the time that the Acquired VZ Telco ceases to provide the Qualifying Services or the unaffiliated third party no longer concurs in FCC11, as applicable; then (T) (M) (M) (C) (C) (x) (C)
- (ii) calculate the average monthly amount purchased by the customer from the Acquired VZ Telco for Qualifying Services by dividing the number calculated in (i) preceding by 12; and (T) (M) (T) (M)
- (iii) multiply the average monthly amount for Qualifying Services calculated in (ii) preceding by the number of months remaining in the year in which the acquisition occurs. (T) (T) (M) (M)

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(F) Minimum Annual Revenue Commitment (MARC) (Continued)

(1) General (Continued)

(e) (Continued)

- (2) Where the unaffiliated third party is a Concurring Carrier of FCC11 during calendar year 2008 (**FCC11 Concurring Carrier**), all of the following apply during the Concurrence Period. (N) (x)

 - (a) No reduction to the MARC for Qualifying Services shall be made during the Concurrence Period. Upon removal of the unaffiliated third party's concurrence in FCC11, the MARC for Qualifying Services shall be reduced in accordance with (F)(1)(e)(1) preceding. (x)
 - (b) During the Concurrence Period, any Quarterly Billing Credits due or accruing under (G)(1) following and any Annual Billing Credits due or accruing under (G)(2) following shall be jointly paid by the Issuing Carriers and the FCC11 Concurring Carrier in accordance with (c) following.
 - (c) If the customer is eligible to receive one or more of the Billing Credits, then the Issuing Carriers will calculate the corresponding credit amounts as if the assets or stock of the Issuing Carrier had not been acquired by the unaffiliated third party that is an FCC11 Concurring Carrier.
 - (i) The portion of any Billing Credits due to the customer from the FCC11 Concurring Carrier is calculated as follows:
 - Step 1 Calculate the MARC for Qualifying Services in accordance with (F)(2) following (**Total MARC**).
 - Step 2 Calculate the portion of the Total MARC determined in Step 1 that is attributed to the Services provided by the Acquired VZ Telco (**Acquired VZ Telco MARC**).
 - Step 3 Calculate the Billing Credits due to the customer as if the Issuing Carrier or all or part of its assets had not been acquired by the unaffiliated third party (**Total Billing Credits**).
 - Step 4 Develop the percentage of the Total MARC that is associated with the Services provided by the Acquired VZ Telco by dividing the Acquired VZ Telco MARC calculated in Step 2 by the Total MARC calculated in Step 1, the result of which is the FCC11 Concurring Carrier percentage of the Total MARC (**FCC11 Concurring Carrier Percentage**). (N)

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