

ACCESS SERVICE

32. Contract Tariffs

This section contains terms and rates and charges for contract tariffs provided by the Telephone Company. Individual contract tariffs are filed beginning at 32.2 following.

32.1 General

Contract tariffs apply in Metropolitan Statistical Areas (MSAs) which are eligible for Phase I and Phase II Pricing Flexibility. MSAs that are eligible for Phase II Pricing Flexibility are further subject to Level 1 and Level 2 MSA pricing. Telephone Company Phase II MSAs and Level 1 and 2 pricing eligibility within the operating territories of the FairPoint Telephone Companies are set forth in this Tariff F.C.C. No. 1.

Each contract tariff includes a serving area that is comprised of one or more MSAs within the operating territories of one or more the FairPoint Operating Telephone Companies. This tariff provides for service within the operating companies of the FairPoint Telephone Companies whose operating territories are specified in Sections 15.1 preceding.

When the serving area for a contract tariff encompasses more than one FairPoint Telephone Companies, that contract aggregates services, rates and charges, incentives and other contract-specific terms and conditions for MSAs within all of the FairPoint Telephone Companies participating in that contract within the states of Maine, New Hampshire, and Vermont.

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32.2 Contract Tariff Option 2

The IntelliBeam East Renewal Plan (East Plan/Option 2) provides for the application of a discount to the qualifying monthly recurring rates on (1) IntelliBeam month-to-month billed services that are converted to an East Plan under this Option or (2) existing IntelliBeam Service term plans that are renewed as East Plans under this Option.

32.2.1 IntelliBeam East Renewal Plan Eligibility

- (A) To be eligible for this Plan, the customer must have minimum total billed annual access revenues for calendar year 2001 of \$45,000,000.00 or greater for all of its IntelliBeam services listed in (C) following within all of the operating territories of the predecessor company. The customer must also maintain a minimum total billed annual access revenue for calendar year 2003 and for calendar year 2004 of \$40,000,000.00 or greater for all of its IntelliBeam services listed in (D) following within all of the operating territories of this tariff. Total billed annual access revenues are determined using IntelliBeam services billed at price band rates and at all other rates. Failure to maintain the annual minimum revenue volume will result in termination of the customer's East Plan.
- (B) Beginning with the effective date of this tariff and ending December 31, 2003, each month-to-month billed service that is converted to an East Plan and each existing term plan that is renewed as an East Plan will be subject to the terms and conditions set forth in this Section 32.2. For conversion of a month-to-month billed service or renewal of an existing term plan, the service must have been billable as of September 30, 2002. For purposes of this regulation, a billable service is defined as a service that received a monthly bill for all or part of the September 2002 bill period.

To subscribe to Contract Tariff Option 2, the customer must have provided the Telephone Company with a written order, signed by an authorized representative of the customer, that specifies the date for this Contract Tariff Option to commence, and the Access Customer Name Abbreviations (ACNAs) within the serving area of the contract.

Any customer that qualified for this option with a predecessor company will qualify for this Option with the Telephone Company.# (N)
(N)

FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract. (N)
(N)

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32. Contract Tariffs (Cont'd)32.2 Contract Tariff Option 2 (Cont'd)32.2.1 IntelliBeam East Renewal Plan Eligibility (Cont'd)

(C) Serving Area for Contract Tariff Option 2

The serving area of Contract Tariff Option 2 is comprised of the following Telephone Company MSAs.

<u>Metropolitan Statistical Area</u>	<u>Pricing Status</u>
Burlington VT	Level 1
Manchester NH	Level 1
No MSA Vermont	Level 1
Portland ME	Level 1
Portsmouth-Rochester NH-ME	Level 1

The above Telephone Company MSAs are in effect as of the effective date of this Contract Tariff. Any additions of or changes to Telephone Company MSAs (including changes to Level 1/Level 2 pricing status as described in Section 15.2 preceding of this tariff) that occur after the effective date of this Contract Tariff do not apply.

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32. Contract Tariffs (Cont'd)32.2 Contract Tariff Option 2 (Cont'd)32.2.1 IntelliBeam East Renewal Plan Eligibility (Cont'd)

- (D) The following Special Access IntelliBeam Services are eligible for conversion or renewal to an East Plan:

<u>Service</u>	<u>Service Reference in F.C.C. No. 1</u>
IntelliBeam Broadband Transport	26.1.5
Dedicated SONET Ring*	34.1
IntelliBeam Entrance Facility	26.1.4
IntelliBeam Shared Single Path	26.1.6
IntelliBeam Dedicated SONET Ring*	26.1.1

- (E) When establishing an East Plan, the customer must specify the term commitment period from those offered in 32.2.2(A) following for the specific type of service involved.

Nonrecurring charges and termination liabilities under tariff provisions applicable to customer's current subscription to the services that are converted are not applicable to services converted to an East Plan or to services under a term plan that are renewed as an East Plan. Restrictions in other tariff provisions concerning cancellation and/or eligibility for other discount programs are not applicable to a transfer to the East Renewal Plan.

- (F) With the exception of converting a month-to-month billed service to an East Plan or renewal of an existing term plan to an East Plan, no other changes may be made to the physical characteristics of the service (e.g., no change of speed, type or capacity).

* IDSR as set forth in Section 26.1.1 of this tariff may be renewed as an East Plan (1) upon conversion of billing to the rates and charges set forth in Section 30.34.1 or 31.34.1, as applicable, for DSR provided under Section 34.1 following; and (2) provided that there are no changes to the facilities or nodes of the existing IDSR service configuration; and (3) provided that billing conversion and renewal to an East Plan occurs prior to December 31, 2003.

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32. Contract Tariffs (Cont'd)32.2 Contract Tariff Option 2 (Cont'd)32.2.2 IntelliBeam East Renewal Plan Terms and Conditions

(A) Term Commitment Periods

The customer must select a term commitment period based on the following options.

<u>Service</u>	<u>East Plan Term Commitment Periods</u>			
	<u>2 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>7 Year</u>
IntelliBeam Broadband Transport		X	X	
Dedicated SONET Ring		X	X	X
IntelliBeam Entrance Facility		X	X	
IntelliBeam Shared Single Path		X	X	

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32. Contract Tariffs (Cont'd)32.2 Contract Tariff Option 2 (Cont'd)32.2.2 IntelliBeam East Renewal Plan Terms and Conditions (Cont'd)

- (B) The rate elements that are included in an East Plan are the recurring rate elements specified below for each type of service:

IntelliBeam Broadband Transport Rate Elements

- Terminations, Mileage and Ports

IntelliBeam Dedicated SONET Ring Rate Elements

- Nodes, Mileage and Ports

IntelliBeam Entrance Facility Rate Elements

- Terminations and Interfaces

IntelliBeam Shared Single Path Rate Elements

- Channel Terminations, Channel Mileage and Optional Features and Functions

Dedicated SONET Ring Rate Elements

- Nodes, Mileage and Ports

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32. Contract Tariffs (Cont'd)32.2 Contract Tariff Option 2 (Cont'd)32.2.2 IntelliBeam East Renewal Plan Terms and Conditions (Cont'd)

- (C) Except as set forth in this Section 32.2, the terms and conditions for each individual service term plan apply as set forth in the following sections:

<u>Service</u>	<u>Term Plan Reference in F.C.C. No. 1</u>
IntelliBeam Broadband Transport	26.1.5
Dedicated SONET Ring	34.1
IntelliBeam Entrance Facility	26.1.4(D)&(E)
IntelliBeam Shared Single Path	26.1.6(C)&(D)

- (D) The following terms and conditions apply in addition to, or in lieu of, the terms and conditions that apply under the term plan for the specific type of service involved.

- (1) Under the East Plan, the customer will receive a discount of twenty-one and one half percent (21.5%) applied to the qualifying monthly recurring rates and charges for the type and duration of service involved which is provided within the MSAs set forth in (C) preceding. Service under an East Plan is not eligible for additional discount under any other sections of this tariff. Customers that are in an existing East Plan will not be subject to Telephone Company initiated rate increases or rate decreases. In the event that the Telephone Company initiates a change to the monthly recurring rates and charges for a service under the East Plan, the Telephone Company will file a schedule of vintage rates and charges in 32.2.2(E) for customers in existing East Plans.

For term commitment periods of twenty-four (24) months, the discount will be calculated for the entire term commitment period using the rates in effect on the day that the East Plan was established/renewed and applied to the customer's bill as a lump sum credit no later than the first bill period following the date of conversion or renewal to the East Plan.

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32. Contract Tariffs (Cont'd)32.2 Contract Tariff Option 2 (Cont'd)32.2.2 IntelliBeam East Renewal Plan Terms and Conditions (Cont'd)

(D) (Cont'd).

(1) (Cont'd)

For term commitment periods in excess of twenty-four months, the discount for the first twenty-four (24) months of the term commitment period will be calculated using the rates in effect on the day that the term plan is established/renewed and applied to the customer's bill as a lump sum adjustment no later than the first bill period following the date of conversion or renewal to an East Plan. No further discount, other than the discount inherent in the term plan prices, will be applied during the initial 24 months' billing of the term commitment period.

Beginning on month twenty-five (25) and continuing through the end of the term commitment period, the discount will be applied as a monthly adjustment to the customer's bill.

(2) No later than December 31, 2003, the customer may, at its option, renew its initial East Plan to a new East Plan of the same or of a different commitment period. No adjustment will be made to the rates billed for the months prior to the date of renewal or to the lump sum adjustment already applied. The customer will pay the tariff rates in effect commencing with the renewal date. The application of the monthly discount starting on the twenty-fifth month was based on the start date of the initial East Plan commitment. The discount will be applied to the monthly rates of the plan in effect at the twenty-fifth month.

After December 31, 2003, the customer may, at its option renew the term commitment period of a service under the East Plan to the terms and conditions of the standard term plan (i.e., the non-East Plan) for the service involved. Upon renewal to a non-East Plan, such service will no longer be subject to the terms and conditions or discounts provided under this Section 32.2.

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32. Contract Tariffs (Cont'd)32.2 Contract Tariff Option 2 (Cont'd)32.2.2 IntelliBeam East Renewal Plan Terms and Conditions (Cont'd)

(D) (Cont'd).

- (3) Additional services or rate elements may be added during the term commitment period subject to the terms and conditions set forth for service additions in the standard term plan for the service and will not be subject to the discount applied under an East Plan.
- (4) Upon completion of the East Plan term commitment period, the customer has the following options.
 - (a) Continue with the service at the non-East Plan rates in effect with the application of the 21.5% discount. The customer must provide the Telephone Company with written notice prior to subsequent disconnection of the service.
 - (b) Disconnect the service.

In all cases, the 21.5% discount will cease upon disconnection of the service or renewal of the expiring East Plan to the standard term plan for the type of service involved.

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32. Contract Tariffs (Cont'd)32.2 Contract Tariff Option 2 (Cont'd)32.2.2 IntelliBeam East Renewal Plan Terms and Conditions (Cont'd)

(D) (Cont'd)

- (5) Except as set forth in (a) and (b) following, termination liability applies in accordance with the terms and conditions set forth in the following sections for the specific type of service involved.

<u>Service</u>	<u>Term Plan Reference in F.C.C. No. 1</u>
IntelliBeam Broadband Transport	26.1.5(C)
Dedicated SONET Ring	34.1
IntelliBeam Entrance Facility	26.1.4(E)
IntelliBeam Shared Single Path	26.1.6(D)
IntelliBeam Dedicated SONET Ring	26.1

- (a) In the event that service under an East Plan is disconnected within the first 24 months of the term commitment period, or the customer cancels its East Plan within the first 24 months of the term commitment period, the customer will be billed the pro-rated portion of the lump sum adjustment from the date of disconnection or cancellation through the balance of the initial 24 months of the term commitment period. The billed pro-rated portion of the lump sum adjustment is in addition to any termination liability that may be applied under the terms and conditions set forth for the specific type of service involved.

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32. Contract Tariffs (Cont'd)32.2 Contract Tariff Option 2 (Cont'd)32.2.2 IntelliBeam East Renewal Plan Terms and Conditions (Cont'd)

(D) (Cont'd)

(5) (Cont'd)

- (b) For purposes of assessing termination liability under this East Plan, the Telephone Company will grant time-in-service credit (TISC) on a per rate element basis for all rate elements for which termination liability applies (as set out in this section) for the period of time that the service was in effect prior to the date that its current East Plan was established when the customers end user disconnects service under the East Plan. The customer will provide to the Telephone Company written documentation once per month, no later than the date of issuance of the Access Order and 30 days prior to the date of disconnection, that certifies that the discontinuance of the service was the result of a disconnection order from the customer's end user. TISC will not be granted when service is disconnected (even if at the request of the customer's end user) in order to rearrange the service on to the customer's own network or on to the network of another service provider. The monthly certification will contain, where necessary, specific exceptions to detail those cases where service is disconnected in order to rearrange service on to the customer's own network or on to the network of another service provider.

When the conditions above are met, TISC will be granted as follows:

- With the exception of IDSR as set forth in Section 26.1, month-to-month billed service that was converted to an East Plan will receive TISC equal to the number of months that the service was in place up to a maximum of twelve months.
- For IDSR as set forth in Section 26.1 that was billed on a month-to-month basis and converted to an East Plan, TISC will apply as follows:
 - If service is disconnected prior to September 27, 2003, TISC is equal to the number of months that the service was in place up to a maximum of twelve months.
 - If service is disconnected after September 27, 2003, TISC is equal to the number of months that the service was in place up to a maximum of thirty-six months

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32. Contract Tariffs (Cont'd)32.2 Contract Tariff Option 2 (Cont'd)32.2.2 IntelliBeam East Renewal Plan Terms and Conditions (Cont'd)

(D) (Cont'd)

(5) (Cont'd)

(b) (Cont'd)

- For renewal of an existing term plan to an East Plan, the amount of TISC is equal to the number of months the original term plan was in effect prior to conversion to the East Plan.
- If a second renewal occurred under (D)(2) preceding, the amount of TISC is equal to the number of months the original term plan was in effect prior to conversion to the East Plan plus the number of months the first renewal was in effect prior to the second renewal.

When calculating any termination liability charge that may be assessed for early disconnection of service or cancellation of the renewed plan, TISC will be applied to the beginning of the period that termination liability is assessed (i.e., beginning with the date of disconnection or cancellation).

For example: Assume (1) the term commitment for the service is 60 months; (2) the termination liability for the service is 100% of the monthly rate for the first 12 months of service and 25% of the monthly rate for the remaining months in the term commitment; (3) the service was in effect for 9 months before conversion to the East Plan, resulting in 9 months of TISC; and (4) the customer's end user disconnects after 6 months of receiving service under the East Plan.

TISC of 9 months would be added to the 6 months of service under the current East Plan, for a total of 15 months service. Termination liability would then apply to the remaining 45 months, and would be computed at the 25% rate.

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32. Contract Tariffs (Cont'd)32.3 Contract Tariff Option 4(A) Scope

Contract Tariff Option 4, the New Connect Discount Plan B, is an offering exclusively for new installations of certain Special Access SONET and optical services ordered during a specific period of time.

The regulations, terms and conditions provided in this Section 32.3 automatically apply to all customers who install new services offered under the New Connect Discount Plan B in the applicable MSAs during the specified subscription period. The qualifying services are listed in (B) following and the applicable Metropolitan Statistical Areas (MSAs) are specified in (C) following.

The initial subscription period during which the customer qualifies for Contract Tariff Option 4, the New Connect Discount Plan B (Plan B), begins on May 6, 2003 and ends August 3, 2003. A second subscription period during which the customer qualifies for Contract Tariff Option 4 begins on August 4, 2003 and ends December 31, 2003. In order for a service to be included in Plan B:

- (1) An order for the new service must be placed during the subscription period and the service must be one of the services specified in (B) following.
- (2) The customer must accept the service on the original service date.
- (3) If the customer does not accept service on the original service date, any change to a later date will make the service ineligible for the discount, unless the change is initiated by the Telephone Company

(B) Eligible Services

The New Connect Discount Plan B is an offering exclusively for new installations of Special Access and SONET services listed below:

- IntelliBeam Broadband Service (IBT)
 - Point-to-point/non-multiplexed only
- Dedicated SONET Ring (DSR)
- IntelliBeam Entrance Facility (IEF)
- IntelliBeam Optical Transport Service (IOTS)

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32. Contract Tariffs (Cont'd)32.3 Contract Tariff Option 4 (Cont'd)(C) Serving Area

The serving area of the New Connect Discount Plan B is comprised of the following Metropolitan Statistical Areas. Wire centers for the MSAs are listed in Section 15.2.

Boston MA-NH

MSA #6

Any additions or changes to the wire centers included in the MSA listed above that occur after May 6, 2003 will apply and be included in the Plan.

(D) Description of New Connect Discount Plan B

The New Connect Discount Plan B offers an automatic additional discount on all eligible services ordered from Sections 7 and 26 of this tariff that meet the conditions outlined in (A), (B) and (C) preceding. The additional discount will be applied to the monthly recurring rate elements associated with transport of the service (e.g., Nodes, OCn Ports, Optical Transport Channels, Ring Mileage). Application of the additional discount on mileage is limited to those instances where the serving wire center of one end is within an MSA identified in (C) above, and the serving wire center of the other end is a Level 1 or Level 2 wire center of the same MSA or of a different MSA specified in Section 15.2 preceding. The additional discount will not be applied to special access Office Channel Terminations or Virtual Office Channel Terminations.

The services and the associated rate elements may be ordered on a month-to-month (MTM) basis or as a term plan as allowed for that particular service as described in Section 7 or 26.

Under Plan B, the customer will receive a discount applied to the MTM rates or to the monthly rates of the term plan as described in Section 7 or 26. Except for service provided under another contract tariff in this Section 32 for which minimum billed revenue is measured on a contract level basis, or under contract Tariff Option 5 following, service provided under Plan B is not eligible for any other circuit-specific service, term or volume discount offered under other sections of this tariff.

- For any 7-year term plan, the Plan B discount is 10%
- The Plan B discount for all other eligible services and all other term plans is 20%.

Shared use as set forth in Section 5.2.7 preceding is allowed under Plan B; however, only the special access portion of a service is eligible to receive the Plan B discount.

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32. Contract Tariffs (Cont'd)32.3 Contract Tariff Option 4 (Cont'd)(E) Terms and Conditions

All terms and conditions, including termination liability and minimum periods, as stated in Sections 7 & 26 preceding, apply for the respective services, except for those terms and conditions which involve the additional discount provided under New Connect Discount Plan B as stated following:

- (1) For service ordered during the initial or second subscription period on a Month-to-Month basis under the New Connect Discount Plan B, the additional discount provided under Plan B will expire effective with the first bill period date after December 31, 2017.
- (2) For service ordered during the initial or second subscription period in a term plan under the New Connect Discount Plan B, the discount of Plan B expires at the end of the initial term. The customer may extend Plan B for an additional term(s) of less, equal, or greater length than the expiring term plan. In all cases, the additional discount provided under Plan B will expire effective with the first bill period date following December 31, 2017.
- (3) When service is disconnected prior to completing the minimum period, the Plan B discount is not used in calculating the minimum period charges for the remainder of the minimum period.
- (4) With the exception of adding or removing a node to a DSR or IOTS dedicated ring, replacements, rearrangements, upgrades or any other physical change to service under the New Connect Discount Plan B will result in termination of Plan B's additional discount. Plan B's discount will not apply to any obligations of termination liability or to charges applicable to the remaining minimum period obligation.
- (5) When termination liability applies to a service in accordance with the terms and conditions as stated in either Section 7 or 26, the additional discount provided under the Plan B will not apply and will thus be excluded from any calculation of the termination liability for the remainder of the term plan.

Any customer that qualified for this option with a predecessor company will qualify for this Option with the Telephone Company.#

(N)
(N)

FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract.

(N)
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(N)

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32. Contract Tariffs (Cont'd)32.4 Contract Tariff Option 5(A) Scope

Contract Tariff Option 5, the New Connect Discount Plan C, is an offering exclusively for new installations of certain Special Access SONET and optical services ordered during a specific period of time.

The regulations, terms and conditions provided in this Option automatically apply to all customers who install new services offered under the New Connect Discount Plan C in the applicable MSAs during the specified subscription period. The qualifying services are listed in (B) following and the applicable Metropolitan Statistical Areas (MSAs) are specified in (C) following.

The subscription period during which the customer qualifies for Contract Tariff Option 5, the New Connect Discount Plan C (Plan C), begins on August 19, 2003 and ends December 31, 2003. In order for a service to be included in Plan C:

- 1) An order for the new service must be placed during the subscription period and the service must be one of the services specified in (B) following. A new service can not be a service that was disconnected from another contract option or discount plan in order to include that service in this plan.
- 2) The customer must accept the service on the original service date.
- 3) If the customer does not accept service on the original service date, any change to a later date will make the service ineligible for the discount, unless the change is initiated by the Telephone Company

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32. Contract Tariffs (Cont'd)32.4 Contract Tariff Option 5 (Cont'd)(B) Eligible Services

The New Connect Discount Plan C is an offering exclusively for new installations of certain Special Access and SONET services listed below:

- IntelliBeam Broadband Transport (IBT)
 - Point-to-point service configurations at OC48/OC48c
 - Multiplexing Capability optional features including OC3, OC12 or OC48 multiplexing nodes and low speed ports at Optical Carrier levels (OCn) and concatenated Optical Carrier Levels (OCnc).
 - Point-to-point service configurations at OC3/OC3c or OC12/OC12c are available under the New Connect Discount Plan B preceding and under the New Connect Discount Plan D following
- Dedicated SONET Ring (DSR)
 - Enhanced nodes at OC12, OC48 and OC192
 - Gigabit Ethernet ports (GigE1 through GigE24) on an Enhanced OC12, OC48 or OC192 node
 - DSR standard nodes, mileage and Optical Carrier level(OCn)ports and concatenated Optical Carrier Level (OCnc) ports are available under the New Connect Discount Plan B preceding and under the New Connect Discount Plan D following
- IntelliBeam Optical Transport Service (IOTS)
 - 4-Channel primary or expansion nodes
 - Protected and unprotected multi-port optical transport arrangements (facility channels and multi-port channels)
 - 16-Channel primary or expansion nodes, ring mileage, network amplification and all remaining protected and unprotected optical transport channels are available under the New Connect Discount Plan B preceding and under the New Connect Discount Plan D following

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32. Contract Tariffs (Cont'd)32.4 Contract Tariff Option 5 (Cont'd)(C) Serving Area

The serving area of the New Connect Discount Plan C is comprised of the following Metropolitan Statistical Areas. Wire centers for the MSAs are listed in Section 15.2.

Boston MA-NH	MSA #6
Manchester NH	MSA #133
Portland ME	MSA #152

Any additions or changes to the wire centers included in the MSA listed above that occur after August 19, 2003 will apply and be included in the Plan.

(D) Description of New Connect Discount Plan C

The New Connect Discount Plan C offers an automatic additional discount on all eligible services ordered from Sections 7 and 26 of this tariff that meet the conditions outlined in (A), (B) and (C) preceding. The additional discount will be applied to the monthly recurring rate elements associated with the options and categories listed in (B) preceding. The additional discount will not be applied to special access Office Channel Terminations, Virtual Office Channel Terminations or cross-connects to Expanded Interconnection or collocation arrangements.

The services and the associated rate elements may be ordered on a month-to-month basis or as a term plan as allowed for that particular service as described in Section 7 or 26.

Under Plan C, the customer will receive a discount applied to the month-to-month rates or to the monthly rates of the term plan as described in Section 7 or 26. Except for service provided under another contract tariff in this Section 32 for which minimum billed revenue is measured on a contract level basis or under Contract Tariff Option 4 preceding or Option 6 following, service provided under Plan C is not eligible for any other circuit-specific service, term or volume discount offered under other sections of this tariff.

- For any 7-year term plan, the Plan C discount is 10%
- The Plan C discount for all other eligible services and all other term plans is 20%.

Shared use as set forth in Section 5.2.7 preceding is allowed under Plan C; however, only the special access portion of a service is eligible to receive the Plan C discount.

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32. Contract Tariffs (Cont'd)32.4 Contract Tariff Option 5 (Cont'd)(E) Terms and Conditions

All terms and conditions, including termination liability and minimum periods, as stated in Sections 7 & 26 preceding, apply for the respective services, except for those terms and conditions which involve the additional discount provided under New Connect Discount Plan C as stated following:

- (1) For service ordered during the subscription period on a Month-to-Month basis under the New Connect Discount Plan C, the additional discount provided under Plan C will expire effective with the first bill period date following December 31, 2017.
- (2) For service ordered in a term plan under the New Connect Discount Plan C, the discount of Plan C expires at the end of the initial term. The customer may extend Plan C for an additional term(s) of less, equal, or greater length than the expiring term plan. In all cases, the additional discount provided under Plan C will expire effective with the first bill period date following December 31, 2017.
- (3) When service is disconnected prior to completing the minimum period, the Plan C discount is not used in calculating the minimum period charges for the remainder of the minimum period.
- (4) With the exception of adding or removing a node to a DSR or IOTS dedicated ring, replacements, rearrangements, upgrades or any other physical change to service under the New Connect Discount Plan C will result in termination of the Plan C additional discount. The Plan C discount will not apply to any obligations of termination liability or to charges applicable to the remaining minimum period obligation.
- (5) When termination liability applies to a service in accordance with the terms and conditions as stated in either Section 7 or 26, the additional discount provided under the Plan C will not apply and will thus be excluded from any calculation of the termination liability for the remainder of the term plan.

Any customer that qualified for this option with a predecessor company will qualify for this Option with the Telephone Company.#

(N)
(N)

FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract.

(N)
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32. Contract Tariffs (Cont'd)32.5 Contract Tariff Option 6(A) Scope

Contract Tariff Option 6, the New Connect Discount Plan D, is an offering exclusively for new installations of certain Special Access SONET and optical services ordered during a specific period of time.

The regulations, terms and conditions provided in this Section 32.5 automatically apply to all customers who install new services offered under the New Connect Discount Plan D in the applicable MSAs during the specified subscription period. The qualifying services are listed in (B) following and the applicable Metropolitan Statistical Areas (MSAs) are specified in (C) following.

The subscription period during which the customer qualifies for Contract Tariff Option 6 the New Connect Discount Plan D (Plan D), begins on August 1, 2003 and ends December 31, 2003. In order for a service to be included in Plan D:

- 1) An order for the new service must be placed during the subscription period and the service must be one of the services specified in (B) following. A new service can not be a service that was disconnected from another contract option or discount plan in order to include that service in this plan.
- 2) The customer must accept the service on the original service date.
- 3) If the customer does not accept service on the original service date, any change to a later date will make the service ineligible for the discount, unless the change is initiated by the Telephone Company

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32. Contract Tariffs (Cont'd)32.5 Contract Tariff Option 6 (Cont'd)(B) Eligible Services

The New Connect Discount Plan D is an offering exclusively for new installations of Special Access and SONET services listed below:

- IntelliBeam Broadband Transport (IBT): Point-to-Point/non-multiplexed services only. Plan D excludes multiplexing capability and point-to-point OC48/OC48c service configurations, which are offered under the New Connect Discount Plan C preceding.
- Dedicated SONET Ring (DSR): excluding enhanced nodes, DS1 ports on enhanced OC12, OC48 and OC192 nodes, and Gigabit Ethernet ports on enhanced nodes (GigE1 through GigE24). Enhanced nodes and gigabit Ethernet ports (GigE1 through GigE24) are offered under the New Connect Discount Plan C preceding.
- IntelliBeam Entrance Facility (IEF)
- IntelliBeam Optical Transport Service (IOTS): excluding 4 channel primary and expansion nodes, and protected and unprotected multi-port optical transport arrangements (facility channels and multi-port channels) which are offered under the New Connect Discount Plan C preceding.

(C) Serving Area

The serving area of the New Connect Discount Plan D is comprised of the following Metropolitan Statistical Areas. Wire centers for the MSAs are listed in Section 15.2.

Manchester NH
Portland ME

MSA #133
MSA #152

Any additions or changes to the wire centers included in the MSAs listed above that occur after August 1, 2003 will apply and be included in Plan D.

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32. Contract Tariffs (Cont'd)32.5 Contract Tariff Option 6 (Cont'd)(D) Description of New Connect Discount Plan D

The New Connect Discount Plan D offers an automatic additional discount on all eligible services ordered from Sections 7 and 26 of this tariff that meet the conditions outlined in (A), (B) and (C) preceding. The additional discount will be applied to the monthly recurring rate elements associated with transport of the service (e.g., Nodes, OCn, Ports, Optical Transport Channels, Ring Mileage). Application of the additional discount on mileage is limited to those instances where the serving wire center of one end is within an MSA identified in (C) above, and the serving wire center of the other end is a Level 1 or Level 2 wire center of the same MSA or of a different MSA specified in Section 15.2 preceding. The additional discount will not be applied to special access Office Channel Terminations, Virtual Office Channel Terminations or cross-connects to Expanded Interconnection or collocation arrangements.

The services and the associated rate elements may be ordered on a month-to-month basis or as a term plan as allowed for that particular service as described in Section 7 or 26.

Under Plan D, the customer will receive a discount applied to the month-to-month rates or to the monthly rates of the term plan as described in Section 7 or 26. Except for service provided under another contract tariff in this Section 32 for which minimum billed revenue is measured on a contract level basis, service provided under Plan D is not eligible for any other circuit-specific service, term, or volume discount offered under other sections of this tariff.

- For any 7-year term plan, the Plan discount is 10%
- The Plan D discount for all other term plans is 20%.

Shared use as set forth in Section 5.2.7 preceding is allowed under Plan D; however, only the special access portion of a service is eligible to receive the Plan D discount.

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32. Contract Tariffs (Cont'd)32.5 Contract Tariff Option 6 (Cont'd)(E) Terms and Conditions

All terms and conditions, including termination liability and minimum periods, as stated in Sections 7 & 26 preceding, apply for the respective services, except for those terms and conditions which involve the additional discount provided under New Connect Discount Plan D as stated following:

- (1) When service is ordered on a Month-to-Month basis under the New Connect Discount Plan D, the Plan D additional discount will expire effective with the first bill period date following December 31, 2017.
- (2) When service is ordered in a term plan under the New Connect Discount Plan D, the Plan D discount expires at the end of the initial term. The customer may extend Plan D for an additional term(s) of less, equal, or greater length than the expiring term plan. In all cases, the additional discount provided under Plan D will expire effective with the first bill period date following December 31, 2017.
- (3) When service is disconnected prior to completing the minimum period, Plan D discount is not used in calculating the minimum period charges for the remainder of the minimum period.
- (4) With the exception of adding or removing a node to a DSR or IOTS dedicated ring, replacements, rearrangements, upgrades or any other physical change to service under the New Connect Discount Plan D will result in termination of the Plan D additional discount. The Plan D discount will not apply to any obligations of termination liability or to charges applicable to the remaining minimum period obligation.
- (5) When termination liability applies to a service in accordance with the terms and conditions as stated in either Section 7 or 26, the additional discount provided under Plan D will not apply and will thus be excluded from any calculation of the termination liability for the remainder of the term plan.

Any customer that qualified for this option with a predecessor company will qualify for this Option with the Telephone Company.# (N)
(N)

FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract. (N)
(N)

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32. Contract Tariffs (Cont'd)32.6 Contract Tariff Option 7

The Enterprise SONET Service (ESS) Renewal and New Connect Plan (ESS Plan) provides for the application of a discount to qualifying ESS ring networks which are renewed as an ESS Plan under this Section 32.6 for a term commitment period of five years.

32.6.1 ESS Plan Eligibility

- (A) To be eligible for the ESS Plan, the customer must subscribe to Enterprise SONET Service under Section 26.1.2 preceding with a 5-year term commitment period that is expiring by September 1, 2003 or between September 27, 2003 and October 15, 2003, and must renew that expiring plan as an ESS Plan under this Section 32.6.
- (B) A customer subscribes to Contract Tariff Option 7 by submitting a written order to the Telephone Company that authorizes renewal of its expiring ESS services as an ESS Plan with a term commitment of five years for all renewed services. The written order provided to the Telephone Company was signed by an authorized representative of the customer and must include the mutually agreed upon minimum commitment level as determined in 32.6.2(B)(3) following.

A customer subscribing to Contract Tariff Option 7 may not concurrently subscribe to any other Contract Tariff Option in this Section 32, unless specifically allowed to do so in the other Contract Tariff option.

(C) Serving Area for Contract Tariff Option 7

The serving area of Contract Tariff Option 7 is comprised of the following Telephone Company MSA(s).

<u>Metropolitan statistical Area</u>	<u>MSA Identification #</u>
Boston MA-NH	# 6

The above Telephone Company MSA(s) are in effect as of the effective date of this Contract Tariff. Any additions of, or changes to, Telephone Company MSAs that occur after the effective date of this Contract Tariff do not apply. This restriction includes changes to Level 1/Level 2 pricing status as described in Section 15.2 preceding of this tariff.

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32. Contract Tariffs (Cont'd)32.6 Contract Tariff Option 7 (Cont'd)32.6.1 ESS Plan Eligibility (Cont'd)

- (D) The ESS Plan includes DS1 and DS3 Ring Transport services that are either renewed under the ESS Plan prior to September 1, 2003 or between September 27, 2003 and October 15, 2003, or added to a renewed ESS Plan prior to October 15, 2003. Services ordered prior to August 1, 2003 and not yet completed as of the date of renewal to an ESS Plan will be eligible for the renewal by September 1, 2003 or between September 27, 2003 and October 15, 2003. When adding additional DS1 and DS3 Ring Transport Services, the customer must order these services via an Access Service Request, and must have an Application Date on the order that is within the term period of this contract tariff (i.e., a date that is not prior to August 1, 2003).
- (E) When renewing service under this ESS Plan (Contract Tariff Option 7), no other changes may be made to the physical characteristics of the ESS Ring Transport services (e.g., no changes in speed, type or capacity).

Any customer that qualified for this option with a predecessor company will qualify for this Option with the Telephone Company.# (N)
(N)

FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract. (N)
(N)

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32. Contract Tariffs (Cont'd)32.6 Contract Tariff Option 7 (Cont'd)32.6.2 ESS Plan Terms and Conditions

- (A) On a network level, the term commitment period for the ESS Plan is five years.
- (B) The following terms and conditions apply in addition to, or in lieu of, the terms and conditions that apply under Sections 7.4.10 and 26.1.2 preceding.
- (1) Under the five year ESS Plan, the customer will receive the following discount percentages applied to the monthly rates set forth in Section 30.26.2 preceding for DS1 and DS3 Ring Transport services.
- A discount of fifty-seven percent (57%) will be applied to DS1 and DS3 Ring Transport services that are renewed with a five-year term commitment under the ESS Plan.
 - A discount of fifty-seven percent (57%) will be applied to DS1 and DS3 Ring Transport services that are added to the ESS Plan under a five-year term commitment. The service was added in accordance with 32.6.1 preceding in order to receive the discount provided under the ESS Plan.
 - A discount of thirty-seven percent (37%) will be applied to DS1 and DS3 Ring Transport services that are added to the ESS Plan under a three-year term commitment. The service was added in accordance with 32.6.1 preceding in order to receive the discount provided under the ESS Plan.
- (2) The commitment periods and discount percentages for ESS Service Discount Plans as set forth in Section 7.4.10(B)(1)(h) preceding do not apply to DS1 and DS3 Ring Transport Services that are renewed under the ESS Plan or that are added to a renewed ESS Plan in accordance with (B)(1) above.

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32. Contract Tariffs (Cont'd)32.6 Contract Tariff Option 7 (Cont'd)32.6.2 ESS Plan Terms and Conditions (Cont'd)

(B) (Cont'd)

- (3) A new minimum service commitment will be established upon renewal to an ESS Plan that is seventy-five percent (75%) of the customer's eligible DS1 equivalents based on the ESS DS1 and DS3 Ring Transport Service on record as of August 1, 2003 that are within the MSA(s) specified in 32.6.1(C) preceding. When determining the number of equivalent DS1s, each DS1 level service represents one equivalent DS1 and each DS3 level service represents twenty-eight equivalent DS1s. The minimum service commitment for the renewed plan under this Contract Tariff Option 7 applies in lieu of the minimum service commitment specified in Section 26.1.2(D) preceding. The number of DS1 equivalents that comprise the minimum service commitment was a mutually agreed upon by the customer and the Telephone Company.

(C) Upon completion of this Contract Tariff Option 7 term commitment period, the customer has the following options.

- (1) Renew the services expiring under Contract Tariff Option 7 for an additional three-year or five-year term commitment under the terms and conditions set forth for the term plans in Section 26.1.2 preceding and at the discount percentage set forth in Section 7.4.10(B)(1)(h) preceding. Upon renewal to a term commitment under Section 7.4.10(B)(1)(h), the terms, conditions, and discounts offered under Contract Tariff Option 7 will cease.
- (2) Disconnect the service.

In all cases, the discount percentage applied under the ESS Plan in this Section 32.6 will cease upon disconnection of the service or renewal of the expiring ESS Plan to the standard plan offered under Section 7.4.10(B)(1)(h) preceding.

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32. Contract Tariffs (Cont'd)32.7 Contract Tariff Option 14(A) Scope

- (1) Contract Tariff Option 14, the New Connect Discount Plan F (Plan F), is an offering exclusively for new installations of IntelliBeam Optical Transport Service (IOTS), as set forth Section 7.2.19 preceding, ordered during a specific period of time.
- (2) The regulations, terms, and conditions provided in this Section 32.7 automatically apply to all customers who order new services offered under Plan F in the applicable Metropolitan Statistical Areas (MSAs) during the specified subscription periods. The qualifying services are listed in (B) following and the applicable MSAs are specified in (C) following.
- (3) Customers who wish to subscribe to Plan F must do so during the following subscription periods. An initial subscription period begins on June 12, 2004 and ends on December 31, 2004 (initial subscription period). A second subscription period begins on January 1, 2005 and ends February 28, 2005 (second subscription period). In order for a service to be included in Plan F:
 - (a) An order for the new service must be placed during either the initial or second subscription period, and the service must be one of the services specified in (B) following. A new service can not be a service that was disconnected from another contract option, discount plan, or tariff arrangement and subsequently ordered under this plan in order to include that service in this plan.
 - (b) The customer must accept the service on the original service date.
 - (c) If the customer does not accept service on the original service date, any change to a later date will make the service ineligible for the discount, unless the change is initiated by the Telephone Company.

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32. Contract Tariffs (Cont'd)32.7 Contract Tariff Option 14 (Cont'd)(B) Eligible Services

Plan F is an offering exclusively for new installations of the following IOTS services.

- 4-Channel Nodes, Primary or Expansion Customer Premises Nodes
- 4-Channel Nodes, Primary or Expansion Central Office Nodes
- 16-Channel Nodes, Primary or Expansion Customer Premises Nodes
- 16-Channel Nodes, Primary or Expansion Central Office Nodes
- Ring Mileage, Miles 1-20 and Miles 21 and Over
- Network Optimization, At-Node Amplification Devices and Mid-Span Amplification Devices
- Point-to-Point Optical Transport Channels
 - Protected and Unprotected Optical Transport Channels
 - Protected and Unprotected Multi-Port Optical Transport Channels (Multi-Port Facilities and Multi-Port Channels)

(C) Serving Area

The serving area of Plan F is comprised of the following MSAs. Wire centers for the MSAs are listed in Section 15.2 preceding.

Boston MA-NH	MSA #6
Manchester NH	MSA #133
Portland ME	MSA #152
Portsmouth NH-Rochester ME	MSA #156
Bangor ME	MSA #224
Burlington VT	MSA #248

Any additions or changes to the wire centers included in the MSAs listed above that occur after June 12, 2004 will apply and will be included in Plan F.

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32. Contract Tariffs (Cont'd)32.7 Contract Tariff Option 14 (Cont'd)(D) Description of Plan F

- (1) Plan F offers an automatic additional discount on all eligible IOTS services ordered from Section 7.2.19 preceding of this tariff that meet the conditions outlined in (A), (B), and (C) above. The discount will apply to new installations of IOTS rate elements (Nodes, Amplifiers, and Mileage). In addition, the discount will apply to new installations of Optical Transport Channels ordered during either the initial or second subscription period on any new or existing IOTS service. The additional discount will be applied to the monthly recurring rate elements associated with the options and categories listed in (B) above. The additional discount will not be applied to cross-connect services or to Collocated Interconnection arrangements. Application of the discount on Ring Mileage rate elements is limited to those instances where serving wire centers at each end of the mileage are within an MSA identified in (C) above.
- (2) The services and the associated rate elements may be ordered only on a term plan as allowed for IOTS as described in Section 7.2.19 preceding.
- (3) Under Plan F, the customer will receive a discount applied to the monthly recurring rate elements of the term plan in effect from time to time as described in Section 7.2.19 preceding. Except for service provided under another contract tariff in this Section 32 for which minimum billed revenue is measured on a contract level basis or under Contract Tariff Option 4 or 5 preceding, service provided under Plan F is not eligible for any other circuit-specific service, term, or volume discount offered under other sections of this tariff.
 - For any 3-year, 5-year, or 7 year term plan, the Plan F discount is 33%.
- (4) Shared use as set forth in Section 5.2.7 preceding is allowed under Plan F; however, only the special access portion of a service is eligible to receive the Plan F discount.

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32. Contract Tariffs (Cont'd)32.7 Contract Tariff Option 14 (Cont'd)(E) Terms and Conditions

Unless superseded by the terms and conditions set forth herein, all terms and conditions, including termination liability and minimum periods, as stated in Section 7.2.19 preceding, apply to the respective services subject to this Plan F:

- (1) At the expiration of the initial term plan, if a new agreement for the service is not effective and the customer has not requested a discontinuance of the service in writing, the Telephone Company will automatically renew the service, and the discount of Plan F will automatically be extended for one additional term of equal length to the expiring term plan. The automatic extension will not apply if the customer notifies the Telephone Company within sixty (60) days after the expiration of the initial term that it wishes to select a new term plan or disconnect the service. Upon expiration of the renewal term of Plan F, the customer's rates will revert to the then current tariff rates for the same term.
- (2) When service is disconnected prior to completing the minimum period, the Plan F discount is not used in calculating the minimum period charges for the remainder of the minimum period, and the customer shall be responsible for any cancellation charges and/or termination liabilities as set forth in Section 7.2.19 preceding.
- (3) With the exception of adding or removing a node to a Dedicated SONET Ring (DSR) or an IOTS dedicated ring, replacements, rearrangements, or any other physical change to service under the Plan F will result in termination of the Plan F additional discount. The Plan F discount will not apply to any obligations or calculations of cancellation charges, termination liability, or charges applicable to the remaining minimum period obligation.

Any customer that qualified for this option with a predecessor company will qualify for this Option with the Telephone Company.# (N)
(N)

- # FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract. (N)
(N)

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32. Contract Tariffs (Cont'd)32.7 Contract Tariff Option 14 (Cont'd)(E) Terms and Conditions (Cont'd)

- (4) Termination liability will not apply to the disconnection of an existing IDSR service as described in Section 26.1.1 preceding if:

- the IDSR service is replaced with IOTS under Plan F provided that at least one customer premise node from the IDSR service remains on the new IOTS as a 4 Channel or 16 Channel customer premise node and
- the IOTS has a greater total capacity than the existing IDSR service.

Termination liability will apply to the disconnection of an existing DSR service as described in Section 34.1 following if the DSR service is replaced with IOTS under Plan F with a lesser total capacity.

- (5) Only additional IOTS Optical Transport Channel rate elements may be added to an existing IOTS service or an IOTS service already under Plan F. Firm orders for such additional rate elements placed during either the initial or second subscription period will receive the discounts available under Plan F.
- (6) Billing for Plan F will commence for all rate elements of the IOTS service simultaneously at the start of the 5-Year term plan. When such billing commences, billing will cease, without term liability, for the existing optical network service that is being replaced by the IOTS service.

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32. Contract Tariffs (Cont'd)32.8 Contract Tariff Option 15(A) Scope

- (1) Contract Tariff Option 15, the New Connect Discount Plan G (Plan G), is an offering exclusively for new installations as set forth below of Dedicated SONET Ring (DSR) service, as set forth in Section 34.1 following, ordered during a specific period of time.
- (2) The regulations, terms, and conditions provided in this Section 32.8 apply to all customers who order new services offered under Plan G in the applicable Metropolitan Statistical Areas (MSAs) during the specified subscription periods. The qualifying services are listed in (B) following, and the applicable MSAs are specified in (C) following.
- (3) Customers who wish to subscribe to Plan F must do so during the following subscription periods. An initial subscription period begins on June 12, 2004 and ends on December 31, 2004 (initial subscription period). A second subscription period begins on January 1, 2005 and ends February 28, 2005 (second subscription period). In order for a service to be included in Plan G:
 - (a) An order for the new service must be placed during either the initial or second subscription period, and the service was one of the services specified in (B) following. A new service can not be a service that was disconnected from another contract option, discount plan, or tariff arrangement and subsequently ordered under this plan in order to include that service in this plan.
 - (b) The customer must accept the service on the original service date.
 - (c) If the customer does not accept service on the original service date, any change to a later date will make the service ineligible for the discount, unless the change is initiated by the Telephone Company.

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32. Contract Tariffs (Cont'd)32.8 Contract Tariff Option 15 (Cont'd)(B) Eligible Services

- (1) Plan G is an offering exclusively for new installations as described in (D)(1) below of the following DSR services.
- Enhanced nodes (OC12, OC48, OC192)
 - Non-enhanced nodes (OC3, OC12, OC48, OC192)
 - Mileage (OC3, OC12, OC48, OC192)
 - Ports (DS1, DS3, STS1, OC3/3c, OC12/12c, OC48/48c, GigE1, GigE3, GigE6, GigE9, GigE12, GigE24)

(C) Serving Area

The serving area of Plan G is comprised of the following MSAs. Wire centers for the MSAs are listed in Section 15.2 preceding.

Boston MA-NH	MSA #6
Manchester NH	MSA #133
Portland ME	MSA #152
Portsmouth NH-Rochester ME	MSA #156
Bangor ME	MSA #224
Burlington VT	MSA #248

Any additions or changes to the wire centers included in the MSAs listed above that occur after June 12, 2004 will apply and be included in Plan G.

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32. Contract Tariffs (Cont'd)32.8 Contract Tariff Option 15 (Cont'd)(D) Description of Plan G

- (1) Plan G offers a discount as set forth in (D)(3) following on all eligible DSR services ordered from Section 34.1 following of this tariff that meet the conditions outlined in this Plan G. For the purchase of new DSR Ring arrangements, the Plan G discount will apply to DSR rate elements (Nodes, Ports, and Mileage). In addition, the discount will apply to new installations of DSR Ports ordered during either the initial or second subscription period on any new or existing DSR service. The Plan G discount will be applied to the monthly recurring rate elements associated with the options and categories listed in (B) above. Application of the discount on Ring Mileage rate elements is limited to those instances where serving wire centers at each end of the mileage is within an MSA identified in (C) above.
- (2) The services and the associated rate elements may only be ordered on a term plan as allowed for DSR and as described in Section 34.1 following.
- (3) Under Plan G, the customer will receive a discount, as set forth below, applied to the monthly recurring rate elements at the term plan and corresponding term plan rate then in effect as described in Section 34.1 following. Except for service provided under another contract tariff in this Section 32 for which minimum billed revenue is measured on a contract level basis or a term plan as described in Section 34.1 following, service subscribed to under Plan G is not eligible for any other service, term, or volume discount offered under this tariff.
 - For any 3-year or 5-year term plan, the Plan G discount is 20%.
 - For any 7 year term plan, the Plan G discount is 10%.
- (4) Shared use as set forth in Section 5.2.7 preceding is allowed under Plan G; however, only the special access portion of a service is eligible to receive the Plan G discount.

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32. Contract Tariffs (Cont'd)32.8 Contract Tariff Option 15 (Cont'd)(E) Terms and Conditions

Unless superseded by the terms and conditions set forth herein, all terms and conditions, including termination liability and minimum periods, as stated in Section 34.1 following, apply to the respective services subject to this Plan G:

- (1) For service ordered with a term plan under Plan G, the Plan G discount expires at the end of the initial term.
- (2) When service is disconnected prior to completing the minimum period, the Plan G discount is not used in calculating the minimum period charges for the remainder of the minimum period, and the customer shall be responsible for any cancellation charges and/or termination liabilities as set forth in Section 34.1 following.
- (3) Replacements, rearrangements, or any other physical change to service under the Plan G will result in termination of the Plan G discount, with the exception of adding or removing a node and ports to DSR. The Plan G discount will not apply to any obligations or calculations of cancellation charges, termination liability, or charges applicable to the remaining minimum period obligation.
- (4) Any customer that qualified for this option with a predecessor company will qualify for this Option with the Telephone Company. # (N)
(N)

FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract. (N)
(N)

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32. Contract Tariffs (Cont'd)32.9 Contract Tariff Option 1732.9.1 Scope

Contract Tariff Option 17 (Option 17) is an offering exclusively for customers subscribing to new IntelliBeam Entrance Facility (IEF) Special Access Services at fifteen (15) or more different customer designated premises within the Metropolitan Statistical Areas (MSAs) of this tariff.

32.9.2 General

- (A) A customer subscribes to Option 17 by submitting an order for service using an ordering procedure designated by the Telephone Company during the first sixty (60) days following the effective date (June 12, 2004) of this Option 17 (i.e., the subscription period).
- (B) The customer must subscribe to a minimum of fifteen (15) new IEF systems with each system configured to include a Fractional OC48 Interface and twelve (12) or more STS1 Terminations. Connection of other access services to IEF systems is described in Section 26.1.4 preceding. Under this Option 17, STS1/51.84 Mbps Termination with a Fractional OC48 Interface IEF system shall be referred to as "STS1 Terminations."
- (C) Except as otherwise provided for in this Option 17, the terms and conditions for IEF in Section 26.1.4 preceding apply. Other services required to provide IEF (for example, special construction) will be provided in accordance with the rates and regulations in this tariff and/or other interstate Telephone Company tariffs.
- (D) Any customer that qualified for this option with a predecessor company will qualify for this Option with the Telephone Company. Notwithstanding anything in this Option to the contrary, no minimum subscriptions will be required for any customer that qualified for this option with a predecessor company.#

(N)
|
(N)

32.9.3 Serving Area

The serving area of the Option 17 is comprised of the Phase I and Phase II MSAs under this tariff. Wire centers for the Phase II MSAs specified in this tariff are listed in Section 14.7 preceding. Any additions of, or changes to, Telephone Company MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 15.2 preceding of this tariff) that occur during the service commitment period of this Option 17 will apply.

- # FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract.

(N)
|
(N)

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32. Contract Tariffs (Cont'd)32.9 Contract Tariff Option 17 (Cont'd)32.9.4 Terms and Conditions

- (A) An order for the new IEF service was placed during the subscription period. A new service can not be a service that was disconnected from another contract option, discount plan, or tariff arrangement and subsequently ordered under this option in order to include that service in this option.
- (B) Except as otherwise set forth below, the service commitment period for IEF services purchased under this Option 17 is six (6) months. Prior to, or upon expiration of, the service period, the customer must choose one (1) of the following options. The customer must also provide written notification to the Telephone Company at least thirty (30) days prior to the expiration of the service period indicating its election of one of the options set forth below.
 - (1) Terminate this Option 17 and simultaneously subscribe to another then effective Contract Tariff Option for IEF service offered by the Telephone Company under this tariff (New Option). No termination liability, as set forth in Section 26.1.4 preceding, nor any minimum period obligation as set forth in 32.9.4(C) following and Section 26.1.4 preceding will be assessed by the Telephone Company for such termination. All terms and conditions of the New Option shall apply to such IEF services, including termination liability, as set forth in such New Option.
 - (2) Terminate this Option 17 and all services purchased pursuant to this Option 17. No termination liability, as set forth in Section 26.1.4 preceding, will be assessed by the Telephone Company for such termination. Minimum period obligations shall apply as set forth in Section 26.1.4 preceding.
 - (3) Elect to extend this Option 17 for a five (5) year service period. If the customer elects this option, the service period for all services subscribed to under this Option 17 shall be deemed to commence upon its initial subscription to this Option 17. The customer will continue receiving the IEF rate set forth in this Option 17 in 32.9.5 following until the expiration of the five (5) year service period. All other provisions of IEF service, including termination liability, as set forth in Section 26.1.4 preceding, will continue to apply. Minimum period obligations shall apply as set forth in Section 32.9.4(C) following.

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32. Contract Tariffs (Cont'd)32.9 Contract Tariff Option 17 (Cont'd)32.9.4 Terms and Conditions (Cont'd)

- (C) IEF services provided under this Option 17 are subject to a six (6) month minimum period which applies in lieu of the minimum period specified in Section 26.1.4 preceding. In any given month during the service period, if the customer fails to maintain a minimum of twelve (12) STS1 Terminations per system, the six (6) month minimum period does not apply to the services during such month, and the minimum period obligation set forth in Section 26.1.4 preceding shall apply in lieu thereof. If a customer subsequently returns to the minimum of twelve (12) STS1 Terminations per system in a subsequent month, the six (6) month period obligation shall again apply to the services. The applicable minimum period obligations shall apply in addition to any applicable termination liability as set forth in Section 26.1.4 preceding.
- (D) The rates and charges set forth in 32.9.5 following apply on a recurring monthly basis for each STS1 Termination.
- (E) During the service period, the customer must maintain a minimum of twelve (12) STS1 Terminations per system. In any month where the customer fails to maintain a minimum of twelve (12) STS1 Terminations on one or more IEF systems, the rate per in-service STS1 Termination on the affected IEF system(s) for that month will be the monthly rate per STS1 Termination as set forth in Sections 30.26.4 and 31.26.4 preceding in lieu of the rate per STS1 Termination set forth in 32.9.5 following.
- (F) Additional IEF systems may be ordered subsequent to the subscription period of this Option 17 subject to the terms and conditions of this Option 17. Each additional IEF system must include a Fractional OC48 Interface and twelve (12) or more STS1 Terminations.
- (G) With the exceptions of subscribing to 32.9.4(B)(1) above, a Commitment Discount Plan (CDP), or a Contract Tariff Option which provides a credit or discount based upon the achievement of certain Total Billed Revenue as set forth in this tariff, a customer subscribing to Option 17 may not subscribe to any other discount plan, Contract Tariff Option, Individual Case Basis (ICB) arrangement, specialized service arrangement, or other promotional offering offered by the Telephone Company under this tariff for IEF services ordered pursuant to this Option 17.
- (H) Upon expiration of the service period set forth in 32.9.4(B) preceding, the terms and conditions set forth in Section 26.1.4 preceding will apply.

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32. Contract Tariffs (Cont'd)32.9 Contract Tariff Option 17 (Cont'd)32.9.5 Rates and Charges

The following rates apply in all operating territories.

	<u>Monthly Rate</u>	<u>Nonrecurring Charge</u>
Per STS1/51.84 Mbps Termination with a Fractional IEF OC48 IEF System*		
12	\$343.33	\$1.00
13	342.41	1.00
14	340.58	1.00
15	338.74	1.00
16	337.82	1.00
17	335.99	1.00
18	334.15	1.00
19	333.23	1.00
20	331.40	1.00
21	329.56	1.00
22	327.73	1.00
23	326.81	1.00
24	324.97	1.00
25	323.14	1.00
26	322.22	1.00
27	320.38	1.00
28	318.55	1.00
29	317.63	1.00
30	315.79	1.00
31	313.96	1.00
32	312.12	1.00
33	311.20	1.00
34	309.37	1.00
35	307.53	1.00
36	306.61	1.00
37	304.78	1.00
38	302.94	1.00
39	300.19	1.00
40	296.51	1.00
41	292.84	1.00
42	289.17	1.00
43	285.50	1.00
44	280.91	1.00
45	277.24	1.00
46	273.56	1.00
47	269.89	1.00
48 and over	265.30	1.00

* Interface sold separately under Section 31.26.4 preceding

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32. Contract Tariffs (Cont'd)32.10 Contract Tariff Option 1832.10.1 Scope

The Price Plan Extension Contract (Option 18) provides qualifying customers with the option of a twelve (12) month extension to the commitment period on an expiring or recently expired seven (7) year Service Discount Plan for their Special Access DS1 and DS3 services.

32.10.2 Eligible Services

(A) The services included in this Option 18 are:

- Special Access 1.544 Mbps High Capacity Service (DS1)
- Special Access FairPoint Enterprise DS1 Service
- Special Access 44.736 Mbps High Capacity Service (DS3)
- Special Access FairPoint Enterprise DS3 Special Access Service

(B) The rate elements eligible for extension under this Option 18 are the channel termination, channel mileage, and optional features and functions as offered in Section 7.4.10 preceding.

32.10.3 Serving Area

(A) The serving area of the Option 18 is comprised of the following Metropolitan Statistical Areas (MSAs). Wire centers for Phase II MSAs are listed in Section 15.2 preceding.

<u>Metropolitan Statistical Area</u>	<u>MSA Identification #</u>
Burlington VT	248
Manchester NH	133
No MSA Vermont	999.3
Portland ME	152
Portsmouth NH - Rochester ME	156

(B) Any additions or changes to the wire centers included in the MSAs listed above that occur after August 27, 2004 will apply and be included in Option 18.

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32. Contract Tariffs (Cont'd)32.10 Contract Tariff Option 18 (Cont'd)32.10.4 Price Plan Extension Eligibility

All of the following requirements must be met to be eligible for subscription to Option 18.

(A) Time Requirements

- (1) Eligible customers who wish to subscribe to Option 18 must do so by submitting written authorization during the period that begins August 27, 2004 and ends November 25, 2004 (Subscription Period).
- (2) The customer must subscribe to one or more of the eligible services listed in Section 32.10.2 preceding under a seven (7) year Service Discount Plan as offered under Section 7.4.10 preceding and at the rates set forth in Section 30.7 and 31.7 preceding. The seven (7) year Service Discount Plans(s) to be extended must expire between February 28, 2004 and February 26, 2005.

(B) Ordering Requirements

- (1) The total aggregate DS1 equivalency of the customer's DS1 and DS3 services within the operating territories specified in this tariff was less than one thousand (1,000). For purposes of administering this Option 18, the DS1 equivalency of a DS1 service is one (1) and the DS1 equivalency of a DS3 service is twenty-eight (28).
- (2) The group(s) of eligible services listed in Section 32.10.2 preceding included in Option 18 must have Service Discount Plan expiration dates that are within thirty (30) days of each other.
- (3) The customer must subscribe to a minimum of one hundred (100) equivalent DS1 services, but not more than four hundred (400) DS1 equivalent services during the initial extension period or additional extension periods set forth in Section 32.19.5(B) following.
- (4) Any customer that qualified for this option with a predecessor company will qualify for this Option with the Telephone Company. Notwithstanding anything in this Option to the contrary, no minimum subscriptions will be required for any customer that qualified for this option with a predecessor company.#

(N)
|
(N)

- # FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract.

(N)
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(N)

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32. Contract Tariffs (Cont'd)32.10 Contract Tariff Option 18 (Cont'd)32.10.5 Terms and Conditions

- (A) For a customer whose seven (7) year Service Discount Plan(s) was renewed for an additional 7 years under Section 7.4.10(F) preceding between February 28, 2004 and August 27, 2004, and who subscribed to Option 18, any time that elapsed under the renewed plans will be considered additional time on the prior plans, and the renewed 7 year plans will be terminated. That additional time on the prior plans will not count towards the twelve (12) month extension period of Option 18.
- (B) Upon expiration of the initial twelve (12) month extension period under this Option 18, the customer has the option to subscribe for up to two (2) additional 12 month extension periods. Each extension period must meet the Order Requirements set forth in Section 32.10.4(B) preceding. Upon final expiration of the extension periods under this Option 18, the customer has the option to subscribe to any then offered service discount plan or continue service at the prevailing month-to-month rates set forth in Sections 30.7 and 31.7 preceding.

32.10.6 Minimum Service Period and Termination Liability

For each twelve (12) month extension period, the minimum service period is six (6) months. If the customer terminates Option 18 within the minimum service period of any extension period, a termination liability equal to the applicable monthly rate will apply for the balance of the minimum service period.

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32. Contract Tariffs (Cont'd)32.11 Contract Tariff Option 2132.11.1 Scope

Contract Tariff Option 21 (Option 21) is an offering exclusively for customers subscribing to IntelliBeam Entrance Facility (IEF) Special Access Services as set forth in Section 26.1.4 preceding at fifteen (15) or more different customer designated premises within the Metropolitan Statistical Areas (MSAs) of this tariff.

32.11.2 Eligibility

To be eligible for Option 21, a customer must meet all of the following criteria:

- (A) During the Subscription Period (as defined in Section 32.11.2(B) following), the customer must subscribe to a minimum of fifteen (15) IEF Services at a minimum of fifteen (15) different customer designated premises (Minimum System Commitment) that are either:
 - (1) new IEF Services installed pursuant to this Option 21. For purposes of meeting the Minimum Commitment set forth in this Section 32.11.2(A), a new IEF Service cannot be an existing IEF Service that was disconnected from another contract option, discount plan, or tariff arrangement and ordered under this Option 21 in order to include that service in this option; or
 - (2) IEF Services that were installed under Contract Tariff Option 17 (Option 17) and converted to this Option 21 pursuant to the terms and conditions set forth in this Option 21 and the Prior Contract Tariffs. For purposes of this Section 32.11.2, "conversion" shall mean migration of IEF Services purchased under Prior Contract Tariffs to this Option 21 without any disconnection of the actual IEF Service; or
 - (3) a combination of new and converted IEF Services.

Each IEF Service was configured to include a Fractional OC48 Interface and twelve (12) or more STS1 Terminations (Minimum STS1 Commitment). The Minimum STS1 Commitment together with the Minimum System Commitment shall be referred to as the Minimum Commitment. Under this Option 21, an STS1/51.84 Mbps Termination with a Fractional OC48 Interface IEF Service shall be referred to as an STS1 Termination.

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32. Contract Tariffs (Cont'd)32.11 Contract Tariff Option 21 (Cont'd)32.11.2 Eligibility (Cont'd)

- (B) Customers must subscribe to this Option 21 within the sixty (60) day period beginning January 11, 2005 and ending March 12, 2005 (Subscription Period). Unless the customer is converting IEF Services from the Prior Contract Tariffs to this Option 21 as set forth in Section 32.11.2(A) preceding, all orders for the Minimum Commitment of new IEF Services was placed during the Subscription Period. If the customer is converting IEF Services from the Prior Contract Tariffs to this Option 21 as set forth in Section 32.11.2(A) preceding, then all such conversions was completed prior to the end of the Subscription Period.
- (C) With the exception of subscribing to a Commitment Discount Plan as set forth in Section 25 preceding or another contract tariff option which provides a credit or discount based upon the achievement of certain total revenue as set forth in this tariff the customer may not subscribe to any other discount plan, contract tariff option, Individual Case Basis arrangement, specialized service arrangement, or other offering offered by the Telephone Company under in this tariff.
- (D) Any customer that qualified for this option with a predecessor company will qualify for this Option with the Telephone Company. Notwithstanding anything in this Option to the contrary, no minimum subscriptions will be required for any customer that qualified for this option with a predecessor company.#

(N)
|
(N)32.11.3 Service Period and Termination Liability(A) Service Period and Term

Subject to (1) any time-in-service credit as set forth in Section 32.11.3(B) following, (2) any ability to terminate the IEF Services as set forth in Section 26.1.4 preceding or in Section 32.11.3(D) following, or (3) any termination pursuant to Section 32.11.6(E) following, the Service Period of each IEF Service under this Option 21 shall be for a period of five (5) years from the date that the IEF Service is in-service (Service Period).

- # FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract.

(N)
|
(N)

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32. Contract Tariffs (Cont'd)32.11 Contract Tariff Option 21 (Cont'd)32.11.3 Service Period and Termination Liability (Cont'd)(A) Service Period (Cont'd)

- (1) The Service Period of any individual STS1 Terminations shall be the same as the Service Period of the IEF Service with which it is associated, provided that, when an additional STS1 is added to an existing IEF Service, there are at least twelve (12) months remaining in the Service Period of the IEF Service with which an STS1 Termination is associated as set forth in Section 26.1.4(D)(3) preceding.
- (2) The term of this Option 21 shall be the five (5) year period beginning January 11, 2005 (Term). New IEF Services may be added during the Term in accordance with the terms of this Option 21. The Minimum Period obligations, set forth in Section 32.11.3(C) following, are separate from and in addition to the Service Period.

(B) Time-In-Service Credit

Credit for actual time-in-service will be granted towards the Service Period for each IEF Service previously established under the Prior Contract Tariffs and converted to this Option 21 pursuant to the terms and conditions set forth in this Option 21 and the Prior Contract Tariff Options. The amount of time-in-service credit granted will be equal to the actual time that the IEF Service was in-service under the Prior Contract Tariffs.

(C) Minimum Period

Subject to any termination pursuant to Section 32.11.6 following, the customer must maintain each STS1 Termination in-service for a minimum period as set forth in Sections 32.11.3(C)(1) and (2) following (Minimum Period):

- (1) In any month during the Term where the customer has met its Minimum STS1 Commitment in that month on the IEF Service associated with such STS1 Termination, the Minimum Period is six (6) months for each STS1 Termination associated with such IEF Service.
- (2) In any month during the Term where the customer has not met its Minimum STS1 Commitment in that month on the IEF Services associated with such STS1 Terminations, the Minimum Period is twelve (12) months for each STS1 Termination associated with such IEF Service.

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32. Contract Tariffs (Cont'd)32.11 Contract Tariff Option 21 (Cont'd)32.11.3 Service Period and Termination Liability (Cont'd)(C) Minimum Period (Cont'd)

If an IEF Service is terminated during the Minimum Period in accordance with Section 32.11.6 following, the Minimum Period obligation set forth in Sections 32.11.3(C)(1) and (2) preceding shall not apply. Failure to meet the 6-month Minimum Period for any STS1 Termination, as set forth in Section 32.11.3(C)(1) preceding, shall result in assessment of Minimum Period charges equal to the monthly rate as set forth in Section 32.11.8 following for the unexpired portion of the 6-month Minimum Period which has not been satisfied by the customer. Failure to meet the 12-month Minimum Period for any STS1 Termination, as set forth in Section 32.11.3(C)(2) preceding, shall result in assessment of Minimum Period charges as set forth in Section 32.11.3(C) preceding for the unexpired portion of the 12-month Minimum Period which has not been satisfied by the customer. Minimum Period obligations as set forth in this Section 32.11.3 are separate from and in addition to any termination liability that may apply.

(D) Termination Liability

Sections 32.11.3(D)(1) through (D)(5) following set forth the terms and conditions relating to the application of termination liability when the customer has not established a CDP, or has not included IEF Services in such CDP. Section 32.11.3(D)(6) following sets forth the terms and conditions relating to the application of termination liability when the customer has established a CDP and has included IEF Services in such CDP.

(1) Ramp-Up Period

During the Ramp-Up Period (as defined in this Section 32.11.3(D)(1)), termination liability as set forth in Sections 32.11.3(D)(2) through (D)(6) following shall not be applied to any disconnected IEF Services if the customer has not met the Minimum STS1 Commitment during such period. During the Ramp-Up Period, the customer is offered relief from termination liability only, and not from any other terms and conditions of this Option 21, including any corresponding rate adjustments as a result of not having met the Minimum STS-1 Commitment as set forth in Section 32.11.5(C) following. Minimum Period obligations set forth in Section 32.11.3(C) preceding shall continue to apply during the Ramp-Up Period. Any termination liabilities or shortfall penalties that may otherwise be applicable under CDP as set forth in Section 32.11.3(D)(6) following or in Section 25 preceding shall continue to apply during the Ramp-Up Period. After July 1, 2005, and regardless of whether the customer has met the Minimum Commitment, termination liability shall be applied as set forth in this Option 21. The Ramp-Up Period shall mean the time period beginning January 11, 2005 to the earlier of (i) July 1, 2005 or (ii) the date that the customer reaches the Minimum Commitment.

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32. Contract Tariffs (Cont'd)32.11 Contract Tariff Option 21 (Cont'd)32.11.3 Service Period and Termination Liability (Cont'd)(D) Termination Liability (Cont'd)(2) General

Subject to the restrictions set forth in this Option 21, the customer may terminate an entire IEF Service at one (1) or more locations and/or one or more STS1 Terminations at one (1) or more locations. The General Tariff Rate shall mean the five (5) year monthly recurring rate for the number of STS1 Terminations in-service prior to termination, as set forth in Sections 30.26.4 preceding for Price Band rates and Section 31.26.4 preceding for all other rates as determined by Section 15.2(A) preceding. If termination liability is assessed for any IEF Services (or any STS-Terminations) under this Option 21, then it shall be equal to one hundred percent (100%) of the applicable Minimum Period charges as set forth in Section 32.11.3(C) preceding, and fifteen percent (15%) of the General Tariff Rate for each of the remaining months in the Service Period beyond the Minimum Period, if applicable. This calculation shall apply in lieu of the termination liability calculation set forth in Section 26.1.4(E) preceding.

(3) Relief from Termination Liability

The customer shall be relieved of termination liability calculated in accordance with Section 32.11.3(D)(2) preceding if, after giving effect to the proposed terminations of the specific STS1 Termination(s), the customer has in-service the Minimum Commitment of IEF Services and STS1 Terminations. If the customer has not met the Minimum Commitment, termination liability shall apply to all terminated IEF Services and STS-1 Terminations which are below the Minimum Commitment. The Minimum Commitment may be reduced in accordance with Sections 32.11.3(D)(4) and (D)(5) following, and such reduced Minimum Commitment shall be used in calculating termination liability as set forth in this Option 21.

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32. Contract Tariffs (Cont'd)32.11 Contract Tariff Option 21 (Cont'd)32.11.3 Service Period and Termination Liability (Cont'd)(D) Termination Liability (Cont'd)(4) Termination Liability Applicable to Chronic Service Outages

If the customer has exercised its right to terminate pursuant to Section 32.11.6 following, and subsequently seeks to terminate other STS1 Terminations for reasons other than as set forth in Section 32.11.6 following, then the terms of this Section (D)(4) shall apply. The customer shall be relieved of termination liability if, after giving effect to the proposed terminations of the specific IEF Service(s) or STS1 Termination(s), the customer has in-service the Minimum Commitment of IEF Services and STS1 Terminations less the total number of IEF Services terminated in accordance with Section 32.11.6 following. This reduced number of IEF Services, locations, and associated STS1 Terminations represents a new Minimum Commitment under this Option 21 and shall be used to calculate termination liability. If the customer has not met the new Minimum Commitment as set forth in this Option 21, termination liability shall apply to all terminated IEF Services and STS1 Terminations which are below such new Minimum Commitment.

(5) Termination Liability Applicable to Conversion of IEF Services to Optical Services

If the customer seeks to terminate an IEF Service in order to convert such IEF Service to an Optical Service (as defined in Section 32.11.3(D)(5)(a) following), the terms of this Section 32.11.3(D)(5) shall apply.

- (a) For purposes of this Section 32.11.3(D)(5), an Optical Service shall mean any Telephone Company-provided service that is designated as an optical service under this tariff.
- (b) The customer shall be allowed to disconnect an IEF Service under this Option 21 and install a new Optical Service without assessment of termination liability in accordance with Section 32.11.3(D)(3) preceding, provided that all of the following conditions are met:

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32. Contract Tariffs (Cont'd)32.11 Contract Tariff Option 21 (Cont'd)32.11.3 Service Period and Termination Liability (Cont'd)(D) Termination Liability (Cont'd)(5) Termination Liability Applicable to Conversion of IEF Services to Optical Services
(Cont'd)

(b) (Cont'd)

- (1) The new Optical Service is installed at the same location as the existing IEF Service;
 - (2) The total bandwidth capacity of the Optical Service is equal to or greater than the bandwidth capacity of the IEF services being disconnected (i.e., the new Optical Service is an OC-48 or greater bandwidth service);
 - (3) The customer commits the Optical Service to a new term plan or commitment period which has an expiration date that is beyond the expiration date of the discontinued IEF Service; and
 - (4) The customer must terminate the entire IEF Service and all STS1 Terminations associated therewith. Partial terminations of an IEF Service or termination of one or more STS1 Terminations are not permitted under this Section 32.11.3(D)(5).
 - (5) The customer must submit order(s) for the disconnect of the IEF Service and the installation of the new Optical Service, such that the installation date of the Optical Service is within ninety (90) days of the disconnection of the IEF Service. The orders was related by related purchase order number (RPON).
- (c) If all of the requirements of Section 32.11.3(D)(5)(a) and (b) preceding are met, then the customer shall be relieved of termination liability if, after giving effect to the proposed terminations of the specific IEF Service(s) or STS1 Termination(s), the customer has in-service the Minimum Commitment of IEF Services and STS1 Terminations less the total number of IEF Services terminated in accordance with this Section 32.11.3(D)(5) in order to convert such IEF Services to an Optical Service. This reduced number of IEF Services, locations, and associated STS1 Terminations represents a new Minimum Commitment under this Option 21 and shall be used to calculate termination liability. If the customer has not met the reduced Minimum Commitment as set forth in this Section 32.11.3(D)(5), termination liability shall apply to all terminated IEF Services and STS1 Terminations which are below such reduced Minimum Commitment.

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32. Contract Tariffs (Cont'd)32.11 Contract Tariff Option 21 (Cont'd)32.11.3 Service Period and Termination Liability (Cont'd)(D) Termination Liability (Cont'd)(5) Termination Liability Applicable to Conversion of IEF Services to Optical Services
(Cont'd)

The following examples illustrate the application of termination liability under this Option 21.

Example 1

Assume the following apply:

- Customer has 20 IEF Services at 20 different locations
- Each IEF Service has 15 STS1 Terminations
- Customer has satisfied the Minimum Period on all IEF Services and all STS1 Terminations
- None of the IEF Services have experienced any Qualifying Service Outage under Section 32.11.6 following

Assume customer terminates the following:

- 4 IEF Services at 4 different locations including all of their associated STS1 Terminations
- 5 of the 15 STS1 Terminations on a 5th IEF Service at a fifth location

Application of Termination Liability and Rates

After giving effect to the proposed terminations, the customer has in service 16 IEF Services at 16 different locations; 15 of the 16 IEF Services have 15 STS1 Terminations associated with each IEF Service. The 16th IEF Service has 10 STS1 Terminations.

The customer would not incur termination liability for disconnecting the 4 IEF Services and their associated STS1 Terminations, or for disconnecting the 5 STS1 Terminations on the 5th IEF Service, since the customer continues to meet the Minimum Commitment.

However, the customer no longer meets the Minimum STS1 Commitment of 12 STS1 Terminations on the 5th IEF Service as that 5th IEF Service has only 10 remaining STS1 Terminations (15 STS1 Terminations less 5 STS1 Termination disconnected equals 10 remaining STS1 Terminations). The customer no longer receives the Option 21 discount set forth in Section 32.11.8 following on the 5th IEF Service due to its failure to meet the Minimum STS1 Commitment on such IEF Service. In lieu of the discounted rates set forth in Section 32.11.8 following, the customer will receive the General Tariff Rate per STS1 on the 5th IEF Service.

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32. Contract Tariffs (Cont'd)32.11 Contract Tariff Option 21 (Cont'd)32.11.3 Service Period and Termination Liability (Cont'd)(D) Termination Liability (Cont'd)(5) Termination Liability Applicable to Conversion of IEF Services to Optical Services
(Cont'd)Example 2

Assume the following apply:

- Customer has 20 IEF Services at 20 different locations
- Each IEF Service has 15 STS1 Terminations
- Customer has satisfied the Minimum Period on all IEF Services and all STS1 Terminations
- None of the IEF Services have experienced any Qualifying Service Outage under Section 32.11.6 following

Assume customer terminates the following:

- In month 15 of the Service Period, the customer terminates 5 IEF Services at 5 different locations including all of their associated STS1 Terminations
- In month 20 of the Service Period, the customer terminates 5 of the 15 STS1 Terminations on a 6th IEF Service at a 6th location

Application of Termination Liability and Rates

Disconnections in Month 15 of the Service Period: After giving effect to the proposed terminations in month 15 of the Service Period, the customer has in service 15 IEF Services at 15 different locations; each of the IEF Services has 15 STS1 Terminations associated with each IEF Service. The customer would not incur termination liability on any of the 5 IEF Services or their associated STS1 Terminations that were disconnected in month 15 of the Service Period since the customer continued to meet the Minimum Commitment.

Disconnections in Month 20: After giving effect to the proposed terminations in month 20 of the Service Period, the customer has in service 15 IEF Services at 15 different locations; 14 of the 15 IEF Services have 15 STS1 Terminations associated with each IEF Service. The 15th IEF Service has 10 STS1 Terminations. The customer would incur termination liability on 2 of the 5 STS1 Terminations that were disconnected from the 15th IEF Service since the customer is no longer meeting the Minimum Commitment. Although the customer has met the Minimum System Commitment (15 systems at 15 different locations remaining), the customer no longer meets the Minimum STS1 Commitment on the 15th IEF Service and is therefore subject to termination liability on the number of disconnected STS1 Terminations that are below the Minimum STS1 Commitment of 12 (15 STS1 Terminations less 5 STS1 Terminations disconnected equals 10 remaining STS1 Terminations which is 2 STS1 Terminations below the Minimum STS1 Commitment).

(TR 1)

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32. Contract Tariffs (Cont'd)32.11 Contract Tariff Option 21 (Cont'd)32.11.3 Service Period and Termination Liability (Cont'd)(D) Termination Liability (Cont'd)(5) Termination Liability Applicable to Conversion of IEF Services to Optical Services
(Cont'd)Example 2 (Cont'd)Calculation of Termination Liability

The termination liability for the 2 STS1 Terminations is calculated at 15% of the monthly recurring charges for the remainder of the five-year Service Period and is equal to \$4,428.00 (\$369 x 15% x 40 months x 2 STS1 Terminations). In the above calculation, the monthly rate of \$369 is the General Tariff Rate, and the rate band used (Rate Band 15) will be the one associated with the number of STS1 Terminations prior to giving effect to the termination of STS1s. The 15th IEF Service will not receive the discounted rate set forth in Section 32.11.8 following and shall instead receive the General Tariff Rate.

Example 3

Assume the following apply:

- Customer has 20 IEF Services at 20 different locations
- Each IEF Service has 15 STS1 Terminations
- Customer has satisfied the Minimum Period on all IEF Services and all STS1 Terminations

Assume customer terminates the following:

- In month 14 of the Service Period, the customer terminated 1 IEF Service and all of its STS1 Terminations in accordance with Section 32.11.6 following.
- In month 15 of the Service Period the customer terminates 6 additional IEF Services and all of their STS1 Terminations at 6 different locations.

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32. Contract Tariffs (Cont'd)32.11 Contract Tariff Option 21 (Cont'd)32.11.3 Service Period and Termination Liability (Cont'd)(D) Termination Liability (Cont'd)(5) Termination Liability Applicable to Conversion of IEF Services to Optical Services
(Cont'd)Example 3 (Cont'd)Application of Termination Liability and Rates

Disconnections in Month 14 of the Service Period: After giving effect to the proposed terminations in month 14 of the Service Period, the customer has in service 19 IEF Services at 19 different locations; each of the IEF Services have 15 STS1 Terminations associated with each IEF Service. Termination under Section 32.11.6 following reduces the Minimum System Commitment for each IEF terminated under such provision. As a result, the customer's new Minimum System Commitment in this Example 3 is reduced to 14 IEF Services at 14 different locations. There is no effect on the Minimum STS1 Commitment due to this disconnection. The customer would not incur termination liability on the disconnection of the IEF Service and its associated STS1 Terminations in accordance with Section 32.11.6 following.

Disconnections in Month 15 of the Service Period: After giving effect to the proposed terminations in month 15 of the Service Period, the customer has in service 13 IEF Services at 13 different locations; each of the IEF Services have 15 STS1 Terminations associated with each IEF Service. Although each remaining IEF Service meets its individual Minimum STS1 Commitment, the customer is below the new Minimum System Commitment of 14 IEF Services at 14 different locations, and is therefore subject to termination liability for disconnection of one (1) Service prior to the end of the applicable Service Period.

Calculation of Termination Liability

The termination liability for the 1 IEF Service that is below the Minimum System Commitment applies as termination liability on 12 of the 15 STS1 Terminations on that IEF Service. Termination liability on the 12 STS1 Terminations is calculated at 15% of the monthly recurring charges for the remainder of the five-year Service Period and is equal to \$29,889.00 ($\$369 \times 15\% \times 45 \text{ months} \times 12 \text{ STS1 Terminations}$ associated with the one IEF Service below the Minimum Commitment). In the above calculation, the monthly rate of \$369 is the General Tariff Rate, and the rate band used (Rate Band 15) will be the one associated with STS1 Terminations prior to giving effect to the termination of STS1s.

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32. Contract Tariffs (Cont'd)32.11 Contract Tariff Option 21 (Cont'd)32.11.3 Service Period and Termination Liability (Cont'd)(D) Termination Liability (Cont'd)(6) Termination Liability Provisions When IEF Service is Included in CDP

If the customer has subscribed to CDP and has included IEF Services in CDP, then termination liability under this Option 21 is only applicable when the customer discontinues all IEF Services under CDP or cancels the CDP for its IEF Services. The customer may disconnect individual IEF Services or STS1 Terminations associated with an IEF Service without the application of termination liability as specified in Sections 32.11.3(D)(1) through (D)(5) preceding. To the extent that such termination results in a reduction to the equivalent capacity under the customer's CDP, the customer shall be liable for the application of any shortfall penalty under CDP.

32.11.4 Serving Area

The IEF Service (and all credits, discounts, rates, and charges associated therewith) will be provided only in the MSAs that have achieved Phase I or Phase 2 pricing flexibility under this tariff. Wire centers for the Phase II MSAs are listed in Section 15.2 preceding of this tariff. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 15.2 preceding) that occur during the Service Period of this Option 21 will apply.

32.11.5 Terms and Conditions

- (A) Except as set forth under this Option 21, the terms and conditions of Section 26.1.4 preceding, shall apply to the IEF Services and connection of other services to the IEF Service. Other services required to provide IEF (for example, special construction) will be provided in accordance with the rates and regulations set forth preceding in this tariff.
- (B) Additional IEF Services may be ordered under this Option 21 during the Term of Option 21. Each additional IEF Service must include a Fractional OC48 Interface and the Minimum STS1 Commitment and is subject to all of the terms and conditions set forth in this Option 21 and in Section 26.1.4 preceding, as applicable. Upon expiration of the Term of Option 21, all IEF Services then currently in-service shall continue to remain subject to the terms and conditions of this Option 21 until the end of the applicable Service Period for each such IEF Service.

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32. Contract Tariffs (Cont'd)32.11 Contract Tariff Option 21 (Cont'd)32.11.5 Terms and Conditions (Cont'd)

- (C) During the Service Period, the rate for STS1 terminations as set forth in Section 32.11.8 following will apply, subject to any limitations as set forth in this Option 21. These rates and charges apply on a recurring monthly basis for each STS1 Termination on each IEF Service. A nonrecurring charge also applies for each STS1 termination installed on each IEF Service. During any month of the Service Period (including during the Ramp-Up Period), if the customer does not maintain the Minimum STS1 Commitment in connection with each IEF Service, the rate per in-service STS1 Termination on the affected IEF Service(s) for that month will be the General Tariff Rate per STS1 Termination in lieu of the monthly rate per STS1 Termination set forth in Section 32.11.8 following.

As an illustrative example, assume that the customer has 10 IEF Services at 10 different locations. Of such 10 IEF Services, 7 IEF Services have 15 STS1 Terminations associated with each IEF Service, but the remaining 3 IEF Services have 8 STS1 Terminations associated with each such IEF Service. Assume further that all IEF Services in this example are in month 3 of the Service Period (i.e., during the Ramp-Up Period). Then, the customer will be charged the General Tariff Rate for the 3 IEF Services which are below the Minimum STS1 Commitment. The other 7 IEF Services will be charged the rate set forth in Section 32.11.8 following in lieu of the General Tariff Rate. During month 3 of the Service Period, the Minimum Period for the 7 IEF Services which have met the Minimum STS-1 Commitment is 6 months, and the Minimum Period for the 3 IEF Services which have not met the Minimum STS-1 Commitment is 12 months.

- (D) If the customer chooses to convert any existing services that it currently purchases to IEF Services, the terms and conditions of such services (including any applicable termination liability) shall apply.
- (E) Upon expiration of the Service Period for each IEF Service, the terms and conditions set forth in Section 26.1.4 preceding will apply to the IEF Service.

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32. Contract Tariffs (Cont'd)32.11 Contract Tariff Option 21 (Cont'd)32.11.6 Chronic Service Outage

- (A) Option 21 provides options to the customer in the event that the same IEF Service is in a Chronic Condition and meets the other requirements of this Section 32.11.6. The options available to the customer under this Section 32.11.6 apply in addition to any credit for service interruption that the customer may be eligible for under Section 2.4.4(B)(10) preceding.
- (B) Definitions
 - (1) Qualifying Service Outage – the term “Qualifying Service Outage” shall mean an interruption of service which is a continuous sixty (60) minutes or more in duration and which renders the IEF Service inoperable due to failure of any portion of the IEF Service that is under the control of the Telephone Company. For purposes of determining the duration that the IEF Service was interrupted, a Qualifying Service Outage begins when the customer notifies the Telephone Company that service is inoperable, and ends when the Telephone Company determines that service is operable. The Condition that renders IEF inoperable is determined by the Telephone Company.
 - (2) Condition – the term “Condition” under this Option 21 denotes one of the prescribed reasons for a Qualifying Service Outage as determined by the Telephone Company after analysis of the trouble reports in its trouble ticketing service.
 - (3) Chronic Condition – the term “Chronic Condition” under this Option 21 denotes an individual IEF Service which experiences two (2) or more Qualifying Service Outages that are due to the same Condition and that occur within the same consecutive thirty (30) calendar day period.

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32. Contract Tariffs (Cont'd)32.11 Contract Tariff Option 21 (Cont'd)32.11.6 Chronic Service Outage (Cont'd)

(C) Determination of A Chronic Condition

- (1) The customer must request credit for a Chronic Condition by submitting a written request to the Telephone Company within thirty (30) calendar days of the last Qualifying Service Outage (Chronic Outage Notification). The Chronic Outage Notification must include all relevant information about the Qualifying Service Outage to allow the Telephone Company to verify that a Chronic Condition exists, including any circuit identification number(s) for each circuit affected by the Qualifying Service Outage. Failure to provide all requested information will delay the Telephone Company's response and any available remedies as set forth in Section 32.11.6(E) following.
- (2) Within two (2) business days of receiving the customer's complete and accurate Chronic Outage Notification, the Telephone Company will provide the customer with written acknowledgement of receipt of the Chronic Outage Notification.
- (3) No later than five (5) business days following receipt of the customer's complete and accurate Chronic Outage Notification, the Telephone Company will provide written notice to the customer as to whether or not it can confirm that the IEF Service is in a Chronic Condition (Telephone Company Notice).

(D) Cure Period and Additional Review Period

- (1) Once the IEF Service is in a Chronic Condition as determined by Section 32.11.6(C) preceding, a Cure Period of fifteen (15) calendar days commences (Cure Period). The Cure Period is the time during which the Telephone Company will attempt to correct the Chronic Condition on the affected IEF Service.
- (2) If, during the Cure Period the IEF Service experiences one or more subsequent Qualifying Service Outage(s) due to the same Condition as the prior two (2) Qualifying Service Outages that caused the Chronic Condition, the provisions set forth in Section 32.11.6(E) following apply. If, during the Cure Period the IEF Service does not experience any additional Qualifying Service Outages due to the same Condition as the prior two (2) Qualifying Service Outages that caused the Chronic Condition, the provisions set forth in Section 32.11.6(E) following are not applicable.

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32. Contract Tariffs (Cont'd)32.11 Contract Tariff Option 21 (Cont'd)32.11.6 Chronic Service Outage (Cont'd)

(D) Cure Period and Additional Review Period (Cont'd)

- (3) If, within the first sixty (60) calendar days following the Cure Period, the IEF Service experiences one or more subsequent Qualifying Service Outage(s) due to the same Condition as the prior two (2) Qualifying Service Outages that caused the Chronic Condition, the provisions set forth in Section 32.11.6(E) following apply. If, within the first 60 calendar days following the Cure Period, the IEF Service does not experience any additional Qualifying Service Outages due to the same Condition as the prior two (2) Qualifying Service Outages that caused the Chronic Condition, the provisions set forth in Section 32.11.6(E) following are not applicable.

(E) Remedies

When an IEF Service that is in a Chronic Condition experiences one or more additional Qualifying Service Outage(s) during the Cure Period or within the first 60 calendar days following the Cure Period resulting from the same Condition as the prior two (2) Qualifying Service Outages that caused the Chronic Condition, the customer has the following options:

- (1) Elect Option 1 or Option 2 as set forth below.
- (a) Option 1. Retain the IEF Service that is in a Chronic Condition. In this case, the customer will remain responsible for all terms and conditions and rates and charges applicable under this Option 21. When the customer elects this option for an IEF Service, such IEF Service is not eligible for any additional remedies or rights under this Section 32.11.6, other than the CDP Commitment Reduction Option as set forth in Section 32.11.6(E)(2) following.
- (b) Option 2. Terminate the IEF Service that is in a Chronic Condition. The customer must terminate the entire IEF Service and all STS1 Terminations associated therewith. Partial terminations of an IEF Service or termination of one (1) or more STS1 Terminations are not permitted under this Section 32.11.6(E). Termination must occur within ninety (90) calendar days of the Telephone Company Notice that the IEF Service is experiencing a Chronic Condition. Termination under this Section 32.11.6(E)(1) will not incur charges for failure to satisfy the Minimum Period obligation or any termination liability associated with the affected IEF Service(s) as they may apply in this Option 21 and other sections of this tariff. The customer is responsible for issuance of the necessary access orders to terminate the service. When the customer elects this option, other services that utilize STS1 Terminations for transport within the affected IEF Service are not relieved of their minimum period obligations, termination liability, or shortfall penalty, as they may apply for the specific service(s) involved.

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32. Contract Tariffs (Cont'd)32.11 Contract Tariff Option 21 (Cont'd)32.11.6 Chronic Service Outage (Cont'd)

(E) Remedies (Cont'd)

- (2) CDP Commitment Reduction Option: In addition to the election of Option 1 or 2 preceding, a customer enrolled in a current CDP, pursuant to Section 25 preceding of this tariff, has the option to reduce the minimum commitment of DS0 equivalents in CDP by the lesser of:
- (a) the total number of DS0 equivalents that subtend an IEF Service(s) that are eligible for remedies as set forth in this Section 32.11.6 preceding; or
 - (b) 192 DS3-equivalents (a DS3 equivalent being 672 DS0s or 28 DS1s).

The customer must include IEF Services in its CDP in order to be eligible for this option. In each case, the customer shall not be liable for any shortfall charges under the CDP to the extent the customer meets the reduced minimum commitment under the CDP (i.e., the commitment reduced by the applicable number of DS-x equivalent circuits attributable to the IEF Service that is eligible for remedies as set forth in this Section 32.11.6(E)).

When Option 1 is selected along with the CDP Commitment Reduction Option, the IEF Service that is eligible for remedies as set forth in this Section 32.11.6(E) will continue to receive the discounted pricing it was eligible for under the current CDP. If such IEF Service is part of CDP where all IEF Services are aggregated, other IEF facilities which are part of such CDP but are not in a Chronic Condition will continue to receive the discounted pricing consistent with the original commitment level on that CDP (i.e., the commitment prior to the reductions described in Section 32.11.6(E)).

32.11.7 Exceptions

The remedies set forth in Section 32.11.6(E) preceding will not apply in the following instances.

- (A) Interruptions, failures, or delays in service resulting from DC power, equipment, service, or services not under the sole responsibility of the Telephone Company.
- (B) Interruptions, failures, or delays in service resulting from customer owned and/or installed equipment.
- (C) Interruptions, failures, or delays in service that occur at any time in which the Telephone Company or its authorized agents, after reasonable attempt to gain access to the customer's premises, are not granted access to such premises where Telephone Company facilities and equipment associated with the provision of IEF Service are terminated.

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32. Contract Tariffs (Cont'd)32.11 Contract Tariff Option 21 (Cont'd)32.11.7 Exceptions (Cont'd)

- (D) Interruptions or delays in service resulting from maintenance, rearrangement of service, or implementation of an order authorized by the customer.
- (E) Interruptions, failures, or delays in service resulting from the customer's refusal to release IEF Service(s) to the Telephone Company or its authorized agents for testing and/or repair, after reasonable attempts by the Telephone Company or its authorized agent to schedule repair with the customer.
- (F) Interruptions, failures, or delays in service due to acts of God or the public enemy, compliance with any order of any governmental authority, acts of terrorism, war, rebellion, insurrection, or sabotage or damage resulting from, fires, floods, earthquakes, unusually severe weather, explosions, washouts, rules and regulations with regard to common carriers, accidents, epidemics, breakdowns, riots, strikes or other concerted acts of its employees, whether direct or indirect, lockouts or other industrial disturbances, whether direct or indirect, worms, viruses or other contaminants that may cause damage to or disable software, computer, or electronic services, or any similar cause, or other causes beyond such party's reasonable control.
- (G) Interruptions, failures, or delays in service during periods of scheduled maintenance and scheduled downtimes where the customer has received prior written (electronic, fax, or paper) notification from the Telephone Company.
- (H) Interruptions resulting from the negligence, gross negligence, willful misconduct, or other act or omission of the customer or other party authorized by the customer to use the service.
- (I) Any other interruptions of the IEF Service due to any of the reasons specified in Section 2.4.4(C) preceding.

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32. Contract Tariffs (Cont'd)32.11 Contract Tariff Option 21 (Cont'd)32.11.8 Rates and Charges

The following rates apply in all operating territories, subject to the customer complying with the terms of this Option 21.

	<u>Monthly Rate</u>	<u>Nonrecurring Charge</u>
Per STS1/51.84 Mbps Termination with a Fractional IEF OC48 IEF Service*		
12	\$343.33	\$1.00
13	342.41	1.00
14	340.58	1.00
15	338.74	1.00
16	337.82	1.00
17	335.99	1.00
18	334.15	1.00
19	333.23	1.00
20	331.40	1.00
21	329.56	1.00
22	327.73	1.00
23	326.81	1.00
24	324.97	1.00
25	323.14	1.00
26	322.22	1.00
27	320.38	1.00
28	318.55	1.00
29	317.63	1.00
30	315.79	1.00
31	313.96	1.00
32	312.12	1.00
33	311.20	1.00
34	309.37	1.00
35	307.53	1.00
36	306.61	1.00
37	304.78	1.00
38	302.94	1.00
39	300.19	1.00
40	296.51	1.00
41	292.84	1.00
42	289.17	1.00
43	285.50	1.00
44	280.91	1.00
45	277.24	1.00
46	273.56	1.00
47	269.89	1.00
48 and over	265.30	1.00

* The Interface is sold separately under Section 30.26.4 preceding for the Price Band rates and in Section 31.26.4 preceding for all other rates.

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32. Contract Tariffs (Cont'd)32.12 Contract Tariff Option 27(A) Scope

Contract Tariff Option 27 (Option 27) is offered for an initial service commitment period of two (2) years and provides a customer with billing credits when it meets certain total billed revenue (TBR) thresholds set forth in (B)(3) following for the qualifying services set forth in (E)(1) following (TBR for qualifying services). Calculation of TBR for qualifying services shall be in accordance with this Option 27.

(B) Eligibility

The customer must meet all of the criteria set forth following in order to be eligible to receive the credits, terms, and conditions under this Option 27.

- (1) A customer subscribes to Option 27 by submitting a written authorization in a manner designated by the Telephone Company or its predecessor during the thirty (30) day period which begins on April 30, 2005 and ends May 30, 2005 (Subscription Period).
- (2) During the twelve (12) month period prior to the commencement of the Initial Service Period (as defined in (C) following), the customer must have achieved a minimum of \$197,500,000 (\$197.5M) in monthly billed recurring revenue for all Qualifying Services (as defined in (E)(1) following) purchased by the customer from the Telephone Company.
- (3) During each year of the Service Period, the customer must achieve a TBR, as described in (B)(4) following, for Qualifying Services (as defined in (E)(1) following) of not less than \$162,500,000 (\$162.5M).
- (4) In order to receive any Billing Credit (as defined (E)(2)(b)(1) following) other than a Billing Credit of \$0, as calculated across this Option 27, the customer must achieve during each year of the Service Period a minimum TBR in Qualifying Service of at least \$197.5M.

The TBR for Qualifying Services shall be calculated using the criteria and mechanism set forth in this Option 27. The amount of the Billing Credits shall vary depending on the level of TBR for Qualifying Services achieved by the customer during the Service Period, and such Billing Credits shall be calculated in accordance with the terms and conditions of this Option 27.

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32. Contract Tariffs (Cont'd)32.12 Contract Tariff Option 27 (Cont'd)(B) Eligibility (Cont'd)

- (5) Other than the Facilities Management Service (FMS) term plan, the customer may not concurrently subscribe to any other Tariff arrangement, contract tariff option, special service arrangement, or Individual Case Basis (ICB) arrangement offered by the Telephone Company, or its predecessor, and available to the customer either currently or at any time during the Service Period, which Tariff arrangement, contract tariff option, special service arrangement, or ICB provides a discount, credit, or other reduction in rates or terms based on achievement of revenue or volume targets/levels by the customer for the Qualifying Services.

- (6) Any customer that qualified for this option with a predecessor company will qualify for this Option with the Telephone Company.# (N)
(N)

(C) Service Period

Unless the customer exercises its right to opt out under Section (E)(4) following, the Initial Service Period of this Option 27 shall be for a period of two (2) years (i.e., 24 months) commencing on May 1, 2005 (Initial Service Period). The Initial Service Period, at the customer's option, be extended for a period of two (2) years (i.e., 24 months) from the end of the Initial Service Period (Extended Service Period, and together with the Initial Service Period, the Service Period). All references to year 1 or the first year of the Service Period shall mean the twelve (12) month period commencing on the first day of the Service Period. All references to year 2 or the second year of the Service Period shall mean the 12 month period commencing on the 366th day of the Service Period, and each twelve (12) month period during the Extended Service Period commencing on May 1, 2007.

- # FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract. (N)
(N)

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32. Contract Tariffs (Cont'd)32.12 Contract Tariff Option 27 (Cont'd)(D) Serving Area

Subject to the restrictions set forth in this Option 27, the calculation of the TBR for Qualifying Services, the Quarterly Credit (as defined in (E)(2)(a) following), and the Billing Credit shall be determined using the customer's purchases of Qualifying Services in all Metropolitan Statistical Areas (MSAs) of this tariff (including both price flex and price cap MSAs). The Quarterly Credit and the Billing Credit will be provided only in the MSAs that have achieved Phase I or Phase II pricing flexibility. Wire centers for the Phase II MSAs are listed in Section 15 of this tariff. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status) as described in this tariff that occur during the Service Period of this Option 27 will apply.

(E) Terms and Conditions(1) Qualifying FMS Services and Qualifying Services(a) Description of Qualifying Services

Qualifying Services will be comprised of the following services:

- (1) Qualifying FMS Services which are any Switched or Special Access FMS Services as set forth in Sections 6.2.12 and 7.2.16 of this tariff, as such sections may be amended from time to time, which FMS Services are billed by the Telephone Company during the Service Period (Qualifying FMS Services); and
- (2) SONET and optical services, as set forth in this tariff (Sections 7, 26, 30, and 31), as such sections may be amended from time to time, which SONET and optical services are newly ordered (as described further below) by the customer (collectively, Qualifying SONET Special Access). For purposes of this Option 27, a newly ordered SONET or optical service must meet one of the following criteria: (1) the SONET or optical service must be newly ordered by the customer and the Telephone Company must bill for such service during the Service Period; or (2) an existing Special Access Service that is not a SONET or optical service must be upgraded by the customer to a SONET or optical service and

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32. Contract Tariffs (Cont'd)32.12 Contract Tariff Option 27 (Cont'd)(E) Terms and Conditions

(1) Qualifying FMS Services and Qualifying Services

(a) Description of Qualifying Services

(2) (Cont'd)

the Telephone Company must bill for such upgraded service during the Service Period (e.g., upgrade of a DS1 or DS3 to a SONET IBT OC3 service), in accordance with the provisions for upgrading the applicable service under this tariff. Any SONET or optical services which have already been in-service prior to April 30, 2005 shall not be considered Qualifying SONET Special Access Services, and any associated revenue shall not be included in the calculation of TBR or the Quarterly Credit.

As an illustrative example of the foregoing, if the customer orders a SONET service in month 12 of year 2 of the Service Period, and the Telephone Company installs and bills for such Qualifying SONET Special Access Service after the end of the Service Period, then such service shall not be considered a Qualifying SONET Special Access Service. Similarly, if the customer receives FMS Switched Access Services from the Telephone Company in April 2005 (i.e., prior to the Effective Date of April 30, 2005), and the Telephone Company bills for such services in month 1 of year 1 of the Service Period, then such FMS services shall be deemed to be Qualifying FMS Services.

- (3) If the Telephone Company introduces a new Qualifying SONET Special Access Service, or an enhancement or change to an existing Qualifying SONET Special Access Service or Qualifying FMS Services in this tariff, then such services shall be automatically included in Qualifying Services. Amounts billed to the customer during the Service Period for such new or enhanced Qualifying Services purchased by the customer shall be included in the calculation of TBR and Quarterly Credits, subject to the terms and conditions set forth in this Option 27.
- (4) All other services purchased by the customer from the Telephone Company or any affiliate of the Telephone Company and not listed in this (E)(1)(a) preceding shall not be eligible for inclusion as Qualifying Services under this Option 27.

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32. Contract Tariffs (Cont'd)32.12 Contract Tariff Option 27 (Cont'd)(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS Services and Qualifying Services (Cont'd)

(b) Revenues Included in Calculation of TBR for the Qualifying Services

The customer's TBR for Qualifying Services shall include only the following:

- (1) MRC (as defined below) amounts which are paid in full by the customer. MRCs shall mean monthly billed recurring revenues, net of any discounts given under existing pricing plans (e.g. FMS discount for Qualifying FMS Services, and discount on Qualifying SONET Special Access services offered for specific commitment periods), if applicable, for the Qualifying Services billed during the Service Period under both this Option 27. For example, if the customer's base rate is \$1000 for SONET Special Access Services, and the customer is eligible to receive a discount of 25% from base rates for agreeing to commit to a 5 year term plan, then the MRC for such Qualifying SONET Special Access Services shall be \$750;
- (2) Cap on Disputed Charges, as such term is more fully defined and explained in (E)(2)(c)(1) following. Disputed Charges shall mean MRCs billed during the Service Period under this Option 27, which amounts are under dispute by the customer and have been paid in full by the customer as of the 60th day following the end of applicable annual period in accordance with (E)(2)(c) following. Amounts which have not been paid in full (regardless of whether or not such amounts are under dispute by the customer) shall not be included in TBR. For purposes of this Option 27, "paid in full" shall mean that the customer paid the billed amount without any offsets or reductions from the billed amount.

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32. Contract Tariffs (Cont'd)32.12 Contract Tariff Option 27 (Cont'd)(E) Terms and Conditions (Cont'd)(1) Qualifying FMS Services and Qualifying Services (Cont'd)(c) Examples of Revenue Not Included in Calculation of TBR for Qualifying Services

TBR for Qualifying Services does not include any revenue other than as set forth in (E)(1)(b) preceding. The following types of charges are an illustrative list and is not intended to be a comprehensive listing of all other charges excluded from the calculation of TBR for Qualifying Services

- (1) non-recurring charges;
- (2) taxes, or other charges imposed by a federal, state, local, or other governmental entity (e.g. Federal Universal Service Fund);
- (3) service or administrative fees or charges imposed by The Telephone Company (e.g. Interest penalty, late payment penalty);
- (4) any other charges which are not applied on a recurring monthly basis;
- (5) credits or adjustments provided by the Telephone Company that apply to any period other than the Service Period and to any services other than the Qualifying Services;
- (6) Shortfall or overage charges associated with term plan true-ups (for example, such as failure to satisfy commitment levels pursuant to the FMS plan);
- (7) minimum period charges;
- (8) any Disputed Charges which are greater than the Cap on Disputed Charges (as defined in (E)(2)(c)(1) following);
- (9) any MRCs which have not been paid in full by the customer and have not been disputed by the customer;
- (10) any MRCs which have not been paid in full by the customer and have been disputed by the customer;
- (11) termination liabilities; or;
- (12) Billing Credits or Quarterly Credits (as defined below) under this Option 27.

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32. Contract Tariffs (Cont'd)32.12 Contract Tariff Option 27 (Cont'd)(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS Services and Qualifying Services (Cont'd)

(c) Examples of Revenue Not Included in Calculation of TBR for Qualifying Services (Cont'd)

As an illustrative example, assume that as of the 60th day following the end of year 1 of the Service Period, the customer has billed amounts for such year 1 equal to the following:

- \$220M of MRCs in Qualifying FMS Services which are not disputed by the customer and paid in full by the customer;
- \$4M of MRCs in new Qualifying SONET Special Access Services, which are not disputed by the customer and paid in full by the customer;
- \$6.5M in non-recurring charges;
- \$2.4M in taxes and surcharges;
- \$1.8M of termination charges for early termination of Qualifying SONET Special Access Services; and
- \$2M in MRCs which have not been paid by the customer and are disputed by the customer; and
- \$8M in Disputed Charges in Qualifying Services.

The TBR for Qualifying Services would be \$228M (calculated as \$220M in MRCs for Qualifying FMS Services plus \$4M in MRCs for Qualifying SONET Special Access Services, plus \$4M (which is the Cap on Disputed Charges, as described in (E)(2)(c)(1) following). The \$2M MRCs which have not been paid by the customer and are disputed by the customer are not Disputed Charges, as defined above, and hence are not included in the calculation of TBR. The other charges are not MRCs and hence are not included in the calculation of TBR for the Qualifying Services.

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32. Contract Tariffs (Cont'd)32.12 Contract Tariff Option 27 (Cont'd)(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS Services and Qualifying Services (Cont'd)

(d) Mergers and Acquisitions of the Customer

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 in addition to any other terms and conditions set forth in this Option 27 and this tariff.

- (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 TBR for Qualifying Services.
- (2) The customer's TBR shall be calculated based on its business and revenue with the Telephone Company using the ACNAs which are mutually agreed to by the customer and the Telephone Company at the time of subscription to this Option 27, without adding the revenues and/or ACNAs attributable to expansion of the customer's purchase of Services from the Telephone Company through merger, transfer, assignment, or acquisition.
- (3) The Telephone Company reserves the right to terminate this Option 27 without liability if the customer does not adhere to the provisions of this (E)(1)(d).

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32. Contract Tariffs (Cont'd)32.12 Contract Tariff Option 27 (Cont'd)(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS Services and Qualifying Services (Cont'd)

(e) Sale of Operating Telephone Company

- (1) If some or all of the assets or stock of a Operating Telephone Company are acquired by an unaffiliated third party (Acquired FP Telco), and the Telephone Company does not provide the Qualifying Services to the customer after such time, then the following terms and conditions shall apply, in addition to any other terms and conditions set forth in this tariff.
 - (a) Each range or tier of the TBR for Qualifying Services set forth in the applicable Table B in (E)(2)(b) following shall be proportionately reduced by the Acquisition Reduction Amount (as defined below);
 - (b) all Billing Credits set forth in the applicable Table B in (E)(2)(b) following shall be reduced by a percentage which shall be calculated by dividing the Acquisition Reduction Amount by \$197.5M; and
 - (c) in calculating the Shortfall Penalty or Termination Liability, as set forth in (E)(3) and (E)(5) following, respectively, the TBR of \$162.5M for Qualifying Services shall be reduced by the Acquisition Reduction Amount as calculated below. For example, if the Acquisition Reduction Amount, as calculated below, is \$10M, then a Shortfall Penalty will not be assessed if the customer has a TBR for Qualifying Services of at least \$152.5M (the minimum TBR for Qualifying Services of \$162.5M less the Acquisition Reduction Amount of \$10M).
- (2) An Acquisition Reduction Amount shall be calculated for the Qualifying Services as follows:
 - (a) calculate the TBR for Qualifying Services, as applicable, purchased by Customer from the Acquired FP Telco during the twelve (12) months prior to the time that the Acquired FP Telco ceases to provide the Services;
 - (b) calculate the average monthly amount purchased by the customer from the Acquired FP Telco by dividing the number in (a) above by 12; and
 - (c) multiply the average monthly amount for Qualifying Services calculated in (b) above by the number of months remaining in the Service Period.

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32. Contract Tariffs (Cont'd)32.12 Contract Tariff Option 27 (Cont'd)(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS Services and Qualifying Services (Cont'd)

(e) Sale of Operating Telephone Company (Cont'd)

- (3) As an illustrative example, assume that an Acquired FP Telco ceased to operate in month three (3) of year 1 of the Service Period. Assume that the customer purchased a total of \$20M of Qualifying Services from the Acquired FP Telco during the twelve (12) months prior to the time that the operating telephone company ceased to provide the Services under this Option 27. Assume also that at the end of year 1 of the Service Period, the customer has achieved a TBR for Qualifying Services of \$207M. To calculate the applicable Billing Credit, or the application of Shortfall Penalty (as defined in (E)(3) following) at the end of each year of the Service Period, the following shall apply:

Step One: calculate the Acquisition Reduction Amounts. The Acquisition Reduction Amount for Qualifying Services is \$15M (calculated as \$1,666,667.00 (\$20M divided by 12) multiplied by 9 months remaining in year 1 of the Service Period).

Step Two: determine the new table for calculation of Billing Credits or Shortfall Penalties based on the Acquisition Reduction Amount. Subtract \$15M (the Acquisition Reduction Amount for Qualifying Services calculated in Step One above) from each range or tier of the TBR for Qualifying Services as set forth in each Table B below. The Billing Credits are not adjusted in this Step Two, and instead are adjusted in Step Three below. This will provide adjusted tiers in Table B for each year of the Service Period for the determination of the Billing Credit or Shortfall Penalty, as applicable. In this example, the adjusted tiers in Table B would yield a Billing Credit of \$18M for the TBR of \$207M achieved by the customer, as such Billing Credit is adjusted by Step Three below.

Step Three: determine the applicable Billing Credits or Shortfall Penalty from the new tiers in Table B calculated in Step Two above. In this example, the Billing Credit set forth in the applicable Table B in (E)(2)(b) following will be reduced by 7.6% (calculated as \$15M divided by \$197.5M). Since in this example, the customer has achieved a TBR for Qualifying Services of \$207M, the customer would be eligible for an annual Billing Credit in the first year of the plan of \$16.633M (\$18M Billing Credit using the adjusted table from Step 2 above less \$1,367,000 (\$18M multiplied by 0.076). All other adjustments to the Billing Credit for Quarterly Credits previously paid in accordance with (E)(2) following shall continue to apply.

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32. Contract Tariffs (Cont'd)32.12 Contract Tariff Option 27 (Cont'd)(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit

(a) Calculation of MRC and the Quarterly Credit

Subject to the terms of this Section (E)(2), the customer is eligible to receive a Quarterly Credit (Quarterly Credit) on a quarterly basis (i.e., a 3 month period), for each of the first three quarters of each year of the Service Period. The Quarterly Credit is not provided in the fourth quarter of any year of the Service Period. In order to be eligible for the Quarterly Credit, the customer's MRC for the Qualifying Services for the applicable quarter was equal to or greater than \$49.375M. If the customer's MRC in a given quarter is less than \$49.375M, but the customer's TBR for Qualifying Services on an annualized basis is greater than \$197.5M, the customer shall still be ineligible for the Quarterly Credit in such quarter. The Quarterly Credit shall be equal to seventy-five percent (75%) of the eligible quarterly credit amount as determined in accordance with the applicable Table A set forth below. The Quarterly Credit shall be credited to the customer's account by the Telephone Company at any time between the 45th day and the 60th day following the end of the applicable quarterly period.

At the end of each of the first three quarters of each year of the Service Period, the Telephone Company shall:

- (1) calculate the total MRC for the Qualifying Services achieved by Customer during the prior three month period, in accordance with the terms and conditions set forth in this Option 27. The terms of (E)(1)(b), (E)(1)(c) and (E)(2)(c) relating to Disputed Charges shall not apply to this quarterly calculation of the Quarterly Credit; and
- (2) calculate the Quarterly Credit for Qualifying Services for such quarter, in accordance with the applicable Table A set forth below (i.e., depending on whether the applicable quarter is in year 1 or year 2 of the Service Period, the appropriate Quarterly Credits set forth in the applicable Table A shall apply).

As an illustrative example, assume that during first quarter of year 1 of the Service Period, the customer achieves an MRC for Qualifying Services of \$56M. In accordance with Table A for year 1 below, the customer would be eligible for a Quarterly Credit of \$3.375M (calculated as $\$4.5\text{M} \times .75 = \3.375M).

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32. Contract Tariffs (Cont'd)32.12 Contract Tariff Option 27 (Cont'd)(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(b) Calculation of the TBR and Billing Credit at the end of each Annual Period

- (1) No later than the 60th day following the end of each year of the Service Period, the Telephone Company shall calculate the total TBR for Qualifying Services achieved by the customer during such year of the Service Period in accordance with the terms and conditions set forth in this Option 27, including Sections (E)(1)(b), (E)(1)(c) and (E)(2)(c). Subject to the terms and conditions relating to disputes as set forth in (E)(2)(c) following, and subject to any reductions and adjustments as set forth herein, the customer shall be eligible to receive the applicable credit set forth in the applicable Table B below (the Billing Credit), which Billing Credit may be \$0 or more depending on the customer's TBR for the Qualifying Services during such year of the Service Period.
- (2) If the customer has not met the minimum TBR for Qualifying Services of \$162.5M in each year of the plan, or the adjusted minimum TBR for the Qualifying Services pursuant to (E)(1)(e) preceding, then the customer shall be liable for the Shortfall Penalty (as defined in (E)(3) following) and shall in addition be required to return all Quarterly Credits previously paid by the Telephone Company during such year of the Service Period.
- (3) If the customer's TBR for Qualifying Services in each year of the plan is \$162.5M or greater but less than \$197.5M (or the corresponding adjusted TBRs pursuant to (E)(1)(e) preceding), then no Shortfall Penalty shall apply, and the customer shall not be eligible for any Billing Credit for such year of the Service Period. In addition, the customer shall be required to return all Quarterly Credits previously paid by the Telephone Company during such year of the Service Period.

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32. Contract Tariffs (Cont'd)32.12 Contract Tariff Option 27 (Cont'd)(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(b) Calculation of the TBR and Billing Credit at the end of each Annual Period (Cont'd)

- (4) The Billing Credit shall be determined by using the applicable Table B below (i.e., depending on whether the TBR and Billing Credit calculation is for year 1 or year 2 of the Service Period, the appropriate TBR and Billing Credits set forth in the applicable Table B shall apply). To calculate the Billing Credit, the Telephone Company shall:
- (a) Locate Customer's TBR for Qualifying Services using the applicable Table B below under the heading "TBR for Qualifying Services (\$M)" and determine the corresponding Billing Credit that the customer is eligible to receive. The TBR for Qualifying Services achieved by the customer during such year of the Service Period is calculated in accordance with the terms and conditions set forth in this Option 27, including Sections (E)(1)(b), (E)(1)(c) and (E)(2)(c);
 - (b) determine the amount of the Quarterly Credits, if any, credited to the customer in the prior three quarters of such year;
 - (c) subtract the total amount, if any, of Quarterly Credits paid in the prior three quarters of such year from the Billing Credit determined in (a) above. If the result is a negative number, then the customer must refund to the Telephone Company the difference between all Quarterly Credits previously credited by the Telephone Company during such year of the Service Period and the Billing Credit as calculated in (a) preceding.

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32. Contract Tariffs (Cont'd)32.12 Contract Tariff Option 27 (Cont'd)(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(b) Calculation of the TBR and Billing Credit at the end of each Annual Period (Cont'd)

The following illustrative examples are presented:

Example 1: Assume that the customer's MRC for Qualifying Services in quarters 1, 2, and 3 of year 1 of the Service Period was \$56M, \$57M, and \$58M, respectively. Based on Table A for year 1 below, Customer would be eligible for a Quarterly Credit of \$3.375M for quarter 1, \$3.75M for quarter 2, and \$3.75M for quarter 3, for a total Quarterly Credit payout of \$10.875M. Assume further that the customer's MRC for Qualifying Services for the fourth quarter was \$59M. Thus, for year 1 of the Service Period, the total MRC for Qualifying Services is \$230M (which amount is equal to the sum of all of the MRCs for Qualifying Services for all four quarters). Assume further that after the resolution of certain credits and disputes in accordance with Sections (E)(1)(b), (E)(1)(c), and (E)(2)(c), the TBR for Qualifying Services for year 1 of the Service Period was \$225M. In Table B for year 1 of the Service Period below, a TBR for Qualifying Services of \$225M would be eligible for a Billing Credit of \$18M. Since the customer already received \$10.875M as Quarterly Credits during the first three quarters of year 1 of the Service period, the customer would be eligible for a final Billing Credit of \$7.125M (\$18M less \$10.875M = \$7.125M).

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32. Contract Tariffs (Cont'd)32.12 Contract Tariff Option 27 (Cont'd)(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(b) Calculation of the TBR and Billing Credit at the end of each Annual Period (Cont'd)

Example 2: Assume that the customer's MRC for Qualifying Services in quarters 1, 2, and 3 of year 1 of the Service Period was \$48M, \$50M, and \$58M, respectively. Based on Table A for year 1 below, and in accordance with this Option 27, the customer would be eligible for a Quarterly Credit of \$0 for quarter 1, \$937,500 for quarter 2, and \$3.75M for quarter 3, for a total Quarterly Credit payout of \$4.69M. Assume further that the customer's MRC for Qualifying Services for the fourth quarter was \$40M. Thus, for year 1 of the Service Period, the total MRCs billed for Qualifying Services is \$196M (which amount is equal to the sum of all of the MRCs for Qualifying Services for all four quarters for year 1 of the Service Period). Assume further that after the resolution of certain credits and disputes in accordance with Sections (E)(1)(b), (E)(1)(c), and (E)(2)(c), the TBR for Qualifying Services for year 1 of the Service Period is \$190M. In Table B for year 1 of the Service Period below, a TBR for Qualifying Services of \$190M would be eligible for a Billing Credit of \$0. Since the customer already received \$4.69M as Quarterly Credits during the first three quarters of year 1 of the Service period, the Customer would not be eligible for any Billing Credits, and would be required to refund to the Telephone Company the Quarterly Credits credited during the first three quarters of year 1 of the Service Period (i.e., refund the \$4.69M).

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32. Contract Tariffs (Cont'd)32.12 Contract Tariff Option 27 (Cont'd)(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(b) Calculation of the TBR and Billing Credit at the end of each Annual Period (Cont'd)

Example 3: Assume that the customer's MRC for Qualifying Services in quarters 1, 2, and 3 of year 1 of the Service Period was \$57M, \$58M, and \$59M, respectively. Based on Table A for year 1 below, and in accordance with this Option 27, the customer would be eligible for a Quarterly Credit of \$3.75M for each of quarters 1, 2, and 3, for a total Quarterly Credit payout of \$11.25M. Assume further that the customer's MRC for Qualifying Services for the fourth quarter was \$40M. Thus, for year 1 of the Service Period, the total MRCs billed for Qualifying Services is \$214M (which amount is equal to the sum of all of the MRCs for Qualifying Services for all four quarters of year 1 of the Service Period). Assume further that after the resolution of certain credits and disputes in accordance with Sections (E)(1)(b), (E)(1)(c), and (E)(2)(c), the TBR for Qualifying Services for year 1 of the Service Period is \$214M. In Table B for year 1 of the Service Period below, a TBR for Qualifying Services of \$214M would be eligible for a Billing Credit of \$7.5M. Since the customer already received \$11.25M as Quarterly Credits during the first three quarters of year 1 of the Service period, the customer would not be eligible for any additional Billing Credits, and would be required to refund to the Telephone Company \$3.75M (i.e., the difference between all Quarterly Credits previously credited by the Telephone Company during year 1 of the Service Period (\$11.25M) and the Billing Credit (\$7.5M)).

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32. Contract Tariffs (Cont'd)32.12 Contract Tariff Option 27 (Cont'd)(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(b) Calculation of the TBR and Billing Credit at the end of each Annual Period (Cont'd)

Year 1

Table A

Quarterly Credit (quarterly)		
MRCs for Qualifying Services (in Millions)		Credit (in Millions)
From	To	Amount
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A

Table B

Billing Credit (annual)		
TBR for Qualifying Services (in Millions)		Credit (in Millions)
From	To	Amount
\$0.00	\$2.10*	\$0.00
\$2.68	\$2.56	\$0.00
\$2.56	\$2.68	\$0.065
\$2.68	\$2.81	\$0.188
\$2.81	\$2.94	\$0.349
\$2.94	\$3.07	\$0.388
\$3.07	\$3.20	\$0.401
\$3.20	and above	\$0.414

(C) #

(C) #

Year 2

Table A

Quarterly Credit (quarterly)		
MRCs for Qualifying Services (in Millions)		Credit (in Millions)
From	To	Amount
\$3.37	\$4.10	\$0.00
\$4.10	\$4.31	\$0.10
\$4.31	\$4.51	\$0.30
\$4.51	\$4.72	\$0.56
\$4.72	\$4.93	\$0.62
\$4.93	\$5.14	\$0.64
\$5.14	and above	\$0.66

Table B

Billing Credit (annual)		
TBR for Qualifying Services (in Millions)		Credit (in Millions)
From	To	Amount
\$0.00	\$13.49*	\$0.00
\$13.49	\$16.39	\$0.00
\$16.39	\$17.22	\$0.415
\$17.22	\$18.05	\$1.204
\$18.05	\$18.88	\$2.241
\$18.88	\$19.71	\$2.490
\$19.71	\$20.54	\$2.573
\$20.54	and above	\$2.656

(C) #

(C) #

* Shortfall Penalty as set forth in (E)(3) following applies in this range for Qualifying Services.

All amounts will be rounded up or down to the nearest \$10,000.

FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract.

(N)

(N)

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32. Contract Tariffs (Cont'd)32.12 Contract Tariff Option 27 (Cont'd)(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(c) Timing of Payments and Billing Credits; Disputes; Releases and Waivers

- (1) No later than the 60th day following the end of each year of the Service Period, the Telephone Company shall calculate the TBR for Qualifying Services and the Billing Credit in the following manner:
 - (a) calculate the total MRCs for Qualifying Services achieved by the customer during such year of the Service Period in accordance with the terms and conditions set forth in this Option 27, including Sections (E)(1)(b) and (E)(1)(c), which MRC for Qualifying Services shall not include any Disputed Charges;
 - (b) determine the total amount of Disputed Charges;
 - (c) multiply the total amount of Disputed Charges by 50% which amount shall be the Cap on Disputed Charges;
 - (d) add the Cap on Disputed Charges calculated in (c) above to the total MRCs for Qualifying Services calculated in (a) above, and such amount shall be deemed to be the TBR for Qualifying Services for such year of the Service Period; and
 - (e) determine the corresponding Billing Credit or Shortfall Penalty for the TBR for Qualifying Services calculated in (d) above in accordance with Sections (E)(2)(a) and (E)(2)(b) preceding.

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32. Contract Tariffs (Cont'd)32.12 Contract Tariff Option 27 (Cont'd)(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(c) Timing of Payments and Billing Credits; Disputes; Releases and Waivers (Cont'd)

- (2) Using the calculations in (E)(2)(c)(1) preceding, and subject to the terms of this Option 27, if the customer is eligible to receive a Billing Credit other than a Billing Credit of \$0, such Billing Credit will be credited to the customer's account no later than the ninetieth (90th) day after the end of each year of the Service Period. If the customer is required to pay a Shortfall Penalty in accordance with the terms of (E)(3) following, then the customer shall pay such amount no later than the ninetieth (90th) day following the end of the Service Period. Refund of any Quarterly Credits shall be made no later than the ninetieth (90th) day following the end of the Service Period.
- (3) After payment of the Billing Credit, the customer and the Telephone Company may continue to negotiate and resolve all Disputed Charges. Upon resolution of any such disputes, amounts may be credited to the customer if the customer prevails, provided that, in no event will the customer receive more than the Cap on Disputed Charges. The customer shall not be entitled to receive an amount greater than the Cap on Disputed Charges regardless of the merit or final resolution of such disputes, and regardless of whether such disputes are included in the Cap on Disputed Charges. If the Telephone Company prevails in some or all such disputes, then the Telephone Company shall be required to credit only such amounts where the customer has prevailed on such dispute up to the Cap on Disputed Charges, which credit amount may equal \$0.

Once the Telephone Company has credited the customer an amount equal to the Cap on Disputed Charges, then

- (a) the Telephone Company shall have no further obligation to negotiate or resolve any additional disputes that are Disputed Charges; and
- (b) the customer hereby releases and discharges the Telephone Company of and from any and all manner of claims, demands, rights, liabilities, damages, potential actions, causes of action, suits, agreements, judgments, decrees and controversies of any kind and nature whatsoever, at law, in equity, or otherwise, whether known or unknown, which have arisen or might arise related to the Disputed Charges.

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32. Contract Tariffs (Cont'd)32.12 Contract Tariff Option 27 (Cont'd)(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(c) Timing of Payments and Billing Credits; Disputes; Releases and Waivers (Cont'd)

(3) (Cont'd)

Notwithstanding anything to the contrary herein, there shall be no adjustment to the Billing Credit or the TBR for Qualifying Services calculated above, and the same shall apply regardless of the outcome of any Disputed Charges and/or the payment of the Cap on Disputed Charges.

(4) The Telephone Company's inclusion of any amounts in the TBR for Qualifying Services and provision of the Billing Credit is contingent on the following:

- (a) all amounts included in the calculation of TBR for Qualifying Services (other than the Disputed Charges) shall not be subject to dispute at a later date. The customer also agrees not to initiate any new disputes with respect to amounts included in the calculation of TBR for the Qualifying Services billed during the applicable year of the Service Period. The Telephone Company shall not backbill for any amounts included in the calculation of TBR for the Qualifying Services; and
- (b) each party waives and releases, and forever discharges the other party of and from any and all manner of claims, demands, rights, liabilities, damages, potential actions, causes of action, suits, agreements, judgments, decrees and controversies of any kind and nature whatsoever, at law, in equity, or otherwise, whether known or unknown, which have arisen or might arise related to payment by Customer or credits by the Telephone Company for any amounts that are included in the calculation of TBR for the Qualifying Services billed by the Telephone Company to the customer during the Service Period (other than any Disputed Charges);
- (c) Subject to the terms of (E)(2)(c)(3) preceding, the customer and the Telephone Company shall retain its rights with respect to any Disputed Charges and any amounts not included in the calculation of TBR for the Qualifying Services.

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32. Contract Tariffs (Cont'd)32.12 Contract Tariff Option 27 (Cont'd)(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(c) Timing of Payments and Billing Credits; Disputes; Releases and Waivers (Cont'd)

(4) (Cont'd)

As an illustrative example, assume that as of the 60th day following the end of year 1 of the Service Period, the customer has billed amounts for year 1 equal to the following:

- \$220M of MRCs in Qualifying FMS Services which are not disputed by the customer and paid in full by the customer;
- \$4M of MRCs in new Qualifying SONET Special Access Services, which are not disputed by the customer and paid in full by the customer;
- \$6.5M in non-recurring charges;
- \$2.4M in taxes and surcharges;
- \$1.8M of termination charges for early termination of Qualifying SONET Special Access Services;
- \$2M in MRCs which have not been paid by the customer and are disputed by the customer; and
- \$8M in Disputed Charges in Qualifying Services.

Assume that, as of the 60th day following the end of year 1 of the Service Period, the customer has paid all billed amounts listed above (other than the \$2M in MRCs), and continues to dispute \$8M in Disputed Charges in Qualifying Services. The Cap on Disputed Charges is \$4M (\$8M in Disputed Charges multiplied by 50%). The TBR for Qualifying Services is \$228M (calculated as \$220M in MRCs for Qualifying FMS Services plus \$4M in MRCs for Qualifying SONET Special Access Services, plus \$4M (which is the Cap on Disputed Charges)). The \$2M MRCs which have not been paid by the customer and are disputed by the customer are not Disputed Charges, as defined above, and hence are not included in the calculation of TBR. The other charges are not MRCs and hence are not included in the calculation of TBR for the Qualifying Services.

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32. Contract Tariffs (Cont'd)32.12 Contract Tariff Option 27 (Cont'd)(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(c) Timing of Payments and Billing Credits; Disputes; Releases and Waivers (Cont'd)

(4) (Cont'd)

Based on a TBR for Qualifying Services of \$228M, the corresponding Billing Credit in Table B above is \$20M, subject to any adjustments for Quarterly Credits previously paid to the customer in accordance with Section (E)((2)(b) preceding. After payment of the Billing Credit by the 90th day following the end of the Service Period, the customer and the Telephone Company may continue to negotiate and resolve all Disputed Charges until such time that the Telephone Company and the customer have resolved such disputes. Depending on the resolution of such disputes, the customer may receive credits up to a maximum of the Cap on Disputed Charges, or the Telephone Company may prevail on all such disputes, in which event, the credit to the customer shall be \$0. Notwithstanding anything to the contrary herein, there shall be no adjustment to the Billing Credit or the TBR for Qualifying Services calculated above, and the same shall apply regardless of the outcome of any Disputed Charges and/or the payment of the Cap on Disputed Charges. Subject to the terms of (E)(2)(c)(3) preceding, the customer and the Telephone Company shall retain its rights with respect to any Disputed Charges and any amounts not included in the calculation of TBR for the Qualifying Services.

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32. Contract Tariffs (Cont'd)32.12 Contract Tariff Option 27 (Cont'd)(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(c) Timing of Payments and Billing Credits; Disputes; Releases and Waivers (Cont'd)

(5) With respect to any dispute for Qualifying Services, the customer must provide sufficient claim detail to enable the Telephone Company to appropriately assess the dispute, including but not limited to, the Billing Account Number (BAN), circuit ID, USOC detail, amount in dispute, appropriate tariff references, and a full explanation regarding why the customer believes it was billed in error. The customer also agrees to separately identify all disputes related to the Qualifying FMS Services.

(6) The amount of the Billing Credit shall not be subject to any interest penalty.

(3) Shortfall Penalty

If the customer does not satisfy the minimum TBR requirement for Qualifying Services of \$162.5M in each year of the plan, the customer will pay the Telephone Company a shortfall payment equal to fifty percent (50%) of the difference between minimum TBR of \$162.5M, or the adjusted minimum TBR requirement as set forth in (E)(1)(e) preceding, for Qualifying Services and Customer's actual annual TBR for Qualifying Services during such year of the Service Period (the Shortfall Penalty). In addition, and even upon payment of the Shortfall Penalty as set forth in the prior sentence, the customer will not be eligible to receive any applicable Billing Credits under this Option 27, and shall in addition be required to return all Quarterly Credits previously paid by the Telephone Company during such year of the Service Period (but not for prior years). If the customer has a TBR for Qualifying Services of at least \$162.5M, or the adjusted minimum TBR requirement adjusted as set forth in (E)(1)(e) preceding, in each year of the Service Period, then no Shortfall Penalty, as set forth in this Section (E)(3), shall apply, but the customer may be ineligible for any Billing Credits, as set forth in the table below, based on the customer's TBR for Qualifying Services for such year of the Service Period.

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32. Contract Tariffs (Cont'd)32.12 Contract Tariff Option 27 (Cont'd)(E) Terms and Conditions (Cont'd)

(3) Shortfall Penalty (Cont'd)

As an illustrative example, assume that the customer has achieved a TBR for Qualifying Services of \$157.5M during year 1 of the Service Period, and assuming that no adjustment under Section (E)(1)(e) preceding occurred. Assume further that the customer received no Quarterly Credit payments during the prior 3 quarters of such year of the Service Period. Then the customer shall pay to the Telephone Company an amount equal to \$2.5M (which is equal to \$162.5M less the customer's actual TBR for Qualifying Services of \$157.5M, multiplied by 50%). The customer will not be eligible to receive any applicable Billing Credits or Quarterly Credits for year 1 of the Service Period.

Shortfall Penalties shall not be applicable to any quarterly calculation of TBR for Qualifying Services and the corresponding Quarterly Credit. However, in accordance with (E)(2) preceding, the customer is not eligible for a Quarterly Credit if the TBR for Qualifying Services is less than \$49.375M in such quarter.

(4) Option to Terminate Second Year of Plan

The customer has the option to terminate its subscription to this Option 27 at the end of the year 1 of the Service Period. If the customer elects to exercise this option, the customer must notify the Telephone Company in writing of the same no later than the end of the eleventh (11th) month of year 1 of the Service Period. If the customer does not notify The Telephone Company in writing by such date, then the customer will be deemed to have opted to continue to abide by the terms and conditions of this Option 27 through the end of year 2 of the Service Period. Upon its exercise of the option to terminate as set forth in this Section (E)(4), and other than as explicitly set forth in this Option 27, all obligations of the customer and the Telephone Company under this Option 27 shall be extinguished as of last day of year 1 of the Service Period. Termination liability for termination of this Option 27, as set forth in (E)(5) following shall not apply if the customer exercises the termination option set forth in this Section (E)(4).

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32. Contract Tariffs (Cont'd)32.12 Contract Tariff Option 27 (Cont'd)(E) Terms and Conditions (Cont'd)

(5) Termination Charges

Other than as set forth in (E)(3) preceding, if the customer or terminates its subscription to this Option 27 at any period of time prior to the expiration of the Service Period, the customer will be liable for fifty percent (50%) of the difference between the customer's TBR for Qualifying Services at the time of cancellation or termination and the minimum TBR for Qualifying Services of \$162.5M, or the adjusted minimum TBR requirement as set forth in (E)(1)(e) preceding, as applicable, for the specific year of the Service Period in which cancellation or termination occurred. In addition, the customer shall not be eligible for the Billing Credit, and must refund any Quarterly Credits previously paid by the Telephone Company to the customer during such year of the Service Period.

As an illustrative example, assume that the customer has a TBR for Qualifying Services of \$150M during the first eight months of the second year of the plan, and that no adjustment under (E)(1)(e) preceding occurred. Assume further that the customer received \$18M in Billing Credits for year 1 of the Service Period, and received \$6M in Quarterly Credits for the first 2 quarters of year 2 of the Service Period. The customer also does not exercise its option to terminate this Option 27 in accordance with Section (E)(4) preceding. In month 9 of year 2 of the Service Period, the customer decides to terminate its subscription to this Option 27. The customer shall pay termination charges of \$6.25M (the minimum TBR for Qualifying Services of \$162.5M less the actual TBR for Qualifying Services of \$150M, multiplied by 50%). The customer shall not be eligible for any applicable Billing Credits for year 2 of the Service Period, and must refund the \$6M paid by the Telephone Company to the customer as Quarterly Credits for the first 2 quarters of year 2 of the Service Period. The customer may retain the \$18M paid as a Billing Credit in year 1 of the Service Period.

Unless superseded by the terms and conditions set forth in this Option 27, all terms and conditions, including termination liability and minimum period obligations, as stated in other sections of this tariff, apply to all Qualifying Services under this Option 27. Upon any termination under this Option 27, the terms and conditions of this tariff (other than the terms of this Option 27) shall continue to apply with respect to all Qualifying Services provided under this tariff.

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32. Contract Tariffs (Cont'd)32.13 Contract Tariff Option 30(A) Scope

Contract Tariff Option 30, the New Connect Discount Plan H (Plan H), is an offering exclusively for:

- new installations of Special Access Dedicated SONET Ring service as described in Section 34.1 following (DSR);
- upgrades of DSR service as described in (B)(3)(b) following (upgrades); or
- conversions of Dedicated SONET Ring service as described in Section 26.1.1 preceding and as set forth in (B)(3)(c) following to DSR service as set forth in Section 34.1 following (conversions).

Plan H offers a discount, as set forth in (E)(2) following (Plan H discount), on certain DSR rate elements, as set forth in (D) following, when such DSR is newly installed, upgraded, or converted in accordance with the terms of this Plan H. Switched Access DSR rate elements as set forth in Section 34.1 following are not eligible to receive the Plan H discount.

(B) Eligibility Requirements

The customer must meet all of the following requirements in order to be eligible for subscription to Plan H.

- (1) A customer must subscribe to Plan H by submitting a written authorization in a manner designated by the Telephone Company during the period that begins and ends December 23, 2005 (Subscription Period).
- (2) The customer must accept service on the original service date. If the customer does not accept service on the original service date, the customer's acceptance of the service on a later date will make the service ineligible for the Plan H discount, unless the later date is designated by the Telephone Company.
- (3) A customer must order new installations of DSR, upgrades of existing DSR(s), or conversions, as applicable, in accordance with this Plan H during the Subscription Period.
 - (a) Except for upgrades as set forth in (B)(3)(b) following and conversions as set forth under (B)(3)(c) following, a new DSR service does not include DSR service that was disconnected from its current location and installed as new at the same location.

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32. Contract Tariffs (Cont'd)32.13 Contract Tariff Option 30 (Cont'd)(B) Eligibility Requirements (Cont'd)

(3) (Cont'd)

(b) Upgrades of an existing DSR service under this Plan H are subject to the terms and conditions set forth in (E)(1) following and to all of the following requirements.

(1) One (1) or two (2) existing DSRs (the old DSR(s)) was upgraded to a single DSR (the new DSR), which new DSR must have a greater optical carrier rate than the combined optical carrier rate of the old DSR(s) being upgraded. For example:

- An existing OC3 DSR that is changed to or replaced with a new OC12 DSR is an upgrade.
- Two (2) existing OC12 DSRs that are changed to or replaced with one (1) new OC48 DSR is an upgrade.

(2) The commitment period for the new DSR must have an expiration date that extends beyond the expiration date of the commitment period(s) associated with each of the old DSR(s); and

(3) The new DSR must have at least one (1) customer premises node and one (1) CO node in common with each of the old DSR(s).

(4) When two (2) existing DSRs are upgraded to single new DSR, the aggregate amount of all monthly charges for the nodes included in the new DSR commitment period was at least twenty-five percent (25%) greater than the aggregate amount of the monthly charges for the nodes included in the remaining commitment period for the old DSR(s).

(c) Conversions of IntelliBeam Dedicated SONET Ring services described in Section 26.1.1 preceding to IDSR service under this Plan H are eligible to receive the Plan H discount, provided that, all conditions for a conversion are met in accordance with the terms and conditions set forth in Section 7.4.10(C)(1) preceding.

Any customer that qualified for this option with a predecessor company will qualify for this Option with the Telephone Company.# (N)
(N)

FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract. (N)
(N)

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32. Contract Tariffs (Cont'd)32.13 Contract Tariff Option 30 (Cont'd)(B) Eligibility Requirements (Cont'd)

(3) (Cont'd)

- (d) The following types of changes are not upgrades or conversions under this Plan H and are not eligible for the Plan H discount:
- A change of an existing DSR with non-enhanced nodes to a DSR with enhanced nodes with the same optical carrier rate (e.g., an existing OC3 DSR with non-enhanced nodes that is changed to or replaced with a new OC3 DSR with enhanced nodes is not an upgrade)
 - An addition of one (1) or more port(s) or node(s) to an existing DSR service
 - Two (2) existing DSRs that are changed to or replaced with one (1) new DSR with the same optical carrier rate (e.g., 2 existing OC3 DSRs that are changed to or replaced with 1 new OC3 DSR is not an upgrade)
 - An existing DSR that is changed to or replaced with a new DSR with the same optical carrier rate but with additional nodes (e.g., an existing OC12 DSR with ten (10) nodes that is changed to or replaced with a new OC12 DSR with eleven (11) nodes is not an upgrade)

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32. Contract Tariffs (Cont'd)32.13 Contract Tariff Option 30 (Cont'd)(C) Serving Area

- (1) The serving area of Plan H consists of the Metropolitan Statistical Areas (MSAs) set forth in (C)(1)(a) and (b) following.

- (a) The Plan H discount will be applied in the following MSAs in accordance with Section 15.2 preceding of this tariff.

Bangor ME	MSA #224
Boston MA-NH	MSA #6
Manchester NH	MSA #133
Portland ME	MSA #152

- (b) The Plan H discount will be applied to all eligible rate elements as set forth in (E)(2) following, except for the portion of the communications path connecting the serving wire center to the associated End User location or the node at the end user location.

Burlington VT	MSA #248
Portsmouth NH-Rochester ME	MSA #156

- (2) The Telephone Company MSAs listing in (C)(1) preceding are in effect as of June 11, 2005. Any additions or changes to the wire centers included in the MSAs listed in (C)(1) preceding that occur after June 11, 2005 do not apply to this Plan H.

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32. Contract Tariffs (Cont'd)32.13 Contract Tariff Option 30 (Cont'd)(D) Eligible DSR Rate Elements and Service Configurations

- (1) Plan H offers a discount to the following DSR rate elements when such DSR is newly installed, upgraded, or converted in accordance with (E) following.
 - Non Enhanced nodes (OC3 only)
 - Enhanced nodes (OC12, OC48, OC192), including subtending nodes
 - Mileage (OC3, OC12, OC48, OC192)
 - Pass Through Interface, Per Interface (OC3, OC12, OC48, OC192)
- (2) Plan H is available on either full ring or partial ring configurations.

(E) Description of Plan H

- (1) Plan H offers a discount as set forth in (E)(2) following on all eligible DSR rate elements set forth in (D) preceding that meet the conditions outlined in this Plan H. The Plan H discount will apply to the eligible DSR service monthly recurring rate for the rate elements set forth in (D) preceding. Application of the Plan H discount on Mileage rate elements is limited to those instances where individual DSR service has at least two (2) contiguous serving wire centers within an MSA identified in (C) above.
- (2) Under Plan H, the customer will receive the following discount that coincides with the term plan selected by the customer for the newly installed, converted, or upgraded DSR service.
 - For any 3-year or 5-year term plan, the Plan H discount is 20%.
 - For any 7 year term plan, the Plan H discount is 10%.

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32. Contract Tariffs (Cont'd)32.13 Contract Tariff Option 30 (Cont'd)(E) Description of Plan H (Cont'd)

(3) Subscription to Other Contract Tariff Options

- (a) A customer subscribing to DSR services under this Plan H may concurrently subscribe to any other tariff arrangement, contract tariff option, special service arrangement, or Individual Case Basis (ICB) arrangement offered by the Telephone Company and available to the customer either currently or at any time during the Service Period, which tariff arrangement, contract tariff option, special service arrangement, or ICB provides a discount, credit, or other reduction in rates or terms based on achievement of revenue or volume targets/levels by the customer for those same services.
- (b) Except as set forth in (E)(3)(a) above, the customer may not subscribe any DSR rate elements that receive the Plan H discount to any other contract tariff, unless subscription of such DSR service is explicitly allowed under that contract tariff option.

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32. Contract Tariffs (Cont'd)32.13 Contract Tariff Option 30 (Cont'd)(F) Terms and Conditions

Unless superseded by the terms and conditions set forth herein, all terms and conditions, including termination liability and minimum periods, as stated in Section 34.1 following or, with respect to conversions, Section 26.1.1 preceding, as applicable, apply to the DSR services subscribed to this Plan H.

- (1) The Plan H discount expires at the end of the term plan selected by the customer. If the customer renews or extends the term plan in accordance with Section 34.1 following, the Plan H discount is not applicable to such renewal or extension.
- (2) The Plan H discount is not used in calculating termination liability, cancellation charges, or other obligations as they may apply in other sections of this tariff.
- (3) With the exception of adding or removing nodes to the DSR service subscribed to under this Plan H, any replacements, rearrangements, or other physical change to the service subscribed to Plan H will result in termination of the Plan H discount on all rate elements of the service. Any additions of one (1) or more node(s) after the Subscription Period will be billed at the then effective tariff rates, as set forth in Section 34.1 following, and such additional node(s) shall not be eligible for the Plan H discount. Ports may be added or removed to the DSR service subscribed to under this Plan H in accordance with Section 34.1 following at any time during the Service Period of this Plan H.
- (4) Termination liability will not apply to the disconnection or upgrade of the old DSR(s) when the conditions set forth in (B)(3)(b) above are met. Termination liability will not apply to the disconnection or conversion of the old DSR(s) when the conditions set forth in (B)(3)(c) above are met.

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32. Contract Tariffs (Cont'd)32.14 Contract Tariff Option 31(A) Scope

- (1) Contract Tariff Option 31 (Option 31) provides a customer with a discount to the monthly recurring rates for Special Access multiplexed High Capacity 44.736 Mbps Services and certain SONET services when the customer subscribes to this Option 31 in accordance with the terms and conditions set forth herein.
- (2) The Option 31 discount will only apply to those services specified in (E) following which the customer orders under Option 31 of this tariff.

(B) Eligibility

The customer must meet all of the criteria set forth following in order to be eligible to receive the Option 31 discounts.

- (1) A customer subscribes to Option 31 by submitting a written authorization in a manner designated by the Telephone Company during the sixty (60) day period which begins on June 17, 2005 and ends August 15, 2005 (Subscription Period).
- (2) For calendar year ending December 31, 2004, a customer must have at least six thousand (6,000) High Capacity 44.736 Mbps (DS3) channel terminations (DS3 Terminations) which are in service anywhere within the operating territories of this tariff. When counting DS3 Terminations, the Telephone Company will include the following:
 - (a) Special Access High Capacity 44.736 Mbps Primary Premises Channel Terminations and Special Access High Capacity 44.736 Mbps High Capacity Secondary Premises Channel Terminations in this tariff; and/or
 - (b) Any customer that qualified for this option with a predecessor company will qualify for this Option with the Telephone Company. Notwithstanding anything in this Option to the contrary, no minimum subscriptions will be required for any customer that qualified for this option with a predecessor company.#

(N)
|
(N)

- # FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract.

(N)
|
(N)

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32. Contract Tariffs (Cont'd)32.14 Contract Tariff Option 31 (Cont'd)(B) Eligibility (Cont'd)

- (3) Within eight (8) months of the effective date of Option 31 (ramp up period), a customer subscribing to this Option 31 must have ordered a minimum of two hundred fifty (250) new Special Access multiplexed DS3s (minimum commitment) anywhere within the operating territories of this tariff in order to continue to receive the Option 31 discount under this tariff on Special Access multiplexed High Capacity 44.736 Mbps Services (as specified in (E) following) and new SONET (as specified in (E) following). The Serving Area is specified in (D)(1) following. The minimum commitment is subject to (a) through (d) following.
- (a) The following service arrangements will count as new Special Access multiplexed DS3s (new SpA muxed DS3s) for the purpose of determining if the customer has met the minimum commitment, provided that such new SpA muxed DS3 service arrangements are ordered on or after March 18, 2005 and prior to the end of the ramp up period:
- (1) new SpA muxed DS3 that terminates on a DS3 Termination as defined in (B)(2) preceding; and
 - (2) new SpA muxed DS3 that connects to a DS3 port of a Dedicated SONET Ring (DSR); and
 - (3) new SpA muxed DS3 that terminates over an IntelliBeam Entrance Facility (IEF) with a Fractional OC48 interface; and
 - (4) new SpA muxed DS3 that connects to a DS3 Rider of a Custom Connect Service; and
 - (5) new SpA muxed DS3 that connects to a multiplexed IntelliBeam Broadband Transport Service (IBT).
- (b) The count of new SpA muxed DS3s described in (a) preceding will not include the following:
- (1) High Capacity multiplexed DS3 services that connect to a collocated arrangement; or
 - (2) FairPoint Enterprise DS3 Service as set forth in Section 7.2.13 preceding of this tariff; or
 - (3) Facilities Management Service utilizing a DS3 interface as set forth in Section 7.2.16 preceding; or
 - (4) DS3 facilities utilizing a DSR or DSR DS3 Transmux Port; or
 - (5) any SpA muxed DS3 that is disconnected from its current location and installed as new at that same location for the purpose of subscribing that SpA muxed DS3 to this Option 31.

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32. Contract Tariffs (Cont'd)32.14 Contract Tariff Option 31 (Cont'd)(B) Eligibility (Cont'd)

(3) (Cont'd)

- (c) For new SpA muxed DS3s that are part of a Shared Use arrangement, the associated Special Access portion of the new SpA muxed DS3 will count as a single new SpA muxed DS3.
- (d) Only those new SpA muxed DS3s that were ordered under a 3-year, 5-year, or 7-year commitment and prior to the end of the ramp up period will be included in the count when determining whether the minimum commitment of new SpA muxed DS3s has been met.
- (4) In order to receive the Option 31 discount on new SONET as defined below, the customer must meet the minimum commitment of new SpA muxed DS3 prior to the end of the ramp up period. There is no minimum commitment associated with the new SONET service. Unless a SONET service meets the requirement of an upgrade as set forth in 4(b) following or a conversion as set forth in 4(c) following, a new SONET service does not include SONET that was disconnected from its current location and installed as new at the same location for the purpose of subscribing that SONET to this Option 31. New SONET services eligible for the Option 31 discount include the following.
 - (a) New DSR and IBT that are ordered under this tariff in accordance with this Option 31 at any time beginning June 17, 2005 and ending June 16, 2006; and

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32. Contract Tariffs (Cont'd)32.14 Contract Tariff Option 31 (Cont'd)(B) Eligibility (Cont'd)

(4) (Cont'd)

- (b) Upgrades of DSR to a new DSR with a greater Optical Carrier rate (e.g., OC12 to OC48) when ordered on or after June 17, 2005 and no later than June 16, 2006 (upgrades). Such upgrades are further subject to the requirements in either (1) or (2) following.
 - (1) Upgrades are subject to the requirements set forth in this Option 31.
 - (2) For all other upgrades, the upgrade is subject to (i) through (iv) following, (F)(1)(c) following, and Section 34.1 following.
 - (i) One (1) or two (2) existing DSRs (the old DSR(s)) was upgraded with a single DSR (the new DSR), which new DSR must have a greater optical carrier rate than the combined optical carrier rate of the old DSR(s) being upgraded.
 - (ii) The commitment period for the new DSR must have an expiration date that extends beyond the expiration date of the commitment period(s) associated with each of the old DSR(s).
 - (iii) The new DSR must have at least one (1) customer premises node and one (1) CO node in common with each of the old DSR(s).
 - (iv) When two (2) existing DSRs are upgraded to a single new DSR, the aggregate amount of all monthly charges for the nodes included in the new DSR commitment period was at least twenty-five percent (25%) greater than the aggregate amount of the monthly charges for the nodes included in the remaining commitment period for the old DSR(s).

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32. Contract Tariffs (Cont'd)32.14 Contract Tariff Option 31 (Cont'd)(B) Eligibility (Cont'd)

(4) (Cont'd)

- (c) Conversions of Dedicated SONET Ring services described in Section 26.1.1 preceding to DSR service under this Option 31 are eligible to receive the Option 31 discount, provided that, all conditions for a conversion are met in accordance with the terms and conditions set forth in Section 7.4.10(C)(1) preceding (conversions).
- (d) In order to receive the Option 31 discount on new SONET, the customer must accept service for new SONET on the original service date. If the customer does not accept new SONET on the original service date, the customer's acceptance of service on a later date will make that new SONET ineligible for the Option 31 discount, unless the later date is designated by the Telephone Company.

(5) Subscription to Other Contract Tariff Options of This Tariff

- (a) A customer subscribing to the services included in this Option 31 may concurrently subscribe to any other Tariff arrangement, contract tariff option, special service arrangement, or Individual Case Basis (ICB) arrangement offered by the Telephone Company and available to the customer either currently or at any time during the Service Period, which Tariff arrangement, contract tariff option, special service arrangement, or ICB provides a discount, credit, or other reduction in rates or terms based on achievement of revenue or volume targets/levels by the customer for those same services.
- (b) Except as set forth in (a) above, the customer may not subscribe any new SpA muxed DS3 or new SONET rate element which receives the Option 31 discount to any other contract tariff, unless subscription of such new SpA muxed DS3 or new SONET rate element is explicitly allowed under that contract tariff option.

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32. Contract Tariffs (Cont'd)32.14 Contract Tariff Option 31 (Cont'd)(C) Service Period

- (1) Subject to the limitations in (C)(3) following, the service period for each new SpA muxed DS3 ordered under an individual circuit specific term plan in accordance with (B)(3) preceding is equal to the individual term commitment selected for such SpA muxed DS3 (muxed DS3 service period). Term plans for new SpA muxed DS3s are specified in (B)(3)(d) preceding.
- (2) Subject to the limitations in (C)(3) following, the service period for each new SpA muxed DS3 ordered under a term plan that includes DS3 services and is managed on a non-circuit specific basis (e.g., CDP) is equal to the common expiration date for such DS3 term plan, or the time remaining in such existing DS3 term plan, as applicable. Available circuit specific term commitments for new SpA muxed DS3s are specified in (B)(3)(d) preceding.
- (3) For new SpA muxed DS3 subscribed to this Option 31, and regardless of any term plan subscribed to by customer, the service period and corresponding discount in (F)(1)(a) following shall not extend beyond December 31, 2010.
- (4) The service period for new SONET ordered under a term plan in accordance with this Option 31 is equal to the individual term plan selected for the specific new SONET involved and shall terminate coincident with expiration of the initial commitment period on such term plan (SONET service period). Term plans for such new SONET are specified in (F)(1)(a) following.

(D) Serving Area

- (1) The serving area for new SpA muxed DS3s includes all of the Phase I and Phase II MSAs of this tariff.

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32. Contract Tariffs (Cont'd)32.14 Contract Tariff Option 31 (Cont'd)(D) Serving Area (Cont'd)

(2) The serving area for new SONET under Option 31 consists of the following MSAs.

- (a) In the following MSAs, the Option 31 discount will be applied to all eligible rate elements set forth in (E)(1)(b) and (E)(1)(c) following in accordance with Section 15.2 preceding.

<u>MSA Name</u>	<u>MSA Number</u>
Bangor ME	MSA #224
Boston MA-NH	MSA #6
Manchester NH	MSA #133
Portland ME	MSA #152

- (b) In the following MSAs, the Option 31 discount will be applied to all eligible rate elements as set forth in (E)(1)(b) and (E)(1)(c) following, except for the portion of the communications path connecting the serving wire center to the associated end user location or the node at the end user location.

<u>MSA Name</u>	<u>MSA Number</u>
Burlington VT	MSA #248
Portsmouth NH-Rochester ME	MSA #156

- (3) The Telephone Company MSAs listed in (D)(1) and (D)(2) preceding are in effect as of the effective date of this Option 31. Any additions or changes to the wire centers included in the MSAs listed in (D)(1) or (D)(2) preceding that occur after June 17, 2005 do not apply.

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32. Contract Tariffs (Cont'd)32.14 Contract Tariff Option 31 (Cont'd)(E) Services Eligible to Receive the Option 31 Discount

- (1) The Option 31 discount specified in (F)(1) following will be applied to the following services and rate elements associated with new SpA muxed DS3 and new SONET that are provided within the MSAs for specified in (D)(2) preceding.
- (a) New SpA Muxed DS3 that are ordered under a 3, 5 or 7 year term plan and by the end of the ramp up period set forth in (B)(3) preceding or after the ramp up period and prior to June 16, 2006:
 - (1) DS3 Primary Premises Channel Termination base rates; and
 - (2) DS3 Fixed and Per Mile Channel Mileage base rates; and
 - (3) DS3 to DS1 Central Office Multiplexing optional feature base rates.
- (b) DSR Full and Partial Ring Configurations that are ordered under a 3, 5 or 7 year term plan on or after June 17, 2005 and no later than June 16, 2006. So long as either one of the following dates is within the period between June 17, 2005 and June 16, 2006, then such DSR shall be included in this Option 31 and receive the Option 31 discount: (i) the date that the customer provides the Telephone Company with its written or electronic authorization (order) to begin construction of the ring, or (ii) the date that the customer submits the Access Service Request (order) to commence billing. In either case, the Option 31 discount will not commence until the date that billing commences.
 - (1) OC3 Nodes that are not enhanced; and
 - (2) OC12, OC48 and OC192 enhanced nodes; and
 - (3) OC3, OC12, OC48 and OC192 Mileage (see Note); and
 - (4) Partial Ring High Speed (Pass-Through) Interfaces.

Note: Application of the Option 31 discount on Mileage rate elements is limited to those instances where individual DSR service has at least two (2) contiguous serving wire centers within an MSA identified in (D)(2)(b) preceding.
- (c) IBT Point-to-Point and Multiplexed Configurations that are ordered under a 3 or 5 year term plan on or after June 17, 2005 and no later than June 16, 2006.
 - (1) OC3, OC3c, STM1, OC12, OC12c, OC48, and OC48c Standard Channel Terminations
 - (2) OC3, OC3c, STM1, OC12, OC12c, OC48, and OC48c Ports (excludes all low speed ports associated with the multiplexing capability optional feature)
 - (3) OC3, OC3c, STM1, OC12, OC12c, OC48, and OC48c Mileage
 - (4) Multiplexing Capability Optional Feature - OC3, OC12, and OC48 multiplexing nodes only.

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32. Contract Tariffs (Cont'd)32.14 Contract Tariff Option 31 (Cont'd)(E) Services Eligible to Receive the Option 31 Discount (Cont'd)

- (2) The percentage discounts set forth in (F)(1)(a) following will only be applied to the rate elements specified in (E)(1) preceding and only in those MSAs specified in (D) preceding that have achieved Phase I or Phase II pricing flexibility. Wire centers for the Phase II MSAs are listed in Section 15.2 preceding of this tariff. No discount will be applied to new SpA muxed DS3.

(F) Terms and Conditions(1) Percentage Discounts

- (a) The discounts under this Option 31 are percentage based and are applied for the duration of the Service Period to the applicable rate elements set forth in (E)(1) preceding which are ordered by the customer in accordance with the terms of this Option 31. The customer will receive the following discount that coincides with the term plan selected by the customer for the newly installed SpA muxed DS3 and newly installed, converted, or upgraded SONET, as applicable.

<u>Term</u>	<u>Percentage Discount</u>
3-year	20%
5-year	20%
7-year	10%

- (b) The Telephone Company will first apply any discount associated with the applicable term plan (such as SDP, TPP or CDP) under which the service is ordered, and then apply the Option 31 discount to that already discounted rate. When the service involved is also under another contract tariff option for which minimum revenue, total revenue, or minimum quantities are measured on an aggregate basis, the Telephone Company will apply the Option 31 discount prior to applying any discount associated with such other contract tariff option. For example: assume that the monthly rate for SpA muxed DS3 is \$1,500 and that the TPP discount is twenty percent (20%). Also assume that the applicable discount under this Option 31 is ten percent (10%). The Telephone Company will first apply the TPP discount to the monthly rate [$\$1,500 - (\$1,500 \times 20\%) = \$1,200.00$] and then apply the Option 31 discount to that already reduced rate [$\$1,200 - (\$1,200 - 10\%) = 1,080$].

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32. Contract Tariffs (Cont'd)32.14 Contract Tariff Option 31 (Cont'd)(F) Terms and Conditions (Cont'd)

(1) Percentage Discounts (Cont'd)

(c) Discounts associated with term plans for new SpA muxed DS3s are specified in the Service Discount Plan (SDP) as set forth in Section 7.4.10 preceding and the CDP as set forth in Section 25 preceding.

(d) Discounts associated with term plans for new SONET are specified in the TPP set forth in Section 34.1 following for DSR and Section 26.1.5 preceding for IBT.

(e) Percentage Discount Beginning and Ending Dates

- (1) For new SpA muxed DS3 that is ordered during the ramp up period set forth in (B)(3) preceding or after the ramp up period and prior to June 16, 2006, the Option 31 discount begins with the date of installation and continues for the duration of the muxed DS3 service period in accordance with (C) preceding, subject to the limitations set forth in (F)(2) following.
- (2) For new SpA muxed DS3 that was ordered between March 18, 2005 and June 17, 2005, the Option 31 discount begins with the date of installation or the date of subscription to Option 31 (whichever is the later date) and continues for the duration of the muxed DS3 service period in accordance with (C) preceding, subject to the limitations set forth in (F)(2) following.
- (3) For new SONET IBT, the Option 31 discount begins with the date of installation and continues for the duration of the SONET service period of the customer's initial term plan selected in accordance with (C)(4) preceding, subject to the limitations set forth in (F)(2) following.
- (4) For DSR, the Option 31 discount begins coincident with the date that billing commences under Section 5.2 preceding and continues for the duration of the SONET service period of the customer's initial term plan selected in accordance with (C)(3) preceding, subject to the limitations set forth in (F)(2) following. The Option 31 discount will not apply during any period of renewal of, or extension to, the initial term plan selected.

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32. Contract Tariffs (Cont'd)32.14 Contract Tariff Option 31 (Cont'd)(F) Terms and Conditions (Cont'd)

(1) Percentage Discounts (Cont'd)

- (f) Shared Use as set forth in Section 5.2.7 preceding is allowed on new SpA muxed DS3s and new SONET under this Option 31. The percentage discount specified in (a) preceding will only be applied to the portion of the new SpA muxed DS3 or new SONET that is rated as Special Access.
- (2) In the event that the customer has not satisfied the minimum commitment of new SpA muxed DS3s as required under (B)(3) preceding by the end of the ramp up period, the following applies:
 - (a) Shortfall charges (ramp-up shortfall) apply equal to fifty percent (50%) of the discount already applied under this Option 31 for the period of time that each new SpA muxed DS3 has received the Option 31 discount; and
 - (b) the Option 31 discount applicable to SpA muxed DS3 and new SONET under this Option 31 will cease at the end of the ramp up period; and
 - (c) the customer's subscription to Option 31 is terminated.

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32. Contract Tariffs (Cont'd)32.14 Contract Tariff Option 31 (Cont'd)(F) Terms and Conditions (Cont'd)

(3) Termination Liability and Minimum Periods

Unless superseded by the terms and conditions set forth herein, all terms and conditions, including termination liability and minimum periods, as stated in other sections of this tariff apply to new SpA muxed DS3 or new SONET subscribed to this Option 31.

(a) Termination Liability

- (1) When calculating termination liability charges for SpA muxed DS3 as they may apply under other sections of this tariff, first apply the Option 31 discount to the monthly rates used in such calculation.
- (2) When calculating any termination liability charge for new SONET as it may apply under other sections of this tariff, do not apply the Option 31 discount to the monthly rates used in such calculation.
- (3) Termination liability will not apply when disconnecting or upgrading old DSR(s) in accordance with (B)(4)(b) preceding or when converting DSR in accordance with (B)(4)(c) preceding.

(b) Minimum Periods

When calculating any minimum period charges for SpA muxed DS3 or new SONET as they may apply under other sections of this tariff, do not apply the Option 31 discount to the monthly rates used in such calculation.

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32. Contract Tariffs (Cont'd)32.14 Contract Tariff Option 31 (Cont'd)(F) Terms and Conditions (Cont'd)

- (4) At expiration of the Service Period for new SpA muxed DS3 or new SONET, the customer has the following options.
- (a) For SpA muxed DS3, the following options apply:
- (1) disconnect service (in this case, the Option 31 discount will cease upon disconnection of the service); or
 - (2) continue with the service on a month-to-month basis, during which time the Option 31 discount will continue to be applied as set forth herein through December 31, 2010; or
 - (3) renew or extend the expired term plan under the terms and conditions specified for the term plan involved, during which time the Option 31 discount will continue to be applied as set forth herein through December 31, 2010; or
 - (4) select any then effective Contract Tariff Option applicable to new SpA muxed DS3 for which the customer is eligible. In this case, the Option 31 discount will cease upon subscription to such Contract Tariff Option.
- (b) For SONET service, the following options apply:
- (1) disconnect service (in this case, the Option 31 discount will cease upon disconnection of the service); or
 - (2) renew or extend the expired term plan under the terms and conditions specified for that term plan during which period of renewal or extension the Option 31 discount will not apply; or
 - (3) select any then effective term plan or contract tariff option applicable to the new SONET involved and for which the customer is eligible to subscribe. In this case, the Option 31 discount will cease upon subscription to such other term plan or contract tariff option.
 - (4) Regardless of the option selected, the Option 31 discount will cease upon expiration of the initial term plan for the new SONET or in accordance with (1) through (3) preceding, whichever occurs first.

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32. Contract Tariffs (Cont'd)32.15 Contract Tariff Option 35(A) Scope

- (1) Contract Tariff Option 35 (Option 35) provides discounted monthly rates to customers who convert an existing Special Access Dedicated SONET Ring as defined in (a) following or an existing Special Access IntelliBeam Dedicated SONET Ring as defined in (b) following (existing DSR) to a new Special Access Dedicated SONET Ring (new DSR) in accordance with the requirements set forth in (B) through (F) following.
 - (a) An existing DSR at Optical Carrier 12 (OC12), 48 (OC48) or 192 (OC192) under Section 34.1 following that utilizes nodes that are not enhanced and has been in-service under its current term plan for at least the duration specified in (B)(7) following may convert to this Option 35 when the requirements and eligibility set forth herein are met; or
 - (b) an existing DSR at OC12 or OC48 under Section 26.1 preceding that utilizes nodes that are not enhanced and has been in-service under its current term plan for at least the duration specified in (B)(7) following may convert to this Option 35 when the requirements and eligibility set forth herein are met.
- (2) The terms and conditions, regulations and rates provided in this Section 32.26 apply to customers who convert to a new DSR as offered herein.

(B) Eligibility

All of the following requirements must be met in order to be eligible for subscription to Option 35.

- (1) A customer must subscribe to Option 35 by submitting a written authorization in a manner designated by the Telephone Company during the subscription period which begins on and ends on December 30, 2005 (Subscription Period).
- (2) A customer must subscribe to Option 35 for the service period set forth in (D) following.
- (3) A customer must convert, in accordance with this Option 35, an existing DSR under Section 26.1 preceding or Section 34.1 following to a new DSR under this Option 35. For an existing DSR that is converted from Section 26.1 preceding, the new DSR will be configured in accordance with this Section 32.26 and Section 34.1 following. The existing DSR under Section 26.1 preceding or Section 34.1 following must be configured with nodes that are not enhanced and the new DSR must be equipped with nodes that are enhanced. Enhanced nodes for DSR are described in Section 34.1 following.

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32. Contract Tariffs (Cont'd)32.15 Contract Tariff Option 35 (Cont'd)(B) Eligibility (Cont'd)

- (4) Except as allowed under (B)(7) following, the new DSR can not be an existing DSR that was disconnected from another contract tariff option or discount plan in order to subscribe that DSR to this Option 35.
- (5) A customer may not concurrently subscribe the new DSR to any other contract tariff option in this Section 32 during its subscription to this Option 35.
- (6) The new DSR must be the same optical carrier rate as the existing DSR. For example, an existing OC12 DSR can only be converted to a new OC12 DSR under this Option 35.
- (7) The new DSR must be configured with at least the same number of nodes as the existing DSR.
 - (a) If the new DSR is configured with more nodes than the existing DSR, the existing DSR must have been in-service under its current term plan for at least twenty-four (24) months as of December 30, 2005, regardless of the number of months in the existing DSR term plan.
 - (b) If the new DSR is configured with the same number of nodes as the existing DSR, the existing DSR must have been in-service under its current term plan as of December 30, 2005 as follows:

<u>Existing Term Plan</u>	<u>Minimum Number of Months In-Service</u>
3-Year	24 Months
5-Year	36 Months
7-Year	48 Months

- (8) At least one of the premises enhanced nodes on the new DSR must be located at the same customer designated premises as a premises node on the existing DSR, and at least one of the central office enhanced nodes on the new DSR must be located at the same central office as a central office node on the existing DSR. All nodes on the new DSR were located within the Serving Area of this Option 35.
- (9) The new DSR must include at least two (2) ports capable of transmitting Ethernet signals.

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32. Contract Tariffs (Cont'd)32.15 Contract Tariff Option 35 (Cont'd)(C) Serving Area

- (1) The serving area of Option 35 is comprised of the Phase I and Phase II Metropolitan Statistical Areas (MSAs) of this tariff. Phase II MSAs are listed in Section 15.2 preceding.
- (2) Wire centers for the Phase II MSAs are listed in Section 15.2 preceding, as the same may be amended from time to time.
- (3) Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in this tariff) that occur during the Service Period of this Option 35 will apply.

(D) Service Period

- (1) The service period for the enhanced nodes and mileage of the new DSR ordered under this Option 35 is thirty-eight (38) months for a 3-year term plan, sixty-two (62) months for a 5-year term plan, or eighty-six (86) months for a 7-year term plan. The selected 38 month, 62 month or 86 month service period is that period of time during which the rates set forth in (F) following apply and during which the customer is subject to termination liability for early discontinuance of service under this Option 35. The selected service period applies in lieu of the commitment period for the term plan specified in Section 34.1 following for the 3-year term plan, the 5-year term plan or the 7-year term plan, respectively. The number of months of the service period under this Option 35 includes two (2) months during which transitional billing credit as described in (E)(6) following applies. The service period commences with the date that the new DSR is available for use by the customer and ends 38 months, 62 months or 86 months later based on the term plan selected (Service Period).
- (2) The term plan for each port or optional feature on the new DSR Service that is ordered with the initial installation of service shall commence with the installation of the port or optional feature and end on the same date on which the Service Period for the enhanced nodes and mileage under (D)(1) preceding ends. Except as set forth in this (D)(2), ports and optional features for DSR are offered under terms and conditions and rates set forth in Section 34.1 following.

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32. Contract Tariffs (Cont'd)32.15 Contract Tariff Option 35 (Cont'd)(D) Service Period (Cont'd)

- (3) The term plan for each port or optional feature added subsequent to the initial installation of service is subject to the terms and conditions set forth in Section 34.1 following, except that the service period selected in (D)(1) preceding shall apply in lieu of the commitment period for the term plan specified in Section 34.1 following. The expiration date of the service period for such port or optional feature will be coterminous with the expiration date of the Service Period for the enhanced nodes and mileage under (D)(1) preceding when such ports or optional features are added prior to completion of the twenty-first (21st) month of the Service Period for a 3-Year term, the thirty-sixth (36th) month of the Service Period for a 5-Year term, or the fiftieth (50th) month of the Service Period for a 7-Year term. Ports or optional features added after the aforementioned periods are subject to month-to-month billing terms as described in Section 34.1 following.

(E) Terms and Conditions

- (1) Except as set forth in this Section 32.15, the terms and conditions (e.g., additions of nodes) and application of rates and charges as set forth in Section 34.1 following apply to the new DSR and to any service(s) connected to such new DSR.
- (2) The rates and charges set forth in (F) following for the node and mileage rate elements apply for nodes and mileage that are ordered during the subscription period specified in (B)(1) preceding. Nodes and mileage added after the end of the subscription period are subject to the rates and charges set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding).
- (3) A new term plan and corresponding service period shall commence on the date that the new DSR is available for use by the customer. The customer may select any term plan offered, provided that the corresponding Service Period is equal to, or longer than, the number of months remaining in the term plan of the existing DSR. For example, if the existing DSR term plan is 7-Years and there are 48 months remaining to the end of that term plan, the customer may only select a 5-Year or a 7-Year term plan under this Option 35 for the new DSR. Additionally, no time-in-service credit will be applied for the period of time that the existing DSR was in-service under its current term plan.
- (4) Except as set forth in this Option 35, all other rates and charges and terms and conditions set forth in other sections of this tariff apply for any other rate element or work activity that may be associated with the new DSR included in this Option 35.

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32. Contract Tariffs (Cont'd)32.15 Contract Tariff Option 35 (Cont'd)(E) Terms and Conditions (Cont'd)

- (5) The conversion from the existing DSR to the new DSR is complete when all circuits on the existing DSR are disconnected from the existing DSR and are installed and operational on the new DSR, and the existing DSR is disconnected.
- (6) Transitional Billing Credit
 - (a) Upon completion of the conversion and regardless of the time taken to complete the conversion, the customer will receive two (2) months of transitional billing credit for a conversion to new DSR under this Option 35.
 - (b) Transitional billing credit is applied at fifty percent (50%) of the monthly recurring charges for 2 months for the node and mileage rate elements on the existing DSR, as applicable, and 50% of the monthly recurring charges for 2 months for the enhanced node and mileage rate elements on the new DSR.
- (7) Termination Liability
 - (a) Termination liability does not apply to discontinuance of the existing DSR when the terms and conditions set forth in this Option 35 are met.
 - (b) Termination liability does apply if the new DSR under this Option 35 is discontinued prior to the end of the Service Period. Termination liability is subject to the terms and conditions set forth in Section 34.1 following.
 - (c) When calculating any termination liability charge under this Option 35, the 3-year, 5-year or 7-year term plan rates set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding) are used. These rates apply in lieu of the 38 month, 62 month or 86 month service period rates set forth in (F) following.
- (8) When calculating any minimum period charges or cancellation charges as they apply under other sections of this tariff, the 3-year, 5-year or 7-year term plan rates set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding) are used. These rates apply in lieu of the 38 month, 62 month or 86 month service period rates set forth in (F) following.

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32. Contract Tariffs (Cont'd)32.15 Contract Tariff Option 35 (Cont'd)(E) Terms and Conditions (Cont'd)

(9) Expiration of Service Period

Upon completion of the Service Period for this Option 35, the customer must choose one of the following options:

- (a) discontinue service without termination liability; or
- (b) select any then offered term plan or contract tariff option for which the customer is eligible; or
- (c) continue subscription to the service on a monthly basis at the applicable 3-Year, 5-Year or 7-Year term plan rates and charges set forth in Section 30.7.19 preceding for price band rates and charges and Section 31.7.19 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding).
- (d) In the event that the customer does not make an election of (a) through (c) preceding, the customer's subscription to the new DSR will continue in accordance with (c) preceding.
- (e) Any customer that qualified for this option with a predecessor company will qualify for this Option with the Telephone Company.# (N)
(N)

FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract. (N)
(N)

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32. Contract Tariffs (Cont'd)32.15 Contract Tariff Option 35 (Cont'd)(F) Rates and Charges

The following rates and charges apply to the enhanced nodes and mileage of the new DSR when ordered at anytime up to the end of the subscription period. The rates and charges for nodes and mileage ordered after the end of the subscription period, and for all other rate elements associated with the new DSR (e.g., ports, CSM optional feature), including those rate elements associated with services that connect to such new DSR, are set forth in other sections of this tariff.

<u>Rate Element</u>	<u>USOC</u>	<u>Monthly Rate</u>	<u>Nonrecurring Charge</u>
OC12 Enhanced Node, per enhanced node			
38 Month Service Period	----	\$ 4,860.00	None
62 Month Service Period	----	2,430.00	None
86 Month Service Period	----	2,308.50	None
OC48 Enhanced Node, per enhanced node			
38 Month Service Period	----	\$10,658.00	None
62 Month Service Period	----	4,143.60	None
86 Month Service Period	----	3,935.85	None
OC192 Enhanced Node, per enhanced node			
38 Month Service Period	----	\$16,560.00	None
62 Month Service Period	----	8,280.00	None
86 Month Service Period	----	7,866.00	None
OC12 Mileage, per mile			
38 Month Service Period	----	\$ 671.00	None
62 Month Service Period	----	323.10	None
86 Month Service Period	----	323.95	None
OC48 Mileage, per mile			
38 Month Service Period	----	\$ 1,279.00	None
62 Month Service Period	----	575.10	None
86 Month Service Period	----	576.65	None
OC192 Mileage, per mile			
38 Month Service Period	----	\$ 2,559.00	None
62 Month Service Period	----	1,151.10	None
86 Month Service Period	----	1,154.25	None

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32. Contract Tariffs (Cont'd)32.16 Contract Tariff Option 36(A) Scope

- (1) Contract Tariff Option 36 (Option 36) provides discounted monthly rates for Special Access IntelliBeam Broadband Transport Service (IBT) and Special Access multiplexed IntelliBeam Broadband Transport Service (multiplexed IBT) which are ordered in accordance with the requirements set forth in this Option 36. IBT that are eligible for subscription to this Option 36 are specified in (A)(2) following.
 - (2) The following IBT are eligible for subscription to this Option 36 when the conditions set forth herein are met.
 - (a) Customer orders a new IBT (point-to-point or multiplexed) during the subscription period set forth in (B)(1) following (new IBT). Except as allowed under (B)(4)(b) following, a new IBT can not be a point-to-point IBT or a multiplexed IBT of the same or greater capacity that was disconnected from another contract tariff option or discount plan in order to include that service in this Option 36; or
 - (b) Customer upgrades an existing point-to-point or multiplexed IBT to a point-to-point or multiplexed IBT of a greater capacity (e.g., an upgrade of an OC3 IBT to an OC12 IBT) (upgrade of IBT). Upgrades are subject to the requirements set forth in (B)(3) following; or
 - (c) Customer renews the term plan of an existing point-to-point IBT or an existing multiplexed IBT, in each case, where the term plan is scheduled to expire prior to December 31, 2006 (renewal of IBT). The customer must order such renewal during the subscription period set forth in (B)(1) following and the new term plan must be of equal or greater duration than the expiring term plan. With the exception of renewal of the IBT term plan, no other changes may be made to the IBT service (e.g., a change from a 2-fiber interface to a 4-fiber interface).
 - (3) The terms and conditions, regulations, and rates provided in this Section 32.27 apply to customers who order a new IBT, an upgrade of IBT, or a renewal of IBT as offered herein.
 - (4) Any customer that qualified for this option with a predecessor company will qualify for this Option with the Telephone Company. # (N)
(N)
- # FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract. (N)
(N)

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32. Contract Tariffs (Cont'd)32.16 Contract Tariff Option 36 (Cont'd)(B) Eligibility

All of the following requirements must be met in order to be eligible for subscription to Option 36.

- (1) A customer must subscribe to Option 36 by submitting a written authorization in a manner designated by the Telephone Company during the subscription period which begins on January 4, 2006 and ends on December 31, 2006 (Subscription Period).
- (2) A customer must be ordering a new IBT, an upgrade of IBT, or a renewal of IBT as defined in (A)(2) preceding and in accordance with this Option 36.
- (3) For an upgrade of IBT, the replacing point-to-point IBT or multiplexed IBT:
 - (a) must be a greater capacity than the IBT being replaced (e.g., replacing an OC12 IBT with an OC48 IBT); and
 - (b) must have a Service Period that is greater in duration than the time remaining in the commitment period currently in effect for the replaced IBT. For example, a point-to-point IBT under a 5-year term plan with 40 months remaining in the commitment period can only upgrade to IBT with a 5-year Service Period; and
 - (c) must have at least one location that was part of the service configuration of the replaced IBT.
- (4) A customer may not subscribe IBT under this Option 36 to any other contract tariff option set forth in this Section 32 except as follows:
 - (a) A customer who subscribes to IBT under this Option 36 may concurrently subscribe that IBT to any other Tariff arrangement, contract tariff option, special service arrangement, or Individual Case Basis (ICB) arrangement offered by the Telephone Company and available to the customer either currently or at any time during the Service Period, which Tariff arrangement, contract tariff option, special service arrangement, or ICB provides a discount, credit, or other reduction in rates or terms based on achievement of revenue or volume targets/levels by the customer for those same services, unless specifically prohibited by such Tariff arrangement, contract tariff option, special service arrangement, or ICB.
 - (b) A customer who subscribes its IBT to Option 31 preceding may either continue with its subscription to Option 31 for IBT services or may subscribe a new IBT, an upgrade of an IBT, or a renewal of IBT to this Option 36 if such services are ordered, upgraded, or renewed during the Subscription Period set forth in (B)(1) preceding. In no case can the same IBT be subscribed to both Option 31 and to this Option 36, and in no case will the Option 31 discount and the Option 36 discount be applied to the same IBT. Any IBT purchased prior to the January 4, 2006 under Option 31 preceding shall not be eligible to be subscribed to this Option 36, unless such IBT is renewed or upgraded in accordance with the terms of this Option 36.

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32. Contract Tariffs (Cont'd)32.16 Contract Tariff Option 36 (Cont'd)(C) Serving Area

- (1) The serving area of Option 36 is comprised of the Phase I and Phase II Metropolitan Statistical Areas (MSAs) of this tariff. Phase II MSAs are listed in Section 15.2 preceding.
- (2) Wire centers for the Phase II MSAs are listed in Section 15.2 preceding, as the same may be amended from time to time.
- (3) Any additions of, or changes to, the wire centers within an MSA that occur during the Service Period of this Option 36 will apply beginning on the effective date of such change and continuing through the end of the Service Period. When such change results in an increase or decrease to the rates applicable to the IBT under this Option 36, no retroactive billing or adjustment will be made for the portion of the Service Period that has elapsed prior to the effective date of the change.

(D) Service Period

- (1) The Service Period for a new IBT, an upgrade of IBT, or a renewal of IBT under this Option 36 is that period of time during which the customer is subscribed to this Option 36. Customer must select a term period for its IBT or multiplexed IBT service from those offered under Section 26.1.5(C)(1) preceding. The term periods under Section 26.1.5(C)(1) preceding for IBT are month-to-month, 3-year, or 5-year terms.
 - (a) The Service Period for a 3-year term plan or a 5-year term plan is three (3) years or five (5) years, respectively, and may be extended for one additional term in accordance with (E)(4) following.
 - (b) The Service Period for month-to-month billed IBT is a minimum of twelve (12) months. The customer may continue its subscription to this Option 36 until the IBT is disconnected or until the first bill period following December 31, 2016, whichever occurs first.
- (2) The selected Service Period for a new IBT or an upgrade of IBT under this Option 36 commences with the date that billing for the new IBT or upgrade of IBT commences. The selected service period for a renewal of IBT under this Option 36 commences on the first day following the expiration date of the commitment period for the expiring term plan. For example, the Service Period for an IBT that is due to expire May 27, 2006 and is renewed in accordance with this Option 36 shall commence on May 28, 2006.
- (3) During the Service Period, the rates set forth in (F) following shall apply and the customer is subject to termination liability under (E)(5) following for early discontinuance of service under this Option 36.

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32. Contract Tariffs (Cont'd)32.16 Contract Tariff Option 36 (Cont'd)(E) Terms and Conditions

- (1) Except as set forth in this Section 32.16, the terms and conditions and application of rates and charges as set forth in Section 26.1.5 preceding apply to the new IBT, an upgrade of IBT, or a renewal of IBT.
- (2) The rates for IBT subscribed to this Option 36 are set forth in (F) following and will be applied for the duration of the Service Period specified in (D) preceding. Only those IBTs that are ordered as new, as an upgrade of IBT, or as a renewal of IBT during the subscription period of this Option 36 will receive the rates set forth in (F) following. IBTs ordered at any time prior to, or after, the subscription period of this Option 36 are not eligible for the rates set forth in (F) following. Such IBTs are subject to the rates and charges set forth in Section 30.26.5 preceding for price band rates and charges and Section 31.26.5 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding).
- (3) Except as set forth in this Option 36, all other rates and charges and terms and conditions set forth in other sections of this tariff apply for any other rate element or work activity that may be associated with the new IBT, the upgrade of IBT, or the renewal of IBT subscribed to this Option 36 and to any other service connected to such IBT.
- (4) For customers who subscribed IBT to this Option 36 under a 3-year or 5-year Service Period as selected in (D)(1) preceding, the rates set forth in (F) following shall cease upon expiration of the initial Service Period unless the customer provides written notification to the Telephone Company no later than 30 days prior to end of the initial term of its intention to extend the expiring Service Period. Extension of the Service Period is subject to the following:
 - (a) The customer may extend an expiring 3-year Service Period by one additional 3-year term or by one 5-year term.
 - (b) The customer may extend an expiring 5-year Service Period by one additional 5-year term.
 - (c) During the period of extension (Extended Service Period), the rates set forth in (F) following shall continue to apply until service is discontinued or the Extended Service Period expires, whichever occurs first. Only one such extension of the Service Period is allowed per IBT or multiplexed IBT service.

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32. Contract Tariffs (Cont'd)32.16 Contract Tariff Option 36 (Cont'd)(E) Terms and Conditions (Cont'd)

(5) Termination Liability and Minimum Period Charges

(a) Termination Liability for 3-Year and 5-Year Service Periods

- (1) Termination liability applies if a new IBT, an upgrade of IBT, or a renewal of IBT that is subscribed to this Option 36 under a 3-year or 5-year Service Period is discontinued prior to the end of the selected Service Period. Termination liability is subject to the terms and conditions set forth in Section 26.1.5(C) preceding.
- (2) When calculating any termination liability charge under this Option 36, the rates set forth in (F) following are not used. Such termination liability will be calculated using the applicable 3-year term plan rates or 5-year term plan rates set forth in Section 30.26.5 preceding for price band rates and charges and Section 31.26.5 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding).

(b) Minimum Period Charges for Month-to-Month Service Periods

Minimum period charges apply to a new IBT, an upgrade of IBT, or a renewal of IBT when such IBT is subscribed to this Option 36 and is disconnected prior to the end of the first twelve (12) months of the Service Period. When calculating any minimum period charges under this Option 36, the rates set forth in (F) following are not used. Such minimum period charges will be calculated using the month-to-month rates set forth in Section 30.26.5 preceding for price band rates and charges and Section 31.26.5 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding).

- (6) Shared Use as set forth in Section 5.2.7 preceding is allowed under this Option 36; however, only the Special Access portion of the new IBT, the upgrade of IBT or the renewal of IBT is eligible for the rates set forth in (F) following.

(7) Expiration of Service Period

Upon completion of the Service Period or Extended Service Period, as applicable, for this Option 36, the customer may discontinue service without termination liability. If the customer does not discontinue service, the service will continue at the selected term plan rates set forth in Section 30.26.5 preceding for price band rates and charges and Section 31.26.5 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding) until such time as the customer either cancels service or subscribes to a new term plan or contract tariff option for which the customer is eligible. In all cases, the rates set forth in (F) following will cease upon expiration of the Service Period or Extended Service Period of this Option 36 or on the first bill date following December 31, 2016, whichever occurs first.

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32. Contract Tariffs (Cont'd)32.16 Contract Tariff Option 36 (Cont'd)(F) Rates and Charges

The following rates will be applied to a new IBT, an upgrade of IBT, or a renewal of IBT that is subscribed to this Option. Such rates will continue through the end of the Service Period or Extended Service Period, as applicable, selected by the customer. The rates and charges that apply to such IBT after the end of the Service Period or Extended Service Period, as applicable, and for any other rate not shown, whether for the IBT or for a service connected to such IBT, the rates and charges set forth in other sections of this tariff apply.

(1) Special Access Standard Channel Terminations, each

	<u>Monthly Rates</u>	<u>Nonrecurring Charges</u>
OC3/OC3c or STM1		
Basic		
Month-to-Month	\$3,678.00	\$1.00
3-Year	2,660.00	1.00
5-Year	2,560.00	1.00
W/FPD		
Month-to-Month	4,120.00	1.00
3-Year	3,040.00	1.00
5-Year	2,960.00	1.00
OC12/OC12c		
Basic		
Month-to-Month	7,840.00	2.00
3-Year	5,224.00	2.00
5-Year	3,600.00	2.00
W/FPD		
Month-to-Month	8,400.00	2.00
3-Year	5,824.00	2.00
5-Year	3,960.00	2.00

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32. Contract Tariffs (Cont'd)32.16 Contract Tariff Option 36 (Cont'd)(F) Rates and Charges (Cont'd)

(1) Special Access Standard Channel Terminations, each (Cont'd)

	Monthly <u>Rates</u>	Nonrecurring <u>Charges</u>
OC48/OC48c		
Basic		
Month-to-Month	\$8,800.00	\$3.00
3-Year	6,000.00	3.00
5-Year	5,080.00	3.00
W/FPD		
Month-to-Month	9,480.00	3.00
3-Year	6,636.00	3.00
5-Year	5,588.00	3.00
OC192/OC192c		
Basic		
Month-to-Month	19,800.00	4.00
3-Year	12,600.00	4.00
5-Year	9,900.00	4.00
W/FPD		
Month-to-Month	21,330.00	4.00
3-Year	15,210.00	4.00
5-Year	10,665.00	4.00

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32. Contract Tariffs (Cont'd)32.16 Contract Tariff Option 36 (Cont'd)(F) Rates and Charges (Cont'd)

(2) Special Access Ports*, per Termination (Cont'd)

	Monthly <u>Rates</u>	Nonrecurring <u>Charges</u>
OC3		
2 Fiber		
Month-to-Month	\$170.00	\$1.00
3-Year	150.00	1.00
5-Year	112.00	1.00
4 Fiber 1 + 1		
Month-to-Month	315.00	1.00
3-Year	293.00	1.00
5-Year	210.00	1.00
OC3c or STM1		
2 Fiber		
Month-to-Month	202.00	1.00
3-Year	182.00	1.00
5-Year	126.00	1.00
4 Fiber 1 + 1		
Month-to-Month	378.00	1.00
3-Year	336.00	1.00
5-Year	224.00	1.00

* Excludes multiplexing option low speed ports. See (F)(4)(b) following for Option 36 rates applicable to low speed ports.

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32. Contract Tariffs (Cont'd)32.16 Contract Tariff Option 36 (Cont'd)(F) Rates and Charges (Cont'd)

(2) Special Access Ports*, per Termination (Cont'd)

	Monthly <u>Rates</u>	Nonrecurring <u>Charges</u>
OC12		
2 Fiber		
Month-to-Month	\$378.00	\$2.00
3-Year	322.00	2.00
5-Year	224.00	2.00
4 Fiber 1 + 1		
Month-to-Month	720.00	2.00
3-Year	630.00	2.00
5-Year	420.00	2.00
OC12c		
2 Fiber		
Month-to-Month	438.00	2.00
3-Year	336.00	2.00
5-Year	252.00	2.00
4 Fiber 1 + 1		
Month-to-Month	840.00	2.00
3-Year	651.00	2.00
5-Year	455.00	2.00

* Excludes multiplexing option low speed ports. See (F)(4)(b) following for Option 36 rates applicable to low speed ports.

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32. Contract Tariffs (Cont'd)32.16 Contract Tariff Option 36(F) Rates and Charges (Cont'd)

(2) Special Access Ports*, per Termination (Cont'd)

	Monthly Rates	Nonrecurring Charges
OC48		
2 Fiber		
Month-to-Month	\$630.00	\$3.00
3-Year	585.00	3.00
5-Year	420.00	3.00
4 Fiber 1 + 1		
Month-to-Month	1,260.00	3.00
3-Year	1,170.00	3.00
5-Year	840.00	3.00
OC48c		
2 Fiber		
Month-to-Month	660.00	3.00
3-Year	618.00	3.00
5-Year	455.00	3.00
4 Fiber 1 + 1		
Month-to-Month	1,320.00	3.00
3-Year	1,235.00	3.00
5-Year	910.00	3.00

* Excludes multiplexing option low speed ports. See (F)(4)(b) following for Option 36 rates applicable to low speed ports.

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32. Contract Tariffs (Cont'd)32.16 Contract Tariff Option 36 (Cont'd)(F) Rates and Charges (Cont'd)

(2) Special Access Ports*, per Termination (Cont'd)

	Monthly <u>Rates</u>	Nonrecurring <u>Charges</u>
OC192		
2 Fiber		
Month-to-Month	\$2,250.00	\$1.00
3-Year	1,890.00	1.00
5-Year	1,620.00	1.00
4 Fiber 1 + 1		
Month-to-Month	4,500.00	1.00
3-Year	3,780.00	1.00
5-Year	3,240.00	1.00
OC192c		
2 Fiber		
Month-to-Month	2,430.00	1.00
3-Year	2,070.00	1.00
5-Year	1,800.00	1.00
4 Fiber 1 + 1		
Month-to-Month	4,680.00	1.00
3-Year	3,960.00	1.00
5-Year	3,420.00	1.00

* Excludes multiplexing option low speed ports. See (F)(4)(b) following for Option 36 rates applicable to low speed ports.

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32. Contract Tariffs (Cont'd)32.16 Contract Tariff Option 36 (Cont'd)(F) Rates and Charges (Cont'd)

(3) Special Access Channel Mileage

	Monthly Rates	
	<u>Fixed</u>	<u>Per Mile</u>
OC3/OC3c or STM1		
Basic Month-to-Month	\$1,575.00	\$277.00
Basic 3-Year	1,502.00	227.00
Basic 5-Year	1,330.00	125.00
W/FPD Month-to-Month	1,575.00	291.00
W/FPD 3-Year	1,502.00	242.00
W/FPD 5-Year	1,330.00	139.00
OC12/OC12c		
Month-to-Month	3,600.00	696.00
3-Year	3,500.00	630.00
5-Year	2,450.00	315.00
W/FPD Month-to-Month	3,600.00	885.00
W/FPD 3-Year	3,500.00	812.00
W/FPD 5-Year	2,450.00	368.00

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32. Contract Tariffs (Cont'd)32.16 Contract Tariff Option 36 (Cont'd)(F) Rates and Charges (Cont'd)

(3) Special Access Channel Mileage (Cont'd)

	Monthly Rates	
	<u>Fixed</u>	<u>Per Mile</u>
OC48/OC48c		
Basic Month-to-Month	\$6,534.00	\$1,770.00
Basic 3-Year	6,017.00	1,645.00
Basic 5-Year	4,410.00	875.00
W/FPD Month-to-Month	6,534.00	1,950.00
W/FPD 3-Year	6,017.00	1,820.00
W/FPD 5-Year	4,410.00	966.00
OC192/OC192c		
Basic Month-to-Month	14,310.00	2,655.00
Basic 3-Year	11,700.00	2,115.00
Basic 5-Year	10,350.00	1,125.00
W/FPD Month-to-Month	14,310.00	2,925.00
W/FPD 3-Year	11,700.00	2,340.00
W/FPD 5-Year	10,350.00	1,242.00

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32. Contract Tariffs (Cont'd)32.16 Contract Tariff Option 36 (Cont'd)(F) Rates and Charges (Cont'd)

(4) Special Access Multiplexing Capability

(a) Per Arrangement

	Monthly Rates	
	<u>Fixed</u>	<u>Per Mile</u>
OC3 Multiplexer Node		
Month-to-Month	\$1,337.00	\$1,599.00
3-Year	1,231.00	1,599.00
5-Year	903.00	1,599.00
OC12 Multiplexer Node		
Month-to-Month	2,366.00	1,599.00
3-Year	2,164.00	1,599.00
5-Year	1,567.00	1,599.00
OC48 Multiplexer Node		
Month-to-Month	6,395.00	1,599.00
3-Year	5,342.00	1,599.00
5-Year	2,993.00	1,599.00

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32. Contract Tariffs (Cont'd)32.16 Contract Tariff Option 36 (Cont'd)(F) Rates and Charges (Cont'd)

(4) Special Access Multiplexing Capability (Cont'd)

(b) Low Speed Ports*, per port

	Monthly Rates	Nonrecurring Charges
OC3		
2 Fiber		
Month-to-Month	\$170.00	\$1.00
3-Year	150.00	1.00
5-Year	112.00	1.00
4 Fiber 1 + 1		
Month-to-Month	315.00	1.00
3-Year	293.00	1.00
5-Year	210.00	1.00
OC3c or STM1		
2 Fiber		
Month-to-Month	202.00	1.00
3-Year	182.00	1.00
5-Year	126.00	1.00
4 Fiber 1 + 1		
Month-to-Month	378.00	1.00
3-Year	336.00	1.00
5-Year	224.00	1.00

* DS1, DS3 and STS1 low speed ports are not applicable for the Option 36 discount.

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32. Contract Tariffs (Cont'd)32.16 Contract Tariff Option 36 (Cont'd)(F) Rates and Charges (Cont'd)

(4) Special Access Multiplexing Capability (Cont'd)

(b) Low Speed Ports*, per port (Cont'd)

	Monthly <u>Rates</u>	Nonrecurring <u>Charges</u>
OC12		
2 Fiber		
Month-to-Month	\$378.00	\$2.00
3-Year	322.00	2.00
5-Year	224.00	2.00
4 Fiber 1 + 1		
Month-to-Month	720.00	2.00
3-Year	630.00	2.00
5-Year	420.00	2.00
OC12c		
2 Fiber		
Month-to-Month	438.00	2.00
3-Year	336.00	2.00
5-Year	252.00	2.00
4 Fiber 1 + 1		
Month-to-Month	840.00	2.00
3-Year	651.00	2.00
5-Year	455.00	2.00

* DS1, DS3 and STS1 low speed ports are not applicable for the Option 36 discount.

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32. Contract Tariffs (Cont'd)32.17 Contract Tariff Option 38(A) Scope

- (1) Contract Tariff Option 38 (Option 38) provides discounted monthly rates to customers who order a minimum of one Special Access Dedicated SONET Rings in partial ring or full ring configurations (new DSRs). The new DSRs may be newly installed services or may be other Special Access SONET, purchased under this tariff that are converted or upgraded to new DSRs in accordance with the requirements set forth in (B) through (F) following. The Option 38 discounted monthly rates are applicable for certain rate elements of such new DSRs when ordered in accordance with the requirements set forth herein.
- (a) Existing SONET services purchased under this tariff consist of the following Special Access Services.
 - (1) Existing Dedicated SONET Rings (existing DSRs) at Optical Carrier 3 (OC3) utilizing nodes that are not enhanced. These services may be upgraded to new DSR at Optical Carrier 12 (OC12), 48 (OC48) or 192 (OC192). The new DSRs will utilize enhanced nodes. Upgrades are further subject to (E)(6) following.
 - (2) Existing DSRs at OC12, OC48 or OC192 utilizing enhanced nodes or nodes that are not enhanced. These services may be converted to new DSRs of the same optical carrier rate (e.g., an OC12 existing DSR can be converted to a new OC12 DSR). The new DSRs will utilize enhanced nodes.
 - (3) Existing DSRs at OC12 or OC48 utilizing enhanced nodes or nodes that are not enhanced. These services may be upgraded to new DSRs of a higher optical carrier rate (e.g., an OC12 existing DSR can be upgraded to a new OC48 DSR or to a new OC192 DSR). The new DSRs will utilize enhanced nodes. Upgrades are further subject to (E)(6) following.
 - (4) Existing SONET services as defined in (A)(1)(a)(1) through (3) preceding are further subject to the eligibility requirements set forth in (B) following.
 - (5) Existing SONET services as defined in (A)(1)(a)(1) through (3) preceding was existing SONET services that were purchased under other sections of this tariff or under other contract tariff option(s) of this Section 32.
- (2) The terms and conditions, regulations, and rates provided in this Section 32.17 apply to customers that order new DSRs, and convert or upgrade existing DSR as offered herein.

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32. Contract Tariffs (Cont'd)32.17 Contract Tariff Option 38 (Cont'd)(B) Eligibility

All of the following requirements was met in order to be eligible for subscription to Option 38.

- (1) A customer must subscribe to Option 38 by submitting a written authorization in a manner designated by the Telephone Company during the subscription period which begins on March 3, 2006 and ends on June 30, 2006 (Subscription Period).
- (2) A customer must order a minimum of six (6) new DSRs during the subscription period set forth in (B)(1) preceding. Such new DSRs may be ordered under Option 38 of this tariff. Each of the new DSRs must either be an existing SONET that is converted to new DSR, an existing SONET that is upgraded to new DSR, a newly installed service as described in (A)(1)(a) preceding, or any combination of converted, upgraded and newly installed services.
 - (a) At least seventy-five percent (75%) of the total number of existing SONET services that are converted and/or upgraded to new DSR must have been in-service for at least twenty-four (24) months as of the date of subscription to this Option 38 or March 3, 2006, whichever is the later date. For those existing SONET services that have not satisfied their minimum period obligations, minimum period charges apply as set forth in other sections of this tariff; and
 - (b) At least forty percent (40%) of the total number of existing SONET services that are converted and/or upgraded to new DSRs must have an initial term plan that has either already expired as of March 3, 2006 or that will expire no later than March 2, 2007, whichever is the later date; and
 - (c) At least fifty percent (50%) of the new DSRs subscribed to this Option 38 (whether converted or upgraded from existing SONET services or newly installed service) must have an optical carrier rate of OC48 or OC192.
- (3) The new DSRs was located within the serving areas specified in (C) following.
- (4) Any customer that qualified for this option with a predecessor company will qualify for this Option with the Telephone Company. Notwithstanding anything in this Option to the contrary, no minimum subscriptions will be required for any customer that qualified for this option with a predecessor company.#

(N)
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(N)

- # FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract.

(N)
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(N)

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32. Contract Tariffs (Cont'd)32.17 Contract Tariff Option 38 (Cont'd)(C) Serving Area

- (1) The serving area of Option 38 is comprised of the wire centers that are within the Phase I and Phase II Metropolitan Statistical Area (MSAs) of this tariff. Wire centers within the Phase II MSAs of this tariff are set forth in Section 15.2 preceding.
- (2) Any additions of, or changes to, the wire centers within an MSA that occur during the Service Period of this Option 38 will apply beginning on the effective date of such change and continuing through the end of the Service Period. When such change results in an increase or decrease to the rates applicable to the new DSRs under this Option 38, no retroactive billing or adjustment will be made for the portion of the Service Period that has elapsed prior to the effective date of the change.

(D) Service Period

- (1) The service period for Option 38 is sixty (60) months unless the customer elects the transitional billing option set forth in (E)(5) following in which case the service period of this Option 38 is sixty-four (64) months (Service Period). The Service Period is applicable to the enhanced nodes, partial ring high speed (pass-through) interfaces, and mileage of each new DSR that is subscribed to this Option 38. The Service Period is that period of time during which the rates set forth in (F) following apply and is in lieu of the commitment period for the 5-year term plan specified in Section 34.1 following.
- (2) When ordering a conversion from existing SONET service or an upgrade of existing SONET service, and the customer elects the transitional billing option set forth in (E)(5) following, the 64 month Service Period under this Option 38 shall include four (4) months during which transitional billing credit as described in (E)(5) following shall apply.
- (3) Each new DSR subscribed to this Option 38 shall have its own Service Period of either sixty (60) months or sixty-four (64) months depending on whether or not the customer elects the transitional billing option set forth in (E)(5) following.
 - (a) The Service Period for a newly installed service commences with the date that the new DSR is available for use by the customer.
 - (b) The Service Period for an existing SONET service that is converted or upgraded to a new DSR commences with the date that the new DSR is available for use by the customer and ends sixty (60) months later (when ordered without the transitional billing option) or sixty-four (64) months later (when ordered with the transitional billing option), unless otherwise extended due to the addition of a node as described in (D)(4) following.

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32. Contract Tariffs (Cont'd)32.17 Contract Tariff Option 38 (Cont'd)(D) Service Period (Cont'd)

(4) Node Additions

- (a) An additional node(s) may be added to a new DSR at any time prior to the end of the 60 or 64 month Service Period, as applicable.
- (b) Nodes added after the initial installation of a new DSR and during the subscription period specified in (B) preceding will have an expiration date that is coterminous with the expiration date of the 60 or 64 month Service Period for the initial nodes ordered, as applicable, and will be subject to the rates and charges set forth in (F) following.
- (c) Nodes added after the subscription period and prior to completion of the thirty-sixth (36th) month of the Service Period will have an expiration date that is coterminous with the expiration date of the 60 or 64 month Service Period for the initial nodes installed, as applicable, and will be subject to the rates and charges set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding).
- (d) Nodes added after the first 36 months of the Service Period will have an expiration date of twenty-four (24) months from the date that the additional node(s) is placed into service. The addition of these nodes also requires that the 60 or 64 month Service Period for the new DSR, as applicable, be extended by twenty-four (24) months thereby making the expiration date for the additional node(s) coterminous with the expiration date for the remainder of the new DSR. The additional node(s) will be subject to the rates and charges set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding). The rates and charges applicable to the new DSR during the Extended Service Period are set forth in (F) following.

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32. Contract Tariffs (Cont'd)32.17 Contract Tariff Option 38 (Cont'd)(E) Terms and Conditions

- (1) Except as set forth in this Section 32.17, the terms and conditions and application of rates and charges as set forth in Section 34.1 following apply to the new DSRs and to any service connected to the new DSRs.
- (2) The rates for the new DSRs subscribed to this Option 38 are set forth in (F) following and will be applied for the duration of the Service Period specified in (D) preceding or Extended Service Period as set forth in (D)(4)(d) preceding. Only those new DSRs that are ordered during the subscription period of this Option 38 will receive the rates set forth in (F) following. New DSRs ordered at any time prior to or after the subscription period of this Option 38 are not eligible for the rates set forth in (F) following. Such new DSRs are subject to the rates and charges set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding), unless otherwise subscribed to another contract tariff option in which case the rates and charges applicable to that contract tariff option apply.
- (3) Except as set forth in this Option 38, all other rates and charges and terms and conditions set forth in other sections of this tariff apply for any other rate elements or work activity that may be associated with the new DSRs subscribed to this Option 38 (e.g., ports) and to any other service connected to such new DSRs.
- (4) The conversion or upgrade from the existing SONET service to new DSR is complete when all circuits on the existing SONET service are disconnected from the existing SONET service and are installed and operational on the new DSR, and the existing SONET service is disconnected.
- (5) Transitional Billing
 - (a) At the time of ordering a conversion involving physical work activity (e.g., conversion from DSR without enhanced nodes to DSR with enhanced nodes) or an upgrade of existing SONET service to new DSR, a customer requesting the transitional billing option must specify such option in its order for service. In doing so, the customer will receive four (4) months of transitional billing credit as further described in (E)(5)(b) following, when the requirements set forth herein are met.
 - (b) Transitional billing credit is applied at fifty percent (50%) of the monthly recurring charges for the node, partial ring high speed (pass-through) interface and mileage rate elements on each existing SONET service and 50% of the monthly recurring charges for the enhanced node, partial ring high speed (pass-through) interface and mileage rate elements on each new DSR for which the customer orders the transitional billing option. Transitional billing credit is not applicable to ports or any other rate element on either the existing SONET service or new DSR.

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32. Contract Tariffs (Cont'd)32.17 Contract Tariff Option 38 (Cont'd)(E) Terms and Conditions (Cont'd)

(6) Upgrade of Existing SONET Services

An upgrade of existing DSR under this Option 38 is subject to the following requirements:

- (a) One (1) or two (2) existing DSRs (the old ring(s)) was replaced with a single DSR of greater capacity (the new DSR) than the combined capacity of the old ring(s) being replaced (e.g., an OC12 old ring can be upgraded to a new OC48 DSR or to a new OC192 DSR, or two OC12 old rings can be upgraded to a new OC48 DSR); and
- (b) The Service Period for the new DSR shall commence with the date that the new DSR is available for use by the customer; and
- (c) When upgrading one old ring, the Service Period for the new DSR must have an expiration date that extends beyond the expiration date of the commitment period for that old ring. When upgrading two old rings, the Service Period for the new DSR must have an expiration date that extends beyond the expiration date of the old ring with the longer expiration date; and
- (d) The new DSR must have at least one (1) customer premises node and one (1) CO node in common with each of the old ring(s); and
- (e) When two (2) old rings are being upgraded into a single, higher capacity new DSR, the aggregate amount of all monthly charges for the nodes and ports included in the Service Period of the new DSR subscribed to under this Option 38 was at least twenty-five percent (25%) greater than the aggregate amount of monthly charges remaining in the commitment period for the nodes and ports of the old rings being disconnected; and
- (f) The customer must specify in its order for service whether or not the transitional billing option as set forth in (E)(5) preceding will apply for the upgrade of existing SONET service.

(7) Termination Liability and Minimum Period Charges

(a) Termination Liability

- (1) Termination liability will not apply for disconnection of an existing SONET service when such disconnection occurs for the purpose of converting that existing SONET service to a new DSR under this Option 38.

Termination liability will not apply for disconnection of an existing SONET service when such disconnection occurs for the purpose of upgrading that existing SONET service to a new DSR under this Option 38 and the requirements set forth in (E)(6) preceding are met.

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32. Contract Tariffs (Cont'd)32.17 Contract Tariff Option 38 (Cont'd)(E) Terms and Conditions (Cont'd)

(7) Termination Liability and Minimum Period Charges (Cont'd)

(a) Termination Liability (Cont'd)

- (2) Termination liability will apply if a new DSR that is subscribed to this Option 38 is discontinued prior to the end of the thirty-sixth (36th) month of the Service Period (when ordered without the transitional billing option as set forth in (E)(5) preceding) or prior to the end of the fortieth (40th) month of the Service Period (when ordered with the transitional billing option as set forth in (E)(5) preceding). Except as set forth in (E)(7)(a)(2)(a) and (b) following, termination liability is subject to the terms and conditions set forth in Section 34.1(E) following.
 - (a) Termination Liability on a new DSR that is ordered without the transitional billing option set forth in (E)(5) preceding applies to the node and partial ring high speed (pass-through) interface rate elements only at 100% of the monthly recurring charge from the date of disconnection through the end of the first twenty-four (24) months of the Service Period and 75% of the monthly recurring charge from the twenty-fifth (25th) month of the Service Period through the end of the thirty-sixth (36th) month of the Service Period. Termination liability does not apply in months thirty-seven (37) through months sixty (60) of the Service Period.
 - (b) Termination Liability on a new DSR that is ordered with the transitional billing option set forth in (E)(5) preceding applies to the node and partial ring high speed (pass-through) interface rate elements only at 100% of the monthly recurring charge from the date of disconnection through the end of the first twenty-eight (28) months of the Service Period and 75% of the monthly recurring charge from the twenty-ninth (29th) month of the Service Period through the end of the fortieth (40th) month of the Service Period. Termination liability does not apply in months forty-one (41) through months sixty-four (64) of the Service Period.
- (3) When calculating any termination liability charge under this Option 38, the rates set forth in (F) following are not used. Such termination liability will be calculated using the 5-year term plan rates set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding).

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32. Contract Tariffs (Cont'd)32.17 Contract Tariff Option 38 (Cont'd)(E) Terms and Conditions (Cont'd)

(7) Termination Liability and Minimum Period Charges (Cont'd)

(b) Minimum Period Charges

Minimum period charges apply if a new DSR or any service connected to such new DSR is disconnected prior to satisfying the minimum period requirement for the service involved. Minimum periods for each service are specified in Section 5.2.5 preceding. When calculating any minimum period charges under this Option 38, the rates set forth in (F) following are not used. Such minimum period charges will be calculated using the applicable rates for the type of service involved as set forth in Section 30 preceding for price band rates and charges and Section 31 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding).

- (8) Shared Use as set forth in Section 5.2.7 preceding is allowed under this Option 38; however, only the Special Access portion of the new DSRs are eligible for the rates set forth in (F) following.

(9) Expiration of Service Period

Upon completion of the Service Period for this Option 38, the customer must choose one of the following options:

- (a) discontinue service without termination liability; or
- (b) select any then offered term plan or contract tariff option for which the customer is eligible; or
- (c) continue subscription to the service on a monthly basis at the 5-year term plan rates and charges set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding).
- (d) In the event that the customer does not make an election of (E)(9)(a) through (c) preceding, the customer's subscription to the new DSR will continue in accordance with (E)(9)(c) preceding.

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32. Contract Tariffs (Cont'd)32.17 Contract Tariff Option 38 (Cont'd)(F) Rates and Charges

The following rates will be applied to the new DSRs that are subscribed to this Option 38. Such rates will continue through the end of the Service Period specified in (D) preceding. The rates and charges that apply to such new DSRs after the end of the Service Period and for any other rate not shown, whether for the new DSRs or for a service connected to such new DSRs, are the rates and charges set forth in other sections of this tariff.

	<u>Monthly Rates</u>	<u>Nonrecurring Charges</u>
(1) Enhanced Nodes, per node		
OC12 Enhanced Node	\$1,890.00	None
OC48 Enhanced Node	3,222.80	None
OC192 Enhanced Node	6,440.00	None
(2) Partial Ring High Speed (Pass-through) Interfaces, per interface		
OC12 Interface	\$1,890.00	None
OC48 Interface	3,222.80	None
OC192 Interface	6,440.00	None
(3) Ring Mileage, per mile	<u>Monthly Rates</u>	
OC12	\$251.30	
OC48	447.30	
OC192	895.30	

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32. Contract Tariffs (Cont'd)32.18 Contract Tariff Option 39(A) Scope

- (1) Contract Tariff Option 39 (Option 39) is an offering exclusively for customers who upgrade a minimum of two (2) existing Special Access Optical Carrier 12 Dedicated SONET Ring Services that are configured with nodes that are not enhanced (existing OC12 DSRs) to the same number of new Special Access Optical Carrier 48 Dedicated SONET Ring Services that are configured with nodes that are enhanced (new OC48 DSRs) in accordance with the requirements set forth herein. Option 39 provides discounted monthly rates for certain rate elements of such new OC48 DSRs when ordered in accordance with the requirements set forth in this Option 39.
- (2) The terms and conditions, regulations, and rates provided in this Section 32.18 apply to customers who upgrade to new OC48 DSRs as offered herein.

(B) Eligibility

All of the following requirements were met in order to be eligible for subscription to Option 39.

- (1) A customer subscribes to Option 39 by submitting a written authorization in a manner designated by the Telephone Company during the three (3) month subscription period which begins on March 4, 2006 and ends on June 3, 2006 (Subscription Period).
- (2) A customer ordered a minimum of two (2) upgrades of existing OC12 DSRs as follows.
 - (a) A minimum of one (1) existing OC12 DSR located in the Boston MA-NH Metropolitan Statistical Area (MSA) of this tariff was upgraded to one (1) new OC48 DSR within that same MSA; and
 - (b) Each existing OC12 DSR that was upgraded to a new OC48 DSR under (B)(2)(a) or (b) preceding was in service under its current service configuration for a minimum of two (2) years.
- (3) The total number of new OC48 DSRs subscribed to this Option 39 were collectively configured with at least ten (10) enhanced nodes and at least sixteen (16) miles in total for all of the new OC48 DSRs. Enhanced nodes are described in Section 34.1 following.
- (4) The new DSRs were located within the serving areas set forth in (C) following.

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32. Contract Tariffs (Cont'd)32.18 Contract Tariff Option 39 (Cont'd)(C) Serving Area

- (1) The serving area of Option 39 is comprised of the wire centers that are within the Boston MA-NH MSA (MSA #6). The wire centers for MSA#6 of this tariff are specified in Section 15.2 preceding.
- (2) Any additions of, or changes to, the wire centers within an MSA that occur during the Service Period of this Option 39 will apply beginning on the effective date of such change and continuing through the end of the Service Period. When such change results in an increase or decrease to the rates applicable to the DSRs under this Option 39, no retroactive billing or adjustment will be made for the portion of the Service Period that has elapsed prior to the effective date of the change.

(D) Service Period

- (1) The service period for Option 39 is sixty-four (64) months for the new OC48 DSRs and any DS1 ports, DS3 ports, DS3 Transmux ports or GigE3 ports that are ordered during the subscription period specified in (B) preceding. The service period is that period of time during which the rates set forth in (F) following apply and is in lieu of the commitment period for the 5-year term plan specified in Section 34.1 following. The service period under this Option 39 includes four (4) months during which transitional billing credit as described in (E)(5) following applies. Beginning with the date that service is available for use by the customer and continuing through the end of the service period set forth in this (D), the customer is subject to termination liability under (E)(6) following for early discontinuance of any node or port that is subscribed to this Option 39. In the case of discontinuance of one or more nodes, the collective minimum requirements set forth in (B)(3) preceding was maintained or the customer's subscription to this Option 39 shall cease upon disconnection of such node(s).
- (2) A single service period applies for all of the new OC48 DSRs that are subscribed to this Option 39 and commences with the date that the last of the new OC48 DSRs is installed and available for use by the customer (Service Period) and ends 64 months later. In the event that the Service Period of one (1) or more of the new OC48 DSRs is extended under (D)(5) following, the Service Period for the remaining new OC48 DSRs will not be extended, in which case a single Service Period no longer applies. The rates set forth in (F) following will apply beginning with the date that each new OC48 DSR is available for use by the customer and continuing through the end of the Service Period.

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32. Contract Tariffs (Cont'd)32.18 Contract Tariff Option 39 (Cont'd)(D) Service Period (Cont'd)

- (3) The Service Period for each DS1 port, DS3 port, DS3 Transmux port or GigE3 port that is ordered with the initial installation of service or at any time during the subscription period set forth in (B) preceding will commence with the installation of the port and end on the same date on which the Service Period for the enhanced nodes and mileage under (D)(1) preceding ends. Except as set forth in this (D)(3), all other ports and optional features associated with the new OC48 DSR are offered under terms and conditions and rates set forth in Section 34.1 following.
- (4) For each port or optional feature added at any time after the end of the subscription period set forth in (B) preceding, the port or optional feature is added under the terms and conditions and rates set forth in Section 34.1 following, except that the expiration date of the term plan for such port or optional feature will be coterminous with the expiration date of the Service Period when such ports or optional features are added prior to completion of the fortieth (40th) month of the Service Period or prior to the last twenty-four (24) months of the Expired Service Period, as applicable. Ports or optional features added after the first 40 months of the Service Period or within the last 24 months of the Expired Service Period are subject to month-to-month billing terms as described in Section 34.1 following.

Any customer that qualified for this option with a predecessor company will qualify for this Option with the Telephone Company. Notwithstanding anything in this Option to the contrary, no minimum subscriptions will be required for any customer that qualified for this option with a predecessor company.#

(N)
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(N)

- # FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract.

(N)
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(N)

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32. Contract Tariffs (Cont'd)32.18 Contract Tariff Option 39 (Cont'd)(D) Service Period (Cont'd)

(5) Node Additions

- (a) An additional node(s) may be added to the new OC48 DSR at any time prior to the end of the sixty-four month Service Period.
- (b) Nodes added after the initial installation of the new OC48 DSR and during the subscription period specified in (B) preceding will have an expiration date that is coterminous with the expiration date of the sixty-four (64) month Service Period for the initial nodes ordered and will be subject to the rates and charges set forth in (F) following.
- (c) Nodes added after the subscription period and prior to completion of the fortieth (40th) month of the Service Period will have an expiration date that is coterminous with the expiration date of the 64 month Service Period for the initial nodes installed and will be subject to the rates and charges set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding).
- (d) Nodes added after the first 36 months of the Service Period will have an expiration date of twenty-four (24) months from the date that the additional node(s) is placed into service. This also requires that the 64 month Service Period for that particular new OC48 DSR be extended by twenty-four (24) months thereby making the expiration date for the additional node(s) coterminous with the expiration date for the remaining nodes for that new OC48 DSR (Extended Service Period). The Service Period for any remaining new OC48 DSRs will not be extended, in which case a single Service Period for all new OC48 DSRs no longer applies. The additional node(s) will be subject to the rates and charges set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding). The rates and charges applicable to the remaining rate elements of the new OC48 DSR for the Extended Service Period are set forth in (F) following.

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32. Contract Tariffs (Cont'd)32.18 Contract Tariff Option 39 (Cont'd)(E) Terms and Conditions

- (1) Except as set forth in this Section 32.18, the terms and conditions and application of rates and charges as set forth in Section 34.1 following apply to the new OC48 DSRs and to any service connected to the new OC48 DSRs.
- (2) The rates and charges for the new OC48 DSRs subscribed to this Option 39 are set forth in (F) following and will be applied beginning with the date that each new OC48 DSR is available for use by the customer and continuing through the end of the Service Period specified in (D) preceding or the Extended Service Period specified in (D)(5)(d) preceding. Only those new OC48 DSRs and DS1 ports, DS3 ports, DS3 Transmux ports or GigE3 ports that are ordered during the subscription period of this Option 39 will receive the rates set forth in (F) following. New OC48 DSRs, DS1 ports, DS3 ports, DS3 Transmux ports or GigE3 ports ordered at any time prior to, or after, the subscription period of this Option 39 are not eligible for the rates set forth in (F) following. Such new OC48 DSRs, DS1 ports, DS3 ports, DS3 Transmux ports and GigE3 ports are subject to the rates and charges set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding).
- (3) Except as set forth in this Option 39, all other rates and charges and terms and conditions set forth in other sections of this tariff apply for any other rate elements or work activity that may be associated with the new OC48 DSRs subscribed to this Option 39 (e.g., OCn ports) and to any other service connected to such new OC48 DSR.
- (4) The upgrade is considered complete when all circuits on the existing OC12 DSRs are disconnected from the existing OC12 DSRs and are installed and available for use on the new OC48 DSRs, and the existing OC12 DSRs are disconnected.
- (5) Transitional Billing
 - (a) This customer will receive four (4) months of transitional billing credit for the upgrade of existing OC12 DSRs to new OC48 DSRs under this Option 39.
 - (b) Transitional billing credit is applied at fifty percent (50%) of the monthly recurring charges for the node and mileage rate elements on the existing OC12 DSRs and 50% of the monthly recurring charges for the node and mileage rate elements on the new OC48 DSRs. Transitional billing credit is not applicable to ports.

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32. Contract Tariffs (Cont'd)32.18 Contract Tariff Option 39 (Cont'd)(E) Terms and Conditions (Cont'd)

(6) Termination Liability and Minimum Period Charges

(a) Termination Liability

- (1) Termination liability will not apply for disconnection of the existing OC12 DSRs when such disconnection occurs for the purpose of upgrading those existing OC12 DSRs to new OC48 DSRs under this Option 39.
- (2) Termination liability will apply if a new OC48 DSR, DS1 port, DS3 port, DS3 Transmux port, or GigE3 port that is subscribed to this Option 39 is discontinued prior to the end of the Service Period or Extended Service Period, as applicable. Termination liability is subject to the terms and conditions set forth in Section 34.1(E) following.
- (3) When calculating any termination liability charge under this Option 39, the rates set forth in (F) following are not used. Such termination liability will be calculated using the 5-year term plan rates set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding).

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32. Contract Tariffs (Cont'd)32.18 Contract Tariff Option 39 (Cont'd)(E) Terms and Conditions (Cont'd)

(6) Termination Liability and Minimum Period Charges (Cont'd)

(b) Minimum Period Charges

Minimum period charges apply if the new OC48 DSRs or any service connected to such new OC48 DSRs is disconnected prior to satisfying the minimum period requirement for the service involved. Minimum periods for each service are specified in Section 5.2.5 preceding. When calculating any minimum period charges under this Option 39, the rates set forth in (F) following are not used. Such minimum period charges will be calculated using the applicable rates for the type of service involved as set forth in Section 30 preceding for price band rates and charges and Section 31 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding).

- (7) Shared Use as set forth in Section 5.2.7 preceding is allowed under this Option 39; however, only the Special Access portion of the new DSR is eligible for the rates set forth in (F) following.

(8) Expiration of Service Period

Upon completion of the Service Period or Extended Service Period for this Option 39, as applicable, the customer must choose one of the following options:

- (a) discontinue service without termination liability; or
- (b) select any then offered term plan or contract tariff option for which the customer is eligible; or
- (c) continue subscription to the service on a monthly basis at the 5-Year term plan rates and charges set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding).
- (d) In the event that the customer does not make an election of (E)(8)(a) through (c) preceding, the customer's subscription to the new OC48 DSR will continue in accordance with (E)(8)(c) preceding.

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32. Contract Tariffs (Cont'd)32.18 Contract Tariff Option 39 (Cont'd)(F) Rates and Charges

The following rates and charges will be applied to the new OC48 DSRs and ports that are subscribed to this Option 39. The monthly rates set forth below will continue through the end of the Service Period specified in (D) preceding or the end of the Extended Service Period specified in (D)(5)(d) preceding, as applicable. The rates and charges that apply to such new OC48 DSRs and ports after the end of the Service Period or the end of the Extended Service Period, as applicable, and for any other rate not shown, whether for the new OC48 DSRs or for a service connected to such new OC48 DSRs, are the rates and charges set forth in other sections of this tariff.

	<u>Monthly Rates</u>	<u>Nonrecurring Charges</u>
(1) OC48 Enhanced Node, per node	\$3,453.00	None
		<u>Monthly Rates Per Mile</u>
(2) OC48 Mileage, per mile		\$479.25
	<u>Monthly Rates</u>	<u>Nonrecurring Charges</u>
(3) Ports, per port added during the Subscription Period		
DS1 Port @ OC48 Node	\$ 21.00	None
DS3 Port @ OC48 Node	86.25	None
DS3 Transmux @ OC48 Nodes	300.00	None
GigE3 Port @ OC48	258.75	None

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32. Contract Tariffs (Cont'd)32.19 Contract Tariff Option 41(A) Scope

- (1) Contract Tariff Option 41 (Option 41) provides a transitional billing credit for certain monthly recurring rates assessed during a conversion (as described below) from Special Access Dedicated SONET Ring (DSR) service(s) to Special Access IntelliBeam Optical Transport Service (IOTS).
- (2) DSR is described in Section 34.1 following. IOTS is described in Section 7.2.19 preceding.

(B) Eligibility Requirements

All of the following requirements was met in order to be eligible for subscription to Option 41.

- (1) A customer must subscribe to Option 41 by submitting a written authorization in a manner designated by the Telephone Company during the sixty day (60) period that begins on May 9, 2006 and ends on July 8, 2006 (Subscription Period).
- (2) The customer must place an order for a conversion from DSR to IOTS. For each conversion of DSR to IOTS that is ordered, the customer must meet all of the following requirements.
 - (a) A conversion under this Option 41 is the replacement of one (1) or two (2) in-service DSRs which are equipped with enhanced nodes or with nodes that are not enhanced (the existing DSR(s)) with a single IOTS (the replacing IOTS). At the customer's option, the replacing IOTS may also include a new DSR that utilizes IOTS SONET optical transport channels as the backbone transmission facilities between the DSR enhanced nodes (the new DSR). The new DSR is subject to the DSR requirements set forth in Section 34.1 following and to the IOTS requirements set forth in Section 7.2.19 preceding as they apply to connecting DSR to IOTS.
 - (b) For each existing DSR being converted, the replacing IOTS must include a SONET optical transport channel that has an optical carrier rate equal to, or greater than, the optical carrier rate of the existing DSR. For example, when converting one (1) existing Optical Carrier 12 (OC12) DSR to IOTS, the IOTS must include a SONET optical transport channel with an optical carrier rate of OC12 or greater.
 - (c) The existing DSR(s) must have been purchased under Section 34.1 following or under another contract tariff option in this Section 32.

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32. Contract Tariffs (Cont'd)32.19 Contract Tariff Option 41 (Cont'd)(B) Eligibility Requirements (Cont'd)

(2) (Cont'd)

- (d) The commitment period for the term plan of the replacing IOTS must extend beyond the expiration date of the commitment period for the term plan of the existing DSR as follows:
 - (1) When converting one existing DSR to IOTS, the commitment period for the term plan of the replacing IOTS (as selected under Section 7.2.19 preceding or under another contract tariff option in this Section 32) must have an expiration date that extends beyond the expiration date of the commitment period for the term plan of the existing DSR.
 - (2) When converting two existing DSRs to a single IOTS, the commitment period for the term plan of the replacing IOTS (as selected under Section 7.2.19 preceding or under another contract tariff option in this Section 32) must have an expiration date that extends beyond the expiration date of the commitment period for the DSR term plan with the later expiration date.
- (e) The replacing IOTS was within the same operating territory as the existing DSR(s) and was configured as follows.
 - (1) Where one existing DSR is converted to IOTS, the replacing IOTS must have at least one (1) customer premises node location and one (1) CO node location in common with the existing DSR being replaced.
 - (2) Where two existing DSRs are converted to a single IOTS, the replacing IOTS must have at least one (1) customer premises node location and one (1) CO node location in common with either of the existing DSR(s) being replaced.

(C) Serving Area

- (1) The serving area of Option 41 consists of the Phase I and Phase II Metropolitan Statistical Areas (MSAs) of this tariff. Wire centers within the Phase II MSAs of this tariff are set forth in Section 15.2 preceding.
- (2) Any additions of, or changes to, the wire centers within an MSA that occur during the Service Period of the replacing IOTS subscribed to under this Option 41 will apply and be included in this Option 41.

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32. Contract Tariffs (Cont'd)32.19 Contract Tariff Option 41 (Cont'd)(D) Terms and Conditions

- (1) Except as set forth in this Section 32.19, the terms and conditions applicable to Special Access IOTS, as set forth in Section 7.2.19 preceding also apply.
- (2) Upon completion of the conversion, and regardless of the actual time taken to complete the conversion, a transitional billing credit applies as follows.
 - (a) two (2) months of transitional billing credit equal to fifty percent (50%) of the recurring monthly rates for the node, high speed pass-through interface, amplification and mileage Special Access rate elements of the replacing IOTS will apply; and
 - (b) two (2) months of transitional billing credit equal to fifty percent (50%) of the recurring monthly rates for the node, high speed pass-through interfaces and mileage Special Access rate elements of the existing DSR(s) will apply.
 - (c) When the replacing IOTS also includes a new DSR that utilizes IOTS SONET optical transport channels as the transmission facilities between the DSR enhanced nodes, transitional billing credit is not applicable to the enhanced nodes for such new DSR.
 - (d) Shared Use as set forth in Section 5.2.7 preceding is allowed under this Option 41; however, only the Special Access portion of such existing DSR(s) or replacing IOTS is eligible for the transitional billing credit.
 - (e) The conversion from DSR to IOTS is complete when all circuits on the existing DSR(s) are disconnected and the SONET optical transport channels on the replacing IOTS (as required under (B)(2)(b) preceding) are installed and operational on the replacing IOTS, and the existing DSR(s) are disconnected.
- (3) For each conversion the customer subscribes to under this Option 41, the commitment period of the term plan for the replacing IOTS (as selected by the customer under Section 7.2.19 preceding or the applicable contract tariff option under this Section 32) will be extended by two (2) months beyond the selected commitment period (extended commitment period).

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32. Contract Tariffs (Cont'd)32.19 Contract Tariff Option 41 (Cont'd)(D) Terms and Conditions (Cont'd)

(4) Subscription to Other Contract Tariff Options

A customer subscribing an IOTS to this Option 41 may concurrently subscribe that same IOTS to any other tariff arrangement, contract tariff option, special service arrangement, or Individual Case Basis (ICB) arrangement offered by the Telephone Company and available to the customer either currently or at any time during the commitment period, which tariff arrangement, contract tariff option, special service arrangement, or ICB allows subscription to IOTS.

- (5) Termination liability will not apply to disconnection of the existing DSR(s) when the conditions set forth in (B)(2) preceding and Section 7.2.19(F) preceding or the applicable contract tariff option in this Section 32 are met. The customer will remain responsible for any outstanding minimum period obligations on services connected to the existing DSR(s) as they may apply under Section 5.2.5 preceding.

- (6) During the extended commitment period (as set forth in (D)(3) preceding) for the replacing IOTS, the customer is subject to termination liability under Section 7.2.19(E) preceding or the applicable contract tariff option in this Section 32 if service subscribed to under this Option 41 is discontinued prior to the end of the extended commitment period.

- (7) Any customer that qualified for this option with a predecessor company will qualify for this Option with the Telephone Company. # (N)
(N)

FairPoint notified the customers of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract. (N)
(N)

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32. Contract Tariffs (Cont'd)32.20 Contract Tariff Option 42(A) Scope

(1) Contract Tariff Option 42 (Option 42) is an offering exclusively for:

- a new installation of Optical Carrier 12 (OC12), Optical Carrier 48 (OC48) or Optical Carrier 192 (OC192) Special Access Dedicated SONET Ring service (DSR) as described in Section 34.1 following when such new installation of DSR is ordered under a 5-year term plan (new DSR); or
- an upgrade of DSR to a DSR of a higher optical carrier rate when such upgrade is ordered under a 5-year term plan and in accordance with (B)(3)(b) and Section 34.1 following (upgrade of DSR); or
- a renewal to a 5-year commitment period for an existing DSR at OC12, OC48, or OC192 when such existing DSR is still in-service under a 3-year or a 5-year term plan that has (i) already expired and the customer does not select a new plan under Section 34.1(D)(2) following or extend the expiring commitment period under Section 34.1(I) following; or (ii) that will expire during the subscription period described in (B)(1) following (collectively, renewal of DSR); or
- a conversion of an existing IntelliBeam Dedicated SONET Ring service as described in Section 26.1 preceding (IDSR) to DSR as described in Section 34.1 following when such replacing DSR is ordered under a 5-year term plan (conversion to DSR).

(2) Option 42 provides discounted monthly rates for a new DSR, an upgrade of DSR, a renewal of DSR, or a conversion to DSR when ordered in accordance with the terms of this Option 42. Switched Access DSR rate elements as set forth in Section 34.1 following are not eligible for the Option 42 rates and charges set forth in (H) following.

(B) Eligibility Requirements

All of the following requirements was met in order to be eligible for subscription to Option 42.

- (1) A customer must subscribe to Option 42 by submitting a written authorization in a manner designated by the Telephone Company during the twelve (12) month period that begins on May 13, 2006 and ends on May 12, 2007 (Subscription Period).
- (2) The customer must accept service on the original service date. If the customer does not accept service on the original service date, the customer's acceptance of the service on a later date will make the service ineligible for the Option 42 rates and charges set forth in (H) following, unless the later service date is designated by the Telephone Company.
- (3) Any customer that qualified for this option with a predecessor company will qualify for this Option with the Telephone Company.# (N)
(N)

FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract. (N)
(N)

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32. Contract Tariffs (Cont'd)32.20 Contract Tariff Option 42 (Cont'd)(B) Eligibility Requirements (Cont'd)

- (3) A customer must order a new DSR, an upgrade of DSR, a renewal of DSR, or a conversion to DSR, as applicable, in accordance with this Option 42 and during the Subscription Period specified in (B)(1) preceding.
- (a) Except when ordering an upgrade of DSR as set forth in (B)(3)(b) following or a conversion to DSR as set forth in (B)(3)(c) following, a new DSR does not include a DSR service that was subscribed to under another contract tariff option in this Section 32 or that was disconnected from its current location and installed as new at that same location.
- (b) Upgrades
 - (1) An upgrade of an existing DSR service to a DSR with a greater optical carrier rate under this Option 42 is subject to all of the following requirements.
 - (a) One (1) or two (2) existing DSRs (the old DSR(s)) was replaced with a single DSR of greater capacity (the new DSR) than the combined capacity of the old DSR(s) being replaced (e.g., an OC12 old DSR can be upgraded to a new OC48 DSR or to a new OC192 DSR, or two OC12 old DSRs can be upgraded to a new OC48 DSR) and the new DSR was ordered with a 5-Year term plan; and
 - (b) The Service Period for the new DSR shall commence with the date that the new DSR is available for use by the customer; and
 - (c) When upgrading one old DSR to a new DSR, the expiration date of the 5-year Service Period for the new DSR was a later date than the date that the term plan for the old DSR would have expired. When upgrading two old DSRs to a new DSR, the expiration date of the 5-year Service Period for the new DSR was a later date than the date that the term plan for the old DSR with the later expiration date would have expired; and
 - (d) The new DSR must have at least one (1) customer premises node location and one (1) CO node location in common with each of the old DSR(s); and
 - (e) When two (2) old DSRs are upgraded to a new DSR, the aggregate amount of all monthly charges for the nodes and ports included in the Service Period of the new DSR was at least twenty-five percent (25%) greater than the aggregate amount of monthly charges remaining in the commitment period for the nodes and ports of the old DSRs being disconnected.
 - (f) The customer must specify in its order for service whether or not the transitional billing option as set forth in (G)(5) following will apply for the upgrade.

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32. Contract Tariffs (Cont'd)32.20 Contract Tariff Option 42 (Cont'd)(B) Eligibility Requirements (Cont'd)

(3) (Cont'd)

(b) Upgrades (Cont'd)

- (2) The following types of changes are not considered upgrades under this Option 42 and are not eligible for the Option 42 discount:

- A change of an existing DSR using nodes that are not enhanced to a DSR of the same optical carrier rate that uses enhanced nodes (e.g., an existing OC12 DSR using nodes that are not enhanced which is replaced with a new OC12 DSR with enhanced nodes is not an upgrade)
- The addition of one (1) or more port(s) or node(s) to an existing DSR service
- Two (2) existing DSRs that are replaced with one (1) new DSR of the same OC rate (e.g., 2 existing OC12 DSRs that are replaced with 1 new OC12 DSR is not an upgrade or 1 existing OC3 DSR and 1 existing OC12 DSR that are replaced with 1 new OC12 DSR is not an upgrade)
- An existing DSR that is replaced with a new DSR of the same optical carrier rate but is configured with an additional node(s) (e.g., an existing OC12 DSR with ten (10) nodes that is replaced by a new OC12 DSR with eleven (11) nodes is not an upgrade).

(c) Conversions

- (1) Conversions of IDSR purchased under Section 26.1 preceding to DSR purchased under this Option 42 are eligible for the Option 42 rates and charges set forth in (H) following, provided that the replacing DSR has at least one (1) customer premises node location and one (1) CO node location in common with the IDSR being replaced, and all terms and conditions for a conversion as set forth in Section 7.4.10(C)(1) preceding, Section 26.1 preceding and this Section 32.20 are met.
- (2) When converting an IDSR purchased under Section 26.1 preceding to a DSR purchased under this Option 42, and such DSR is a higher optical carrier rate than the IDSR being replaced (i.e., an upgrade to a higher optical carrier rate), the customer has the option to order the conversion with the transitional billing option as described in (G)(5) following.

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32. Contract Tariffs (Cont'd)32.20 Contract Tariff Option 42 (Cont'd)(C) Serving Area

- (1) The serving area of Option 42 consists of the Metropolitan Statistical Areas (MSAs) set forth in (C)(1)(a) and (b) following.

- (a) In the following MSAs, the Option 42 discount will be applied to all of the eligible rate elements for the service as specified in (E) following.

Bangor ME	MSA #224
Boston MA-NH	MSA #6
Manchester NH	MSA #133
Portland ME	MSA #152

- (b) In the following MSAs, the Option 42 discount will be applied to all eligible rate elements for the service as specified in (E) following, with the exception of nodes located at an End User designated premises.

Burlington VT	MSA #248
Portsmouth NH-Rochester ME	MSA #156

- (2) Any additions of, or changes to, the wire centers within an MSA that occur during the Service Period of a DSR subscribed to under this Option 42 will apply beginning on the effective date of such change and continue through the end of the commitment period. When such change results in an increase or decrease to the rates applicable to the DSR under this Option 42, no retroactive billing or adjustment will be made for the portion of the Service Period that has elapsed prior to the effective date of the change.

(D) Service Period

The Service Periods for DSR that is subscribed to this Option 42 are as follows:

- (1) The Service Period for a new DSR or a renewal of DSR that is subscribed to this Option 42 is sixty (60) months. The Service Period for a new DSR or a renewal of DSR may be extended under (D)(8) following.

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32. Contract Tariffs (Cont'd)32.20 Contract Tariff Option 42 (Cont'd)(D) Service Period (Cont'd)

- (2) The Service Period for an upgrade of DSR or a conversion to DSR that is subscribed to this Option 42 is sixty (60) months. The customer may elect the transitional billing option set forth in (G)(5) following for an upgrade of DSR or for a conversion to DSR (when such conversion is to a higher capacity DSR than the IDSR being replaced), in which case the Service Period is extended to sixty-two (62) months. The Service Period for an upgrade of DSR or a conversion to DSR may be extended under (D)(8) following.
- (3) The applicable Service Period set forth in (D)(1) or (D)(2) preceding is applicable to the enhanced nodes, partial ring high speed (pass-through) interfaces, and mileage of each DSR that is subscribed to under this Option 42. The Service Period is that period of time during which the rates set forth in (H) following apply, and is in lieu of the 5-year commitment period specified in Section 34.1 following.
- (4) The Service Period for a new DSR under (D)(1) preceding, the replacing DSR for an upgrade of DSR under (D)(2) preceding, or the replacing DSR for a conversion to a DSR under (D)(2) preceding commences with the date that billing for the new or replacing DSR begins and ends sixty (60) months later unless otherwise extended due to the addition of a node under (D)(8) following or by the customer's election of transitional billing option under (G)(5) following.
- (5) The Service Period for a renewal of DSR under (D)(1) preceding whose commitment period expired prior to May 13, 2006 commences with the date of subscription to this Option 42 and continues for sixty (60) months unless otherwise extended due to the addition of a node under (D)(8) following or by the customer's election of the transitional billing option under (G)(5) following.
- (6) The Service Period for a renewal of DSR under (D)(1) preceding whose commitment period expires during the subscription period specified in (B)(1) preceding commences on the later of the first day following the expiration date of the commitment period for the expiring term plan or the date the customer elects to renew the DSR under Option 42 and ends sixty (60) months later unless otherwise extended due to the addition of a node under (D)(8) following. For example, the Service Period for a DSR that is due to expire May 27, 2006 and is renewed in accordance with this Option 42 prior to May 27, 2006 shall commence on May 28, 2006.

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32. Contract Tariffs (Cont'd)32.20 Contract Tariff Option 42 (Cont'd)(D) Service Period (Cont'd)

- (7) During the applicable Service Period, the customer is subject to termination liability under (G)(6) following if service under this Option 42 is discontinued prior to the end of the Service Period or a port purchased under Section 34.1 following is discontinued prior to the end of the Service Period for the associated DSR.

(8) Node Additions

(a) General

An additional node(s) may be added to a DSR that is subscribed to this Option 42 at any time prior to the end of the Service Period as determined in (D)(1) or (D)(2) preceding.

(b) Nodes Ordered During Subscription Period

Additional nodes ordered after the initial installation or establishment of DSR under this Option 42 and during the subscription period specified in (B)(1) preceding will have an expiration date that is coterminous with the expiration date of the applicable Service Period for the initial nodes ordered. The rates and charges for such additional nodes are the rates and charges set forth in (H) following. Such additional node(s) are also subject to termination liability under (G)(6) following when disconnected prior to the end of the Service Period.

(c) Nodes Added After the Subscription Period and Prior to Month 36 or Month 38 of the Service Period

Nodes added after the subscription period and prior to completion of the first thirty-six (36) months of the Service Period (or thirty-eight (38) months of the Service Period for DSRs ordered with the transitional billing option) will have an expiration date that is coterminous with the expiration date of the applicable Service Period for the initial nodes ordered. Such added nodes will be subject to the rates and charges set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding) and are not eligible for the rates and charges specified in (H) following. The rates for the remaining nodes (i.e., nodes ordered with the initial installation of service or at any time prior to the end of the subscription period) and other eligible rate elements will be the rates specified in (H) following during the Extended Service Period.

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32. Contract Tariffs (Cont'd)32.20 Contract Tariff Option 42 (Cont'd)(D) Service Period (Cont'd)

(8) Node Additions (Cont'd)

(d) Nodes Added After Month 36 or Month 38 of the Service Period

Nodes added after the first 36 months of the Service Period (or after the first 38 months of the Service Period for DSR ordered with the transitional billing option) require that the applicable Service Period for the entire DSR be extended by twenty-four (24) months thereby making the expiration date for the additional node(s) coterminous with the expiration date for the remainder of the service (Extended Service Period). The additional node(s) will be subject to the rates and charges set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding) and to termination liability under (G)(6) following for early discontinuance of service. Such nodes are not eligible for the rates and charges specified in (H) following. The rates for the remaining nodes (i.e., nodes ordered with the initial installation of service or at any time prior to the end of the subscription period) and other eligible rate elements will be the rates specified in (H) following during the Extended Service Period.

(E) The following DSR rate elements and service configurations are eligible for the rates and charges specified in (H) following.

(1) DSR rate elements that are eligible for the rates and charges specified in (H) following are:

- Enhanced nodes (OC12, OC48, OC192), including subtending nodes
- Mileage (OC12, OC48, OC192)
- Pass Through Interface, Per Interface (OC12, OC48, OC192)

(2) Both full ring and partial ring service configurations may be subscribed to this Option 42.

(F) Application of Rates and Charges

(1) The rates and charges for this Option 42 as set forth in (H) following apply for the eligible rate elements set forth in (E)(1) preceding during the applicable Service Period or Extended Service Period for DSRs subscribed to this Option 42.

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32. Contract Tariffs (Cont'd)32.20 Contract Tariff Option 42 (Cont'd)(G) Terms and Conditions

Unless superseded by the terms and conditions set forth herein, all terms and conditions, including termination liability and minimum periods, as stated in Section 34.1 following or, with respect to conversions, Sections 7.4.10(C)(1) and 26.1 preceding, apply to the DSR services subscribed to under this Option 42.

- (1) The Option 42 rates set forth in (H) following will apply only for the duration of the Service Period set forth in (D)(1) or (D)(2) preceding or the Extended Service Period set forth in (D)(8)(d) preceding. If the customer renews or extends the commitment period for such DSR in accordance with Section 34.1 following, or if the customer does not take any action after expiration of the applicable Service Period, then in each case, the rates and charges set forth in (H) following shall not apply during such period following expiration of the applicable Service Period.
- (2) For nodes added prior to the end of the subscription period (i.e., nodes ordered in accordance with Section (D)(8)(b) preceding), the rates set forth in (H) following will be used to calculate termination liability charges (as set forth in (G)(6) following) as they apply under this Option 42 and other sections of this tariff. For all other nodes, the rates set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding) are used.
- (3) Work Activity Ordered on DSR Subscribe to Option 42
 - (a) With the exception of adding a node under (D)(8) preceding, removing a node of a DSR service subscribed to under this Option 42, or adding or removing ports under (G)(3)(b) following, any replacements, rearrangements, or other physical change to the service subscribed to Option 42 will result in cancellation of the customer's subscription to this Option 42 for that service, in which case the rates and charges set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding) will apply for the balance of the Service Period for the affected DSR. If the addition or removal of a node results in an increase or decrease in the total number of miles around the circumference of the ring, the rates set forth in (H) following will continue to apply to such increase or decrease in the mileage rate element.
 - (b) At any time during the Service Period or Extended Service Period, as applicable, the customer may add or remove ports to the DSR service subscribed to under this Option 42 in accordance with Section 34.1 following, except that such ports will be subject to termination liability under (G)(6) following.

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32. Contract Tariffs (Cont'd)32.20 Contract Tariff Option 42 (Cont'd)(G) Terms and Conditions (Cont'd)

(4) Subscription to Other Contract Tariff Options

- (a) A customer subscribing to DSR services under this Option 42 may concurrently subscribe to any other tariff arrangement, contract tariff option, special service arrangement, or Individual Case Basis (ICB) arrangement offered by the Telephone Company and available to the customer either currently or at any time during the Service Period, which tariff arrangement, contract tariff option, special service arrangement, or ICB provides a discount, credit, or other reduction in rates or terms based on achievement of revenue or volume targets/levels by the customer for those same services.
- (b) Notwithstanding (G)(4)(a) preceding, the customer may not concurrently subscribe any DSR rate element that receives the Option 42 discount to any other contract tariff, unless subscription of such DSR is explicitly allowed under that contract tariff option. Upon subscription to another contract tariff option, the rates set forth in (H) following will cease, unless explicitly allowed to continue under the other contract tariff option.

(5) Transitional Billing

- (a) At the time of ordering an upgrade of DSR under (B)(3)(b) preceding or a conversion to DSR with a greater optical carrier rate under (B)(3)(c) preceding, a customer requesting the transitional billing option must specify such option in its order for service. In doing so, the Service Period under this Option 42 is extended to 62 months and the customer will receive two (2) months of transitional billing credit for an upgrade of DSR or for a conversion from IDSR to DSR with a higher capacity rate. Transitional billing credit is described in (G)(5)(b) following and will be applied when the requirements set forth herein are met.
- (b) Transitional billing credit is applied for two (2) months at fifty percent (50%) of the monthly recurring charges for the node, partial ring high speed (pass-through) interface, and mileage rate elements on each existing DSR or IDSR service, as applicable, and 50% of the monthly recurring charges for the enhanced node, partial ring high speed (pass-through) interface, and mileage rate elements on each replacing DSR (the DSR that is subscribed to this Option 42) for which the customer orders the transitional billing option. Transitional billing credit is not applicable to ports, conversions from IDSR to DSR with the same optical carrier rate, or to any other rate element associated with the existing DSR, the existing IDSR, or the replacing DSR.

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32. Contract Tariffs (Cont'd)32.20 Contract Tariff Option 42 (Cont'd)(G) Terms and Conditions (Cont'd)

(6) Termination Liability

- (a) Termination liability will not apply to termination of an existing DSR commitment period when such DSR is upgraded under (B)(3)(b) and Section 34.1 following or converted under (B)(3)(c) and Section 26.1 preceding.
- (b) Termination liability will apply if the DSR subscribed to this Option 42, a portion of the DSR subscribed to this Option 42, or a port purchased under Section 34.1 following is terminated prior to the end of the applicable Service Period or Extended Service Period specified in (D) preceding as follows.
 - (1) Where the Service Period is sixty (60) months and the DSR, a portion of the DSR, or port is cancelled within the first thirty-six (36) months of the Service Period, termination liability applies at 100% of the monthly recurring charge for the affected node, partial ring high speed (pass-through) interface, and port rate elements only beginning with the date of disconnection and continuing through the end of the first thirty-six (36) months of the 60 month Service Period.
 - (2) Where the Service Period is sixty-two (62) months and the DSR, a portion of the DSR, or port is cancelled within the first thirty-eight (38) months of the Service Period, termination liability applies at 100% of the monthly recurring charge for the affected node, partial ring high speed (pass-through) interface, and port rate elements only beginning with the date of disconnection and continuing through the end of the first thirty-eight (38) months of the 62 month Service Period.
 - (3) When calculating termination liability under (G)(6)(b)(1) or (2) preceding for the node or high speed (pass-through) interface rate elements, the rates set forth in (H) following are used in the calculation. When calculating the termination liability charge on ports, the rates set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding) are used in the calculation.
- (c) Termination liability does not apply if the DSR subscribed to this Option 42, a portion of the DSR subscribed to this Option 42, or a port purchased under Section 34.1 following is cancelled after the first 36 months of a 60 month Service Period, or after the first 38 months of a 62 month Service Period.

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32. Contract Tariffs (Cont'd)32.20 Contract Tariff Option 42 (Cont'd)(G) Terms and Conditions (Cont'd)

- (7) Shared Use as set forth in Section 5.2.7 preceding is allowed under this Option 42; however, only the Special Access portion of such DSR is eligible for the rates set forth in (H) following.

(8) Expiration of Service Period

Upon completion of the Service Period or Extended Service Period for this Option 42, as applicable, the customer subscription to this Option 42 is terminated and the customer must choose one of the following options:

- (a) discontinue service without termination liability; or
- (b) select any then offered term plan or contract tariff option for which the customer is eligible; or
- (c) continue subscription to the DSR service on a monthly basis at the 5-year term plan rates and charges set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding).
- (d) In the event that the customer does not make an election of (G)(8)(a) through (c) preceding, the customer's subscription to the new, upgraded, or conversion DSR will continue in accordance with (G)(8)(c) preceding.

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32. Contract Tariffs (Cont'd)32.20 Contract Tariff Option 42 (Cont'd)(H) Rates and Charges

The following rates will apply for the DSR rate elements specified in (E) preceding when that DSR is subscribed to this Option 42. Such rates will continue through the end of the Service Period set forth in (D)(1) preceding or the Extended Service Period set forth in (D)(8)(d) preceding. The rates and charges that apply to such DSR rate elements after the end of the Service Period or Extended Service and for any other rate not shown, whether for the DSR or for a service connected to such DSR, are the rates and charges set forth in other sections of this tariff.

	<u>Monthly Rates</u>	<u>Nonrecurring Charges</u>
(1) Enhanced Nodes, per node		
OC12 Enhanced Node	\$2,160.00	None
OC48 Enhanced Node	3,683.20	None
OC192 Enhanced Node	5,980.00	None
(2) Partial Ring High Speed (Pass-through) Interfaces, per interface		
OC12 Interface	\$2,160.00	None
OC48 Interface	3,683.20	None
OC192 Interface	5,980.00	None
(3) Ring Mileage, per mile	<u>Monthly Rates</u>	
OC12	\$287.20	
OC48	450.00	
OC192	831.35	

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32. Contract Tariffs (Cont'd)32.21 Contract Tariff Option 43(A) Scope

Contract Tariff Option 43 (Option 43) is offered for a service period of three (3) years and provides a customer with billing credits when the customer maintains a Minimum Annual Revenue Commitment (MARC), as determined in (F)(1) following for the Qualifying Services set forth in (E)(1) following (MARC for Qualifying Services). Calculation of the MARC for Qualifying Services and the billing credits shall be in accordance with the terms of this Option 43.

(B) Eligibility

The customer must meet all of the following criteria in order to be eligible for subscription to Option 43 and to receive the billing credits set forth in (G) following. Any customer that qualified for this option with a predecessor company will qualify for this service with the Telephone Company. Any customer that qualified for Top 10 LATA discounts and/or Wild Card LATA discounts, as described in Section 32.21 below, with a predecessor company, will continue to qualify for the same Top 10 and Wild Card LATA discount with the Telephone Company.#

(N)
|
(N)

- (1) A customer subscribes to Option 43 by submitting a written authorization in a manner designated by the Telephone Company, or its predecessor, during the thirty (30) day period which begins on May 20, 2006 and ends on June 18, 2006 (Subscription Period).
- (2) During the twelve (12) month period prior to the commencement of the Service Period set forth in (C) following, the customer must have achieved a minimum of one hundred thirty-six million \$136,000,000 (\$136M) in billed monthly recurring revenue (MRC) for the Qualifying Services (as defined in (E)(1) following).
- (3) During the Service Period, in order to receive any Billing Credits, the customer must:
 - (a) Meet or exceed the MARC, as described in (F) following, for Qualifying Services; and
 - (b) Must satisfy the Network Grooms Restriction described in (J)(1) following.
- (4) The MARC for Qualifying Services shall be calculated using the criteria and mechanism set forth in (F) following. Billing Credits shall vary depending on the MARC for Qualifying Services achieved by the customer during the Service Period, and such Billing Credits shall be calculated in accordance with (G)(1) and (G)(2) following.

- # FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract.

(N)
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(N)

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32. Contract Tariffs (Cont'd)32.21 Contract Tariff Option 43 (Cont'd)(B) Eligibility (Cont'd)

- (5) Other than as set forth in (K) following, the customer may not concurrently subscribe to any other tariff arrangement, contract tariff option, special service arrangement, or Individual Case Basis (ICB) tariff offered by the Telephone Company and available to the customer either currently or at any time during the Service Period which provides a discount, credit, or other reduction in rates or terms based on achievement of certain targets by the customer for the Qualifying Services without written consent from the Telephone Company.

(C) Service Period

The Service Period of this Option 43 shall be for a period of three (3) years from the date of subscription to Option 43.

(D) Service Area

The Service Area for this Option 43 includes all of the Metropolitan Statistical Areas (MSAs) that have achieved Phase I or Phase II pricing flexibility under this tariff. Wire centers for the Phase II MSAs in this tariff are listed in Section 15.2 preceding. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status) that occur during the Service Period will apply.

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32. Contract Tariffs (Cont'd)32.21 Contract Tariff Option 43 (Cont'd)(E) Qualifying Services

- (1) Qualifying Services will be comprised of the following services purchased by the customer during the Service Period:

- (a) SONET and Optical Services, as set forth in Sections 6, 7, 26 and 34 of this tariff (including Banded Optical Transport Services within that section), and Federal Telecommunications Access Service, as set forth in Section 24 preceding this tariff, (collectively, SONET/Optical Services);

- (b) Advanced Services as set forth in the following sections:

Frame Relay Service.....	14.2.1
TransConnect LAN Service.....	14.2.2
Enterprise ATM Cell Relay Service.....	14.2.3
Asynchronous Transfer Mode Cell Relay Service	14.2.4

(M)

(M)

- (c) FMS Services as set forth in Sections 6.2.12 and 7.2.16 in this tariff.
- (2) If the Telephone Company introduces new SONET/Optical Services, Advanced Services or FMS Services, or an enhancement to such services during the Service Period set forth in (C) preceding, then such services shall be automatically included in the Qualifying Services, and the customer's purchases of such new or enhanced Qualifying Services shall be included in the calculation of the MARC, subject to the terms and conditions set forth herein.
- (3) All other services purchased by the customer from the Telephone Company or any affiliate of the Telephone Company and not listed in (E)(1) preceding shall not be eligible for inclusion as Qualifying Services under this Option 43.

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32. Contract Tariffs (Cont'd)32.21 Contract Tariff Option 43 (Cont'd)(F) Minimum Annual Revenue Commitment (MARC)

(1) General

- (a) Subject to any credits or adjustments as set forth in this (F)(1)(a), the customer's MARC shall include only MRCs for the Qualifying Services, which shall include any credits or discounts given under existing pricing term plans (e.g., Service Discount Plan, Term Payment Plans, or Commitment Discount Plan) that are generated in the course of billing monthly recurring revenue for the Qualifying Services provided during the Service Period. Any credits and adjustments made to MRC amounts for Qualifying Services, as set forth above, which are purchased by the customer during the Service Period shall be included in the calculation of the MARC for the Qualifying Services.
- (b) The MARC for the Qualifying Services does not include any revenue other than as set forth in Section (F)(1)(a) preceding. As an illustrative example, the following types of charges are not included in the calculation of the MARC for the Qualifying Services. The following is an illustrative list and is not intended to be a comprehensive listing of all other charges excluded from the calculation of the MARC for the Qualifying Services.
 - (1) Any non recurring charges
 - (2) Taxes, or other charges imposed by a federal, state, local, or other governmental entity (e.g. Federal Universal Service Fund)
 - (3) Service or administrative fees or charges imposed by the Telephone Company (e.g. Interest penalty, late payment penalty)
 - (4) Any other billed amount related to Qualifying Services for which payment is being withheld or under dispute by the customer
 - (5) Credits or adjustments provided by the Telephone Company that apply to any period other than the Service Period and to any services other than the Qualifying Services
 - (6) Shortfall or overage charges associated with term plan true-ups, (for example, such as failure to satisfy commitment levels pursuant to the CDP Plan); or
 - (7) Termination liabilities and minimum period charges
 - (8) Any other charges which are not applied on a recurring monthly basis.
- (c) In calculating the MARC for Qualifying Services, the Telephone Company shall determine the total amount of billed MRCs for Qualifying Services which have been purchased by the customer during the Service Period.

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32. Contract Tariffs (Cont'd)32.21 Contract Tariff Option 43 (Cont'd)(F) Minimum Annual Revenue Commitment (MARC) (Cont'd)

(1) General (Cont'd)

- (d) Unless otherwise mutually agreed to by the customer and the Telephone 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 43 for the duration of the Service Period based on its business with the Telephone Company as of the date of subscription to this Option 43, without adding the revenues attributable to expansion of the customer's purchase of Services from the Telephone Company through merger, transfer, assignment, or acquisition.
 - (3) The Telephone Company reserves right to terminate the customer's subscription to this Option 43 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 FP Telco), or all or part of the assets of such Issuing Carrier are acquired by an unaffiliated third party (Acquired FP Telco), then the MARC for Qualifying Services shall be proportionately reduced by the applicable Acquisition Reduction Amount (defined in (F)(1)(e)(1) following).
 - (1) An Acquisition Reduction Amount shall be calculated for the Qualifying Services as follows:
 - (a) calculate the amount of Qualifying Services purchased by the customer from the Acquired FP Telco during the twelve (12) months prior to the time that the Acquired FP Telco ceases to provide the Qualifying Services; then
 - (b) calculate the average monthly amount purchased by the customer from the Acquired FP Telco for Qualifying Services by dividing the number calculated in (a) preceding by 12; and
 - (c) multiply the average monthly amount for Qualifying Services calculated in (b) preceding by the number of months remaining in the year in which the acquisition occurs.

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32. Contract Tariffs (Cont'd)32.21 Contract Tariff Option 43 (Cont'd)(F) Minimum Annual Revenue Commitment (MARC) (Cont'd)

(1) General (Cont'd)

(e) (Cont'd)

(2) As an illustrative example:

- (a) Assume that FairPoint Telephone Companies' Maine properties were acquired by an unaffiliated third party and ceased to operate in month 15 of the Service Period.
- (b) Assume that the customer purchased \$12M of Qualifying Services from FairPoint Telephone Companies Maine properties during the 12 months prior to the time that the FairPoint Telephone Companies Maine properties ceased to provide the Qualifying Services under this Option 43.
- (c) Assume that at the end of the first year of the Service Period, the customer's MARC for Qualifying Services is \$140M.
- (d) Then the Acquisition Reduction Amount would be \$9M (\$12M divided by 12 months, then multiplied by 9, the remaining months of the second year of the Service Period).
- (e) The new MARC for year two of the Service Period would be \$131M (\$140M minus Acquisition Reduction Amount of \$9M).

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32. Contract Tariffs (Cont'd)32.21 Contract Tariff Option 43 (Cont'd)(F) Minimum Annual Revenue Commitment (MARC) (Cont'd)

(1) General (Cont'd)

- (g) When the Telephone Company (i) ceases to offer one or more of the Qualifying Services specified in (E)(1) preceding under this tariff, or (ii) the customer replaces a Qualifying Service specified in (E)(1) preceding with a non-tariffed service offered by the Telephone Company (Replacement Service), (collectively, Affected Qualifying Services), then the MARC for Qualifying Services shall be proportionately reduced by the Tariff Reduction Amount (defined in (F)(1)(g)(1) following).

(1) The Tariff Reduction Amount shall be calculated as follows:

- (a) calculate the amount of the Affected Qualifying Services purchased by the customer from the Telephone Company during the twelve (12) months prior to (i) the date that the Affected Qualifying Services are no longer offered under this tariff, or (ii) the date the Telephone Company has provided the Replacement Service to the customer, whichever occurs first;
- (b) calculate the average monthly amount of the Affected Qualifying Services purchased by the customer by dividing the number calculated in (a) preceding by 12; and
- (c) multiply the average monthly amount of the Affected Qualifying Services calculated in (b) preceding by the number of months remaining in the plan year for the Qualifying Services that (i) are no longer offered under this tariff, or (ii) are replaced with Replacement Services, as applicable.

(2) As an illustrative example:

- (a) Assume that the Telephone Company ceases to offer certain Qualifying Services on November 20, 2006.
- (b) Assume also that the customer purchased twelve million (\$12M) of such Qualifying Services during the twelve (12) months prior to the date that the Telephone Company ceased offering such Qualifying Services.
- (c) Assume also that the customer's MARC is one hundred thirty-six million (\$136M) during the first year of the Service Period.
- (d) Then the Tariff Reduction Amount would be six million (\$6M) (\$12M divided by 12 months, then multiplied by 6, the remaining months of the first year of the Service Period).
- (e) The new MARC for the first year of the Service Period would be one hundred thirty million (\$130M) (\$136M minus the Tariff Reduction Amount of \$6M).

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32. Contract Tariffs (Cont'd)32.21 Contract Tariff Option 43 (Cont'd)(F) Minimum Annual Revenue Commitment (MARC) (Cont'd)

(2) Calculation of the MARC

- (a) The customer's MARC for the first year of the Service Period shall be \$7.570M. (C) #
Beginning twelve (12) months after the date of subscription to Option 43, and every year thereafter, the Telephone Company will recalculate the customer's MARC as follows.
- (1) The Telephone Company will determine the amount of the customer's MRCs for Qualifying Services during the three (3) month period prior to the end of each year of the Service Period.
- (2) The Telephone Company will then multiply the amount determined in (1) preceding by four (4). If the resulting amount is less than the previous year's MARC, then the previous year's MARC will continue to apply, except as noted in (F)(2)(b) following. If the resulting amount is equal to or greater than the previous year's MARC, then that amount will become the customer's new MARC for the next year of the Service Period, unless the Telephone Company and the customer mutually agree that the new MARC should be adjusted due to billing errors by the Telephone Company during that three (3) month period set forth in (F)(2)(a)(1) preceding.

As an illustrative example:

- (a) Assume that the customer's MARC for the first year of the Service Period is \$136M; and
- (b) Assume that in the 3 months prior to the end of the first year of the Service Period, the customer's MRCs were \$34.85M (\$11.2M, \$11.7M and \$11.95M, for the 3 prior months).
- (c) Based on these assumptions, the MARC for year 2 of the Service Period would be \$139.4M (\$34.85M x 4). Since the resulting MARC for year 2 of the Service Period is greater than the MARC for the first year of the Service Period, the MARC for year 2 of the Service Period would be \$139.4M.

- # FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract. (N)
(N)

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32. Contract Tariffs (Cont'd)32.21 Contract Tariff Option 43 (Cont'd)(F) Minimum Annual Revenue Commitment (MARC) (Cont'd)

(2) Calculation of the MARC (Cont'd)

- (b) The MARC may be decreased by the Telephone Company only in the following four (4) circumstances.
- (1) If the customer changes to a longer commitment period on one of its existing discount plan(s), and such change results in a reduction to the MRCs for the embedded base of Qualifying Services (e.g., a change in FMS Service from a 5-Year term plan to a 7-Year term plan), the MARC will be reduced to reflect the decrease in MRCs and the Telephone Company will adjust the discount percentages used to determine the Billing Credits proportionally. Discount percentages for the MARC are specified in (L) following.

As an illustrative example:

- (a) Assume the current MARC for the customer is \$136M; and
- (b) Assume that the customer subscribes to FMS Service under a 5-Year term plan; and
- (c) Assume that during the first year of the Service Period the customer the 5-Year term plan and subscribes to a new 7-Year term plan for its FMS Services; and
- (d) Assume that the difference in the tariff rates between the 5-Year term plan rates for FMS Service mileage and the 7-Year term plan rates for FMS Service mileage is a twenty percent (20%) reduction.
- (e) Finally, assume that seventy percent (70%) of the current MARC is attributable to revenue for FMS Service mileage.

Calculate the reduction to the MARC as follows:

- Step 1: First multiply the current MARC by 70% to determine the portion of the MARC attributable to MRCs for FMS Service mileage at the current 5-Year term plan rates ($\$136\text{M} \times .7 = \95.2M)
- Step 2: Then reduce the MRCs for FMS Service mileage determined in Step 1 by the 20% difference in the tariff rates for the 5-Year term plan and the 7-Year term plan rates ($\$95.2\text{M} \times .8 = \76.16M)

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32. Contract Tariffs (Cont'd)32.21 Contract Tariff Option 43 (Cont'd)(F) Minimum Annual Revenue Commitment (MARC) (Cont'd)

(2) Calculation of the MARC (Cont'd)

(b) (Cont'd)

(1) (Cont'd)

- Step 3: Then determine the portion of the current MARC attributable to the remaining Qualifying Services by subtracting the MRCs for FMS Service mileage at the 5-Year term plan rates determined in Step 1 from the current MARC (\$136M - \$95.2M = \$40.8M)
- Step 4: Calculate the reduced MARC by summing the reduced portion of the current MARC attributable to FMS Service mileage at the 7-Year term plan rates as determined in Step 2 plus the portion of the current MARC attributable to the remaining Qualifying Services as determined in Step 3 (\$76.16M + 40.8M = \$116.96M)
- Step 5: Adjust the discount percentages set forth in (L) following to reflect the reduction to the MARC as follows:
- Determine the weighted impact of the reduction in MRCs for the MARC by multiplying 70% (the assumed portion of the current MARC attributable to FMS Service mileage revenues) by the additional discount between the 5-Year term plan rates and the 7-Year term plan rates for FMS Service mileage rates (70% x 20% = a 14% reduction or 86% of the current MARC)
 - Determine the adjusted Basic MARC discount percentage by multiplying the current discount percentage for the Basic MARC by the weighted impact of the reduction in FMS Service mileage. The adjusted Basic MARC discount percentage would be 1.72% (2% x 86%)

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32. Contract Tariffs (Cont'd)32.21 Contract Tariff Option 43 (Cont'd)(F) Minimum Annual Revenue Commitment (MARC) (Cont'd)

(2) Calculation of the MARC (Cont'd)

(b) (Cont'd)

(1) (Cont'd)

Step 5 (Cont'd)

- Determine the adjusted FMS Mileage in Top 10 LATAs percentage discount by multiplying the current discount percentage for the FMS Mileage in Top 10 LATAs percentage discount by the weighted impact of the reduction in FMS Service mileage. The adjusted FMS Mileage in Top 10 LATAs MARC discount percentage would be 12.51% ($14.55\% \times 86\%$)
 - Determine the adjusted FMS Mileage in Wild Card LATAs percentage discount by multiplying the current discount percentage for the FMS Mileage in Wild Card LATAs percentage discount by the weighted impact of the reduction in FMS Service mileage. The adjusted FMS Mileage in Wild Card LATAs discount percentage would be 10.43% ($12.13\% \times 86\%$)
- (2) During the Service Period, if the Telephone Company reduces its MRCs for Qualifying Services by a cumulative 10% but less than 25% from May 20, 2006, then the MARC will be reduced by the same percentage.

As an illustrative example, assume that the customer's MARC is \$136M and the cumulative reduction in MRCs since the start of the Service Period is eleven percent (11%). The MARC would be reduced to \$121.04M ($\$136M \times .89$).
- (3) If an Issuing Carrier of this tariff that participates in this Option 43, or the assets of such Issuing Carrier, is acquired by an unaffiliated third party as described in (F)(1)(e) preceding.
- (4) If the Telephone Company ceases to offer any Qualifying Service(s) or the Telephone Company provides a Replacement Service as described in (F)(1)(g) preceding to the customer.
- (c) If the Telephone Company reduces its rates for Qualifying Services by a cumulative twenty-five percent (25%) or more from May 20, 2006, the customer has the option to request that the Telephone Company reduce the MARC by the same percentage using the same method of reduction specified in (F)(2)(b)(2) preceding, or may terminate its subscription to this Option 43 upon sixty (60) days written notice. In such event, no Termination Charges under (I) following will apply.

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32. Contract Tariffs (Cont'd)32.21 Contract Tariff Option 43 (Cont'd)(G) Billing Credits

(1) Quarterly Billing Credit Calculation

- (a) At the end of each three (3) month period during the Service Period, the Telephone Company shall calculate the MRCs achieved by the customer during such three month period for Qualifying Services in accordance with the terms and condition set forth in this Option 43 (Achieved Quarterly Revenue). The Telephone Company will also develop a quarterly MARC by dividing the annual MARC by four (Prorated Quarterly MARC). The Telephone Company will then compare the Achieved Quarterly Revenue to the Prorated Quarterly MARC and also determine whether the customer has complied with the Grooms Restriction set forth in (J) following.
 - (1) If the Achieved Quarterly Revenue during the three month period is less than the Prorated Quarterly MARC, or if the customer has not complied with the Grooms Restriction, then the customer will not receive a Billing Credit for that particular three month period.
 - (2) If the customer has complied with the Grooms Restriction and the Achieved Quarterly Revenue during the three (3) month period is equal to or greater than the Prorated Quarterly MARC, then the customer will be eligible to receive a Quarterly Billing Credit for that three month period (Quarterly Billing Credit).
- (b) In order to determine the amount of the Quarterly Billing Credit, the Telephone Company will perform the following calculation.
 - (1) Determine the Achieved Quarterly Revenue during the prior three (3) month period in according with (G)(1)(a) preceding for all of the Qualifying Services set forth in (E)(1)(a) through (c) preceding (Basic MARC). Then determine the MRC portion of the Basic MARC attributable to mileage for FMS Services in the Top 10 LATAs as defined in (G)(1)(b)(4) following, the MRC portion of the Basic MARC attributable to mileage for FMS in the five Wild Card LATAs as defined in (G)(1)(b)(4) following, and the MRC portion of the Basic MARC attributable to the mileage rate elements for the Banded Optical Transport Services as specified in (E)(1)(a) preceding. The Telephone Company will then apply such achieved amounts to the Discount Table specified in (L) following and apply the corresponding discount for each category, the results of which are the individual billing credits for the quarter for each category.
 - (2) To determine the Quarterly Billing Credit due to the customer, total the individual billing credits for each category determined in (b)(1) preceding and reduce such total by three percent (3%) to account for the customer's claims and disputes.

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32. Contract Tariffs (Cont'd)32.21 Contract Tariff Option 43 (Cont'd)(G) Billing Credits (Cont'd)

(1) Quarterly Billing Credit Calculation (Cont'd)

(b) (Cont'd)

(3) As an illustrative example:

- (a) Assume that the Groom Restriction set forth in (J) following has been met and that the customer's MARC is \$136M; and
- (b) Assume that the customer's actual revenue for the prior 3 months is greater than the Prorated Quarterly MARC.

Calculate the Quarterly Billing Credit as follows:

- Step 1: Develop the prorated Quarterly MARC by dividing the MARC (assume to be \$136M) by 4 ($\$136\text{M} \div 4$) resulting in a prorated Quarterly MARC of \$34M.
- Step 2: Determine the Billing Credit for the Basic MARC by multiplying the achieved MRCs for the prior three (3) months (assume to be \$37.5M) by the discount percentage specified in (L) following ($\$37,500,000 \times .02$) resulting in a Billing Credit for the Basic MARC of \$750,000.
- Step 3: Determine the Billing Credit for FMS Mileage in the Top 10 LATA by multiplying the achieved MRCs for the prior three (3) months for FMS Mileage in the Top 10 LATAs (assume to be \$13,046,355) by the discount percentage specified in (L) following ($\$13,046,355 \times 14.55\%$) resulting in a Billing Credit for FMS Mileage in Top 10 LATAs of \$1,898,245.
- Step 4: Determine the Billing Credit for FMS Mileage in the Wild Card LATAs by multiplying achieved MRCs for the prior three (3) months for FMS Mileage in the Wild Card LATAs (assume to be \$3,007,694) by the discount percentage specified in (L) following ($\$13,046,355 \times 12.13\%$) resulting in a Billing Credit for FMS Mileage in Wild Card LATAs of \$364,833.

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32. Contract Tariffs (Cont'd)32.21 Contract Tariff Option 43 (Cont'd)(G) Billing Credits (Cont'd)

(1) Quarterly Billing Credit Calculation (Cont'd)

(b) (Cont'd)

(3) (Cont'd)

Step 5: Determine the Billing Credit for Banded Optical Transport for the prior three (3) months (assume to be \$2,768,561) by multiplying the achieved MRCs for Banded Optical Transport by the discount percentage specified in (L) following ($\$2,768,561 \times 14.00\%$) resulting in a Billing Credit for Banded Optical Transport of \$387,599.

Step 6: Determine the sum of all Billing Credits determined in Steps 2 through 5 ($\$750,000 + \$1,898,249 + \$364,883 + 387,599$) resulting in a sum of all Billing Credits of \$3,400,681.

Step 7: Calculate the amount for the Claims Adjustment Factor by multiplying the sum of all Billing Credits determined in Step 6 by the 3% ($\$3,400,681 \times .03$) resulting in a Claims Adjustment of \$102,020.

Step 8: To determine the final Quarterly Billing Credit for the prior 3 months, subtract the Claims Adjustment determined in Step 7 from the sum of all Billing Credits determined in Step 6. The resulting final Billing Credit would be \$3,298,661 ($\$3,400,681 - \$102,020$).

- (4) For purposes of this Option 43, the Top 10 LATAs are those LATAs where the customer purchases FMS Services and has the highest quantity of DS0-equivalent circuits. Wild Card LATAs are any other five (5) Wild Card LATAs designated by the customer at the time of subscription to this Option 43 where the customer purchases FMS Service. Upon thirty (30) days' prior written notice, the customer may change the five Wild Card LATAs at the end of each year during the Service Period. On an annual basis, the Telephone Company will review whether any changes are necessary to the Top 10 LATAs. Any changes to the Top 10 LATAs was mutually agreed to by the Telephone Company and the customer.

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32. Contract Tariffs (Cont'd)32.21 Contract Tariff Option 43 (Cont'd)(G) Billing Credits (Cont'd)

(2) Annual True-Up Credit Calculation

- (a) Within forty-five (45) days after the end of each plan year, the Telephone Company will perform an annual true-up calculation to determine whether any additional Billing Credits are due the customer (Annual True-up Credit).
- (b) In order to be eligible for the Annual True-up Credit, the customer must have complied with the following Annual Grooms Restriction.
 - (1) The Telephone Company will groom no more than three hundred (300) Special Access and/or Switched Access circuits per year for the Qualifying Services; and
 - (2) no more than twenty-four (24) of such 300 circuits may be DS3 or greater bandwidth.
- (c) If the customer has not complied with the Annual Grooms Restriction set forth in (G)(2)(b) preceding, then the customer will not be eligible for an Annual True-up Credit for that twelve (12) month period.
- (d) If the customer has complied with the Annual Grooms Restriction set forth in (G)(2)(b) preceding, then the customer may be eligible to receive an additional billing credit (Annual True-up Credit) as described below. In order to determine whether an Annual True-up Credit is due to the customer, the Telephone Company will first determine the total amount of MRC billed to the customer for the Qualifying Services set forth in (E)(1) preceding.
 - (1) If the total amount of MRC billed to the customer during the 12 month period is less than ninety-five percent (95%) of the MARC, a Shortfall Penalty as described in (H) following will apply and the customer will not receive an Annual True-up Credit.
 - (2) If the total amount of MRC billed to the customer during the 12 month period is greater than 95% but less than one hundred percent (100%) of the MARC, then the customer shall pay back to the Telephone Company any Quarterly Billing Credits that it received during the twelve (12) month period and the customer will not receive an Annual True-up Credit. However, the customer shall not be subject to any Shortfall Penalty under (H) following.
 - (3) If the total amount of MRC billed to the customer during the 12 month period is equal to or greater than the MARC, the Telephone Company shall determine the amount of Annual True-up Credit that would be due the customer by applying the discount percentages shown in the Discount Table in (L) following to the total amount of MRC billed to the customer during the 12 month period.

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32. Contract Tariffs (Cont'd)32.21 Contract Tariff Option 43 (Cont'd)(G) Billing Credits (Cont'd)

(2) Annual True-Up Credit Calculation (Cont'd)

(e) The Annual True-up will be calculated as follows.

- (1) The Telephone Company will first determine whether the customer has complied with the Annual Grooms Restriction specified in (G)(2)(b) preceding.
- (2) In accordance with the terms and condition set forth in this Option 43, the Telephone Company shall determine the total revenue achieved by the customer for the Qualifying Services specified in (E)(1) preceding by adding the billed MRCs for all such Qualifying Services over the twelve (12) month period for the Annual True-up (Achieved Annual Revenue).
- (3) The Telephone Company will then determine the total MRC for mileage for FMS Services that was billed in the Top 10 LATAs during the twelve (12) month period of the Annual True-up, the total MRC for mileage for FMS Services that was billed in the five (5) Wild Card LATAs during the twelve (12) month period of the Annual True-up, and the amount of billed MRC for mileage for Banded Optical Transport that was billed during the prior twelve months.
- (4) The Telephone Company will then determine the Maximum Billing Credit available to the customer by first applying the discount percentage shown in the Discount Table in (L) following to the billed MRCs determined in (G)(2)(e)(2) and (G)(2)(e)(3) preceding, and then summing all such discounts.
- (5) Finally, the Telephone Company will deduct the total of all Quarterly Billing Credits received by the customer during the twelve (12) month period of the Annual True-up and the amount of any outstanding disputed claims from the Maximum Billing Credit. Subject to (G)(2)(g) following, the difference, if any, will be the Annual True-up Credit due the customer.

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32. Contract Tariffs (Cont'd)32.21 Contract Tariff Option 43 (Cont'd)(G) Billing Credits (Cont'd)

(2) Annual True-Up Credit Calculation (Cont'd)

(f) As an illustrative example of the Annual True-up Calculation:

- (1) Assume that the Groom Restriction has been met and that the customer's MARC is \$140M.
- (2) Assume that the customer's Achieved Annual Revenue for the 12 months of the Annual True-up is \$150M, the MRCs for mileage for FMS in the Top 10 LATAs for FMS mileage in the top 10 LATAs for the 12 months of the Annual True-up is \$51.45M, the MRCs for mileage for FMS mileage in the Wild Card LATAs for the 12 months of the Annual True-up is \$11.4M and the billed MRCs mileage for Banded Optical Transport for the 12 months of the Annual True-up is \$12.75M.
- (3) Assume that during the 12 months of the Annual True-up the customer received \$13.24M in Quarterly Billing Credits.
- (4) Assume that the customer had \$.07M in outstanding claims for Qualifying Services at the time of the Annual True-up.

Calculate the Annual True-up Credit as follows:

- Step 1: Develop the Maximum Billing Credit that the customer can attain for the 12 months of the Annual True-up by first multiplying the MRCs determined in (f)(2) preceding by the corresponding discount percentages specified in the Discount Table in (L) following, and then summing all such credit amounts. The Maximum Billing Credit in this example would be \$3.0M ($\$150M \times 2\%$) for the Achieved Annual Revenue, plus \$7.49M ($\$51.45 \times 14.55\%$) for revenue for FMS mileage in the top 10 LATAs, plus \$1.38M ($\$11.4M \times 12.13\%$) for MRCs for FMS in the Wild Card LATAs, plus \$1.79M ($\$12.75M \times 14.00\%$) for revenue for Banded Optical Transport resulting in a possible Maximum Billing Credit of \$13.66M.
- Step 2: Determine the Maximum Billing Credit still available to the customer by subtracting the actual Billing Credits the customer received during the prior 12 months from the Maximum Billing Credit determined in Step 1 \$13.66M - \$13.24M (as set forth in (3) preceding) resulting in \$0.42M of outstanding Billing Credit that the customer can attain.
- Step 3: Determine the Annual True-up Credit by subtracting the outstanding claims amount from the outstanding Billing Credit determined in Step 2 (\$0.42M - \$.07M) resulting in an Annual True-up Credit of \$.35M.

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32. Contract Tariffs (Cont'd)32.21 Contract Tariff Option 43 (Cont'd)(G) Billing Credits (Cont'd)

(2) Annual True-Up Credit Calculation (Cont'd)

- (g) The Billing Credit will be applied only to the Qualifying Services which are located in MSAs that have achieved Phase I or Phase 2 pricing flexibility. The Billing Credit shall apply after all other discounts, adjustments, and credits to the customer's billed MRCs for the Qualifying Services have been calculated and applied. For instance, if the customer subscribes to CDP, then the customer would be billed CDP discounted rates on a monthly basis. These discounted revenues would be included in the Customer's MARC for the Qualifying Services calculation as set forth above. In accordance with (F)(1)(a) preceding, any credits or adjustments resulting from an Annual True-up as required by the CDP plan would not be included in the MARC for the Qualifying Services.

(h) Timing of Quarterly Billing Credits

- (1) If the customer is eligible to receive a Quarterly Billing Credit, that credit will be applied to the customer's account within sixty (60) days after the end of the applicable three month period, subject to the terms set forth herein.
- (2) The Telephone Company's provision of the Quarterly Billing Credit is contingent on payment in full by the customer of all undisputed billed amounts for Qualifying Services no later than the forty-fifth (45th) day after the end of each three month period.

(i) Timing of Annual Payments and True-up Credit

- (1) If the customer is eligible to receive an Annual True-up Credit, that credit will be credited to the customer's account within sixty (60) days after the end of each year during the Service Period, subject to the terms set forth herein.
- (2) The Telephone Company's provision of the Annual True-up Credit is contingent on payment in full by the customer of all undisputed billed amounts for Qualifying Services no later than the forty-fifth (45th) day after the end of each year of the Service Period.

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32. Contract Tariffs (Cont'd)32.21 Contract Tariff Option 43 (Cont'd)(G) Billing Credits (Cont'd)

(2) Annual True-Up Credit Calculation (Cont'd)

(i) Timing of Annual Payments and True-up Credit (Cont'd)

- (3) Within one hundred eighty (180) days after the end of each year of the Service Period, the customer must file any disputes with regard to monthly recurring charges for the Qualifying Services billed by the Telephone Company during that year in order to be included in the calculation of the MARC for Qualifying Services and the Annual True-up Credit. The Telephone Company will respond to the dispute within forty-five (45) days thereafter. If it is determined by The Telephone Company that the customer's dispute is without merit and that the customer owes the Telephone Company additional amounts, and if such amounts are paid by the customer within 45 days after the date of the Telephone Company's response, then the Telephone Company shall recalculate the MARC for Qualifying Services and the corresponding Billing Credits that may result from the resolution of all such disputes in accordance with the terms set forth herein.
- (4) Beyond 180 days and up to two (2) years after the end of each term year during the Service Period, the customer may submit claims to the Telephone Company with regard to monthly recurring charges for the Qualifying Services billed by the Telephone Company during each year of the Service Period. These claims will not be included in the calculation of the MARC and corresponding Billing Credit, but will follow their normal course of evaluation for final resolution.
- (5) With respect to any dispute for Qualifying Services, the customer must provide sufficient claim detail to enable the Telephone Company to appropriately assess the dispute, including but not limited to, the Billing Account Number (BAN), circuit ID, USOC detail, amount in dispute, appropriate tariff references, and a full explanation regarding why the customer believes it was billed in error. The customer's disputes with respect to Qualifying Services shall reduce the amount of the Achieved Annual Revenue for Qualifying Services as calculated in (G)(2)(3) preceding. For example, if the customer's Achieved Annual Revenue for Qualifying Services is \$140M and the customer has disputed \$5M in charges for Qualifying Services, then the Achieved Annual Revenue for Qualifying Services shall be reduced to \$135M.
- (6) The amount of the Billing Credits shall not be subject to any interest penalty.

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32. Contract Tariffs (Cont'd)32.21 Contract Tariff Option 43 (Cont'd)(H) Shortfall Penalty

- (1) If the total MRC billed to the customer during any year of the Service Period is less than ninety-five percent (95%) of the MARC for that year, the customer can either: (1) pay a Shortfall Penalty which will be the difference between the MARC for that year and the actual amounts billed to the customer for that year; or (2) terminate this Option 43, subject to the payment of Termination Charges as set forth below in (I)(1) following. Payment of the Shortfall Penalty shall be due and payable no later than forty-five (45) days after notification by the Telephone Company that a Shortfall Penalty is due. In addition, and even upon payment of the Shortfall Penalty Payment as set forth in this Section (H), the customer will not be eligible to receive the applicable Annual True-up Credit for that year.
- (2) As an illustrative example of the calculation of Shortfall Penalty:
 - (a) Assume that the customer has a MARC for Qualifying Services of \$140,000,000 (\$140M) during the second year of the Service Period and has actual billing of \$130,000,000 (\$130M) during the second year of the Service Period.
 - (b) Assume that no adjustment under (F)(1)(e) preceding occurred, then the customer shall pay to the Telephone Company an amount equal to \$10,000,000 (\$10M) (which is equal to the \$140M MARC less the \$130M in actual billing).
 - (c) Then the customer will not be eligible to receive the Annual True-up Credit for that year.

(I) Termination Charges

- (1) The customer may terminate its subscription to this Option 43 at any time upon 60 days prior written notice. Except as allowed under (K) following, if the customer cancels or terminates its subscription to this Option 43 prior to the expiration of the Service Period, the customer will be liable for the following termination charges.
 - (a) One hundred percent (100%) of all Billing Credits that the customer received during the two prior quarters from the date of termination and
 - (b) Five percent (5%) of the MARC per year calculated from the date of termination through the end of the Service Period.

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32. Contract Tariffs (Cont'd)32.21 Contract Tariff Option 43 (Cont'd)(J) Network Grooms Restriction

- (1) The customer will not be eligible for any Quarterly Billing Credits if the Telephone Company grooms, on a monthly basis, more than three (3) Special and Switched Access circuits that are used for the provisioning of Qualifying Services, of which number no more than one (1) circuits may be equal to DS3 or greater bandwidth (Maximum Monthly Grooms). For the purposes of this Option 43, a Groom shall mean the retermination of a Special or Switched Access circuit from its original installation location to another location in the same Telephone Company Central Office or in another Telephone Company Central Office. Notwithstanding the foregoing, the customer will be eligible for Quarterly Billing Credits so long as during the three month period for calculating the Quarterly Billing Credit: (C) #
- (a) the Maximum Monthly Grooms restriction is met on a rolling two (2) month average basis, and (C) #
- (b) the total number of Special and Switched access circuit grooms completed during the three month period is not greater than nine (9), of which no more than three (3) circuits may be equal to DS3 or greater bandwidth. (C) #

As an illustrative example:

- (1) Assume that in the prior 3 months, the customer groomed 30 circuits in two of those months and 20 circuits in the remaining month for a total of 80 circuits that were groomed.
- (2) In this example, the customer would not be eligible for Billing Credits since the customer exceeded the Maximum Monthly Groom allowance of 75 circuits (25 circuits per month for 3 months).

As another illustrative example:

- (1) Assume that in the prior 3 months, the customer groomed 30 circuits in the first month, 30 circuits in the second month and 15 circuits in the third month for a total of 75 circuits that were groomed.
- (2) In this example, the customer would not be eligible for Billing Credits since the customer's rolling 2 month average for the first 2 months exceeded 25 circuits per month.

- # FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract. (N)
(N)

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32. Contract Tariffs (Cont'd)32.21 Contract Tariff Option 43 (Cont'd)(J) Network Grooms Restriction (Cont'd)

(1) (Cont'd)

As an illustrative example:

- (1) Assume that in the prior 3 months, the customer groomed 30 circuits in the first month, 20 circuits in the second month and 25 circuits in the third month for a total of 75 circuits that were groomed. Further assume that the customer does not groom more than 6 circuits at DS3 or greater bandwidth.
- (2) In this example, the customer would be eligible for Billing Credits since the customer's rolling 2 month average does not exceed 25 circuits per month and the total grooms during the prior 3 months was within the Maximum Monthly Grooms limitation.
- (2) The Network Grooms Restriction only applies to Grooms performed in the following LATAs only during the Service Period: LATAs 120, 122, and 124.

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32. Contract Tariffs (Cont'd)32.21 Contract Tariff Option 43 (Cont'd)(J) Network Grooms Restriction (Cont'd)

- (3) The following types of Network Grooms shall not be included in the Maximum Monthly Grooms and shall be performed by the Telephone Company in accordance with its normal business practices. In addition, the customer shall remain responsible for all other one time charges associated with such moves or terminations:
- (a) Optimization Grooms: Grooms that are initiated and completed solely on the Telephone Company network to enhance efficient utilization of existing the Telephone Company entrance facilities.
 - (b) Maintenance Grooms: Grooms on circuits that are identified by the customer and must accept by the Telephone Company as circuits that are experiencing service failures as a result of equipment problems and grooming will correct such problems. All Maintenance Grooms shall be subject to review and acceptance by the Telephone Company and the Telephone Company's final decision shall be binding as to whether a specific groom is a Maintenance Groom, or whether such groom is to be included in the Maximum Monthly Grooms.
 - (c) Point of Presence (POP) Closure Grooms: In the event that the customer seeks to close, consolidate any of its POPs, or to migrate circuits as a result of a POP closure, then the customer may request that the Telephone Company perform grooms in addition to the Maximum Monthly Grooms.
 - (d) Initiated Grooms: Any groom initiated by the Telephone Company shall not be included in the number of Maximum Monthly Grooms.
 - (e) Force Majeure Grooms: Grooms that are necessitated by any Force Majeure condition (e.g., act of God; fire; flood; shortages or unavailability of facilities, equipment, software, or other materials; lack of or delay in transportation; laws, rules, regulations or restrictions; war, acts of terrorism, civil disorder, strikes, or other labor disputes).

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32. Contract Tariffs (Cont'd)32.21 Contract Tariff Option 43 (Cont'd)(J) Network Grooms Restriction (Cont'd)

(3) (Cont'd)

- (f) Alternate Access Vendor (AAV)/Long Haul Facility Grooms: Grooms on circuits that are identified by the customer and must accept by the Telephone Company which meet the following criteria:
 - (1) The customer is changing the underlying AAV/Long Haul Facility provider; and
 - (2) the total month recurring charges billed by the Telephone Company for such groomed circuit prior to the groom being performed is equal to or greater than the total monthly recurring charges billed by the Telephone Company for the original circuit.
- (g) Any other grooms for which the Telephone Company and the customer mutually agree to not include in the count of Maximum Monthly Grooms.

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32. Contract Tariffs (Cont'd)32.21 Contract Tariff Option 43 (Cont'd)(K) Subscription to New Contract Tariff Option

- (1) The customer may terminate its subscription to this Option 43 in order to subscribe to a new contract tariff option in this Section 21 provided all of the following conditions are met.
 - (a) The new contract tariff option must have the same MARC level or a greater MARC level than the MARC for this Option 43; and
 - (b) The customer must satisfy the eligibility criteria for subscription to the new contract tariff option; and
 - (c) The customer must provide the Telephone Company with written notice of its election to terminate subscription to this Option 43 and of its desire to subscribe (or that it has already subscribed) to the new contract tariff option; and
 - (d) Unless otherwise provided in the new contract tariff option, the customer will be eligible for Billing Credits earned, if any, following a final true up under this Option 43.
- (2) When the conditions set forth in (K)(1)(a) through (K)(1)(c)-preceding are met, no termination charges under (I) preceding will apply.

(L) Discount Table

percentage discounts specified below are applied to the total MRC for Qualifying Services for each corresponding category shown.

<u>Category</u>	<u>Year 1</u>	<u>Term Period</u>	
		<u>Year 2</u>	<u>Year 3</u>
Basic MARC*	2.00%	2.00%	2.00%
FMS in Top 10 LATAs	14.55%	17.55%	20.55%
FMS in Wild Card LATAs	12.13%	15.13%	18.13%
Banded Optical Transport	14.00%	16.00%	18.00%

* Includes all Qualifying Services specified in (E)(1)(a) preceding.

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32. Contract Tariffs (Cont'd)32.22 Contract Tariff Option 44(A) Scope

- (1) Contract Tariff Option 44 (Option 44) is an offering exclusively for:
- a new installation of Optical Carrier 3 (OC3) Special Access Dedicated SONET Ring service (DSR) as described in Section 34.1 following when such DSR utilizes OC3 enhanced nodes and is ordered under a 5-year term plan (new DSR); or; or
 - a renewal to a 5-year commitment period for an existing DSR at OC3 when such existing DSR (i) utilizes enhanced nodes; (ii) is still in-service under a 3-year or a 5-year term plan that has already expired and the customer does not select a new plan under Section 34.1(D)(2) following or extend the expiring commitment period under Section 34.1(I) following; or (iii) is still in-service under a 3-year or a 5-year term plan that will expire during the subscription period described in (B)(1) following (collectively, renewal of DSR); or
 - a conversion of an existing OC3 IntelliBeam Dedicated SONET Ring service as described in Section 26.1 preceding (IDSR) to an OC3 DSR as described in Section 34.1 following when such replacing OC3 DSR is ordered under a 5-year term plan (conversion to DSR).
- (2) Option 44 provides discounted monthly rates for a new DSR, a renewal of DSR, or a conversion to DSR when ordered in accordance with the terms of this Option 44. Switched Access DSR rate elements as set forth in Section 34.1 following are not eligible for the Option 44 rates and charges set forth in (H) following.

(B) Eligibility Requirements

All of the following requirements was met in order to be eligible for subscription to Option 44.

- (1) A customer must subscribe to Option 44 by submitting a written authorization in a manner designated by the Telephone Company during the twelve (12) month period that begins on August 24, 2006 and ends on May 12, 2007 (Subscription Period).
- (2) The customer must accept service on the original service date. If the customer does not accept service on the original service date, the customer's acceptance of the service on a later date will make the service ineligible for the Option 44 rates and charges set forth in (H) following, unless the later service date is designated by the Telephone Company.

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32. Contract Tariffs (Cont'd)32.22 Contract Tariff Option 44 (Cont'd)(B) Eligibility Requirements (Cont'd)

(3) A customer must order a new DSR, a renewal of DSR, or a conversion to DSR, as applicable, in accordance with this Option 44 and during the Subscription Period specified in (B)(1) preceding.

(a) A new DSR does not include a DSR service that was subscribed to under another contract tariff option in this Section 32 or that was disconnected from its current location and installed as new at that same location.

(b) Conversions

Conversions of IDSR purchased under Section 26.1 preceding to DSR purchased under this Option 44 are eligible for the Option 44 rates and charges set forth in (H) following, provided that the replacing DSR has at least one (1) customer premises node location and one (1) CO node location in common with the IDSR being replaced, and all terms and conditions for a conversion as set forth in Section 7.4.10(C)(1) preceding, Section 26.1 preceding and this Section 32.22 are met.

(c) Any customer that qualified for this option with a predecessor company will qualify for this Option with the Telephone Company.# (N)
(N)

FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract. (N)
(N)

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32. Contract Tariffs (Cont'd)32.22 Contract Tariff Option 44 (Cont'd)(C) Serving Area

- (1) The serving area of Option 44 consists of the Metropolitan Statistical Areas (MSAs) set forth in (C)(1)(a) and (b) following.
- (a) In the following MSAs, the Option 44 discounted monthly rates will be applied to all of the eligible rate elements for the service as specified in (E) following.
- | | |
|---------------|----------|
| Bangor ME | MSA #224 |
| Boston MA-NH | MSA #6 |
| Manchester NH | MSA #133 |
| Portland ME | MSA #152 |
- (b) In the following MSAs, the Option 44 discounted monthly rates will be applied to all eligible rate elements for the service as specified in (E) following, with the exception of nodes located at an End User designated premises.
- | | |
|----------------------------|----------|
| Burlington VT | MSA #248 |
| Portsmouth NH-Rochester ME | MSA #156 |
- (2) Any additions of, or changes to, the wire centers within an MSA that occur during the Service Period of a DSR subscribed to under this Option 44 will apply beginning on the effective date of such change and continue through the end of the commitment period. When such change results in an increase or decrease to the rates applicable to the DSR under this Option 44, no retroactive billing or adjustment will be made for the portion of the Service Period that has elapsed prior to the effective date of the change.

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32. Contract Tariffs (Cont'd)32.22 Contract Tariff Option 44 (Cont'd)(D) Service Period

- (1) The Service Period for a new DSR that is subscribed to this Option 44 is sixty (60) consecutive months.
 - (a) The Service Period for a new DSR may be extended under (D)(4) following.
 - (b) The Service Period is applicable to the enhanced nodes and mileage of each DSR that is subscribed to under this Option 44. The Service Period is that period of time during which the rates set forth in (H) following apply, and is in lieu of the 5-year commitment period specified in Section 34.1 following.
 - (c) The Service Period for a new DSR commences with the date that billing begins for the new DSR and continues for sixty (60) consecutive months unless otherwise extended due to the addition of a node under (D)(5) following.
- (2) The Service Period for a renewal of DSR that is subscribed to this Option 44 is sixty (60) months.
 - (a) The Service Period for a renewal of DSR may be extended under (D)(5) following.
 - (b) The Service Period is applicable to the enhanced nodes and mileage of each DSR that is subscribed to under this Option 44. The Service Period is that period of time during which the rates set forth in (H) following apply, and is in lieu of the 5-year commitment period specified in Section 34.1 following.
 - (c) The Service Period for a renewal of DSR whose commitment period expired prior to August 24, 2006 commences with the date of subscription to this Option 44 and continues for sixty (60) months unless otherwise extended due to the addition of a node under (D)(5) following.
 - (d) The Service Period for a renewal of DSR whose commitment period expires during the subscription period specified in (B)(1) preceding commences on the later of the first day following the expiration date of the commitment period for the expiring term plan or the date the customer elects to renew the DSR under Option 44 and ends sixty (60) months later unless otherwise extended due to the addition of a node under (D)(5) following. For example, the Service Period for a DSR that is due to expire September 27, 2006 and is renewed in accordance with this Option 44 prior to September 27, 2006 shall commence on September 28, 2006.

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32. Contract Tariffs (Cont'd)32.22 Contract Tariff Option 44 (Cont'd)(D) Service Period (Cont'd)

- (3) The Service Period for a conversion to DSR that is subscribed to this Option 44 is sixty (60) months.
 - (a) The Service Period for a conversion to DSR may be extended under (D)(5) following.
 - (b) The Service Period is applicable to the enhanced nodes and mileage of each DSR that is subscribed to under this Option 44. The Service Period is that period of time during which the rates set forth in (H) following apply, and is in lieu of the 5-year commitment period specified in Section 34.1 following.
 - (c) The Service Period for a conversion to DSR commences with the date that billing begins for the new DSR and continues for sixty (60) consecutive months unless otherwise extended due to the addition of a node under (D)(5) following.
- (4) During the applicable Service Period, the customer is subject to termination liability under (G)(5) following if service under this Option 44 is discontinued prior to the end of the Service Period or a port purchased under Section 34.1 following is discontinued prior to the end of the Service Period for the associated DSR.
- (5) Node Additions
 - (a) General

An additional node(s) may be added to a DSR that is subscribed to this Option 44 at any time prior to the end of the Service Period as determined in (D)(1) through (D)(3) preceding.
 - (b) Nodes Ordered During Subscription Period

Additional nodes ordered after the initial installation or establishment of DSR under this Option 44 and during the subscription period specified in (B)(1) preceding will have an expiration date that is coterminous with the expiration date of the applicable Service Period for the initial nodes ordered. The rates and charges for such additional nodes are the rates and charges set forth in (H) following. Such additional node(s) are also subject to termination liability under (G)(5) following when disconnected prior to the end of the Service Period.

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32. Contract Tariffs (Cont'd)32.22 Contract Tariff Option 44 (Cont'd)(D) Service Period (Cont'd)

(5) Node Additions (Cont'd)

(c) Nodes Added After the Subscription Period and Prior to Month 36 of the Service Period

Nodes added after the subscription period and prior to completion of the first thirty-six (36) months of the Service Period will have an expiration date that is coterminous with the expiration date of the applicable Service Period for the initial nodes ordered. Such added nodes will be subject to the rates and charges set forth in Section 34.1 following (as determined in accordance with Section 15.2 preceding) and to termination liability under Section 34.1(E) following for early discontinuance of service and are not eligible for the rates and charges specified in (H) following. The rates for the remaining nodes (i.e., nodes ordered with the initial installation of service or at any time prior to the end of the subscription period) and other eligible rate elements will be the rates specified in (H) following.

(d) Nodes Added After Month 36 of the Service Period

Nodes added after the first 36 months of the Service Period require that the applicable Service Period for the entire DSR be extended by twenty-four (24) months thereby making the expiration date for the additional node(s) coterminous with the expiration date for the remainder of the service (Extended Service Period). The additional node(s) will be subject to the rates and charges set forth in Section 34.1 following (as determined in accordance with Section 15.2 preceding) and to termination liability under Section 34.1(E) following for early discontinuance of service. Such nodes are not eligible for the rates and charges specified in (H) following. The rates for the remaining nodes (i.e., nodes ordered with the initial installation of service or at any time prior to the end of the subscription period) and other eligible rate elements will be the rates specified in (H) following during the Extended Service Period.

(E) The following DSR rate elements and service configurations are eligible for the rates and charges specified in (H) following.

(1) DSR rate elements that are eligible for the rates and charges specified in (H) following are:

- Enhanced OC3 nodes, including subtending nodes
- OC3 Mileage

(2) Only full ring service configurations may be subscribed to this Option 44.

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32. Contract Tariffs (Cont'd)32.22 Contract Tariff Option 44 (Cont'd)(F) Application of Rates and Charges

- (1) The rates and charges for this Option 44 as set forth in (H) following apply for the eligible rate elements set forth in (E)(1) preceding during the applicable Service Period or Extended Service Period for DSRs subscribed to this Option 44.

(G) Terms and Conditions

Unless superseded by the terms and conditions set forth herein, all terms and conditions, including termination liability and minimum periods, as stated in Section 34.1 following, or with respect to conversions, Sections 7.4.10(C)(1) and 26.1 preceding, apply to the DSR services subscribed to under this Option 44.

- (1) The Option 44 rates set forth in (H) following will apply only for the duration of the Service Period set forth in (D)(1) through (D)(3) preceding or the Extended Service Period set forth in (D)(5)(d) preceding. If the customer renews or extends the commitment period for such DSR in accordance with Section 34.1 following, or if the customer does not take any action after expiration of the applicable Service Period, then in each case, the rates and charges set forth in (H) following shall not apply during such period following expiration of the applicable Service Period.
- (2) For nodes added prior to the end of the subscription period (i.e., nodes ordered in accordance with Section (D)(5)(b) preceding), the rates set forth in (H) following will be used to calculate termination liability charges (as set forth in (G)(5) following) as they apply under this Option 44 and other sections of this tariff. For all other nodes, the rates set forth in Section 34.1(L) following (as determined in accordance with Section 15.2 preceding) are used.
- (3) Work Activity Ordered on DSR Subscribe to Option 44
 - (a) With the exception of adding a node under (D)(5) preceding, removing a node of a DSR service subscribed to under this Option 44, or adding or removing ports under (G)(5)(a)(1) following, any replacements, rearrangements, or other physical change to the service subscribed to Option 44 will result in cancellation of the customer's subscription to this Option 44 for that service, in which case the rates and charges set forth in Section 34.1 following (as determined in accordance with Section 15.2 preceding) will apply for the balance of the Service Period for the affected DSR.

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32. Contract Tariffs (Cont'd)32.22 Contract Tariff Option 44 (Cont'd)(G) Terms and Conditions (Cont'd)

- (3) Work Activity Ordered on DSR Subscribe to Option 44 (Cont'd)
 - (b) If the addition or removal of a node results in an increase or decrease in the total number of miles around the circumference of the ring, the rates set forth in (H) following will continue to apply to such increase or decrease in the mileage rate element.
 - (c) At any time during the Service Period or Extended Service Period, as applicable, the customer may add or remove ports to the DSR service subscribed to under this Option 44 in accordance with Section 34.1 following, except that such ports will be subject to termination liability under (G)(5) following (when purchased prior to the end of the Subscription Period specified in (B)(1) preceding) or to termination liability under Section 34.1(E) following (when purchased after the end of the Subscription Period specified in (B)(1) preceding).
- (4) Subscription to Other Contract Tariff Options
 - (a) A customer subscribing to DSR services under this Option 44 may concurrently subscribed to any other tariff arrangement, contract tariff option, special service arrangement, or Individual Case Basis (ICB) arrangement offered by the Telephone Company and available to the customer either currently or at any time during the Service Period, which tariff arrangement, contract tariff option, special service arrangement, or ICB provides a discount, credit, or other reduction in rates or terms based on achievement of revenue or volume targets/levels by the customer for those same services.
 - (b) Notwithstanding (G)(4)(a) preceding, the customer may not concurrently subscribe any DSR rate element that receives the Option 44 discounted monthly rates to any other contract tariff, unless subscription of such DSR is explicitly allowed under that contract tariff option. Upon subscription to another contract tariff option, the rates set forth in (H) following will cease, unless explicitly allowed to continue under the other contract tariff option.

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32. Contract Tariffs (Cont'd)32.22 Contract Tariff Option 44 (Cont'd)(G) Terms and Conditions (Cont'd)

(5) Termination Liability

- (a) Termination liability will apply if the DSR subscribed to this Option 44, a portion of the DSR subscribed to this Option 44, or a port purchased under Section 34.1 following is terminated prior to the end of the applicable Service Period or Extended Service Period specified in (D) preceding as follows.
 - (1) Where the DSR, a portion of the DSR, or a port ordered prior to the end of the Subscription Period is cancelled within the first thirty-six (36) months of the Service Period, termination liability applies at 100% of the monthly recurring charge for the affected node and port rate elements beginning with the date of disconnection and continuing through the end of the first thirty-six (36) months of the (60) month Service Period. Where a port ordered after the end of the Subscription Period is cancelled prior to the end of the Service Period or Extended Service Period, as applicable, termination liability applies in accordance with Section 34.1(E) following.
 - (2) When calculating termination liability under (G)(5)(a)(1) preceding for the node rate element, the rates set forth in (H) following are used in the calculation. When calculating the termination liability charge on ports, the rates set forth in Section 34.1 following (as determined in accordance with Section 15.2 preceding) are used in the calculation.
- (b) Termination liability does not apply if the DSR subscribed to this Option 44, a portion of the DSR subscribed to this Option 44, or a port ordered prior to the end the Subscription Period is cancelled after the first 36 months of a 60 month Service Period.
- (c) Termination liability does not apply if a DSR subscribed to this Option 44 is upgraded to a DSR of a higher optical carrier rate (e.g., from OC3 to OC12), when such higher optical carrier rate DSR is purchased under Section 34.1 following and satisfies the requirements for an upgrade set forth in Section 34.1.

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32. Contract Tariffs (Cont'd)32.22 Contract Tariff Option 44 (Cont'd)(G) Terms and Conditions (Cont'd)

- (6) Shared Use as set forth in Section 5.2.7 preceding is allowed under this Option 44; however, only the Special Access portion of such DSR is eligible for the rates set forth in (H) following.

(7) Expiration of Service Period

Upon completion of the Service Period or Extended Service Period for this Option 44, as applicable, the customer subscription to this Option 44 is terminated and the customer must choose one of the following options:

- (a) discontinue service without termination liability; or
- (b) select any then offered term plan or contract tariff option for which the customer is eligible; or
- (c) continue subscription to the DSR service on a monthly basis at the 5-year term plan rates and charges set forth in Section 30.34 preceding for price band rates and charges and Section 31.34 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding).
- (d) In the event that the customer does not make an election of (G)(7)(a) through (c) preceding, the customer's subscription to the new, upgraded or converted DSR will continue in accordance with (G)(7)(c) preceding.

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32. Contract Tariffs (Cont'd)32.22 Contract Tariff Option 44 (Cont'd)(H) Rates and Charges

The following rates and charges will apply for the DSR rate elements specified in (E) preceding when that DSR is subscribed to this Option 44. Such rates will continue through the end of the Service Period set forth in (D) preceding or the Extended Service Period set forth in (D)(5)(d) preceding. The rates and charges that apply to such DSR rate elements after the end of the Service Period or Extended Service Period and for any other rate not shown, whether for the DSR or for a service connected to such DSR, are the rates and charges set forth in other sections of this tariff.

	<u>Monthly Rates</u>	<u>Nonrecurring Charges</u>
(1) OC3 Enhanced Nodes, per node	\$1,096.50	None
(2) OC3 Ring Mileage, per mile	<u>Monthly Rates</u> \$199.75	

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45(A) Scope

- (1) Contract Tariff Option 45 (Option 45) is an offering exclusively for customers who convert Eligible UNEs, as defined in (A)(2) following, that were previously purchased from the Telephone Company to the Eligible Special Access Services listed in (A)(3) following.
- (2) Eligible High Capacity Unbundled Network Elements (collectively Eligible UNEs) are comprised of the following elements (whether converted under this Option 45 or previously converted in accordance with (A)(3) following).
 - (a) 1.544 Mbps and 44.736 Mbps Unbundled Network Element loops (sometimes referred to as DS1 Loops or DS1 Links and DS3 Loops or DS3 Links, respectively), collectively UNE Loops.
 - (b) 1.544 Mbps and 44.736 Mbps Unbundled Network Element Interoffice Facilities (sometimes referred to as DS1 Dedicated Transport and DS3 Dedicated Transport, respectively) and any associated central office multiplexing, collectively UNE IOF.
 - (c) High Capacity DS1 and DS3 Unbundled Network Element Entrance Facilities (sometimes formerly referred to as DS1 CLEC Dedicated Transport and DS3 CLEC Dedicated Transport, respectively), collectively UNE Entrance Facilities.
 - (d) 1.544 Mbps and 44.736 Mbps Unbundled Network Element Expanded Extended Links (sometimes referred to as Enhanced Extended Links) comprised of combinations of UNE Loops, UNE IOF and/or UNE Entrance Facilities, and any central office multiplexing used as part of any such combination, collectively UNE EELs.

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(A) Scope (Cont'd)

(3) Eligible Special Access Services

The Special Access Services that may be subscribed to under this Option 45 are those Eligible UNEs that (i) were previously converted from an Eligible UNE specified in (A)(2) preceding to the corresponding Special Access Service specified in (a) or (b) following between the period beginning September 1, 2005 and ending October 20, 2006 (Previously Converted Eligible UNEs), and (ii) are converted from an Eligible UNE specified in (A)(2) preceding to the corresponding Special Access Service specified in (a) or (b) following after subscription to this Option 45 (Newly Converted Eligible UNEs). Previously Converted Eligible UNEs and Newly Converted Eligible UNEs are collectively referred to as Eligible Special Access Services.

- (a) A DS1 Eligible UNE was (or will be) converted to a Special Access 1.544 Mbps High Capacity Service (HiCap DS1). Where the DS1 Eligible UNE was multiplexed, the HiCap DS1 was (or will be) provided with central office multiplexing.
- (b) A DS3 Eligible UNE was (or will be) converted to a Special Access 44.736 Mbps High Capacity Service (HiCap DS3). Where the DS3 Eligible UNE was multiplexed, the HiCap DS3 was (or will be) provided with central office multiplexing.
- (4) Customers who convert (or have converted) their Eligible UNEs to Eligible Special Access Services in accordance with the requirements set forth in this Option 45 will receive discounted monthly recurring rates (as set forth in (I) following) for certain rate elements of those Eligible Special Access Services, and certain other benefits set forth in this Option 45.
- (5) Customers who subscribe to this Option 45 on or before January 20, 2007 are also eligible to receive an Early Commitment Signing Bonus Credit as described in (G) following.

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(B) Eligibility

The customer must meet all of the criteria set forth following in order to be eligible to receive the discounted monthly recurring rates and other benefits of this Option 45.

- (1) A customer subscribes to Option 45 by submitting a written authorization, in a manner designated by the Telephone Company, during the ninety (90) day period beginning on October 21, 2006 and ending January 20, 2007 (Subscription Period). A customer who subscribes to this Option 45 no later than January 20, 2007 is also eligible for an Early Commitment Signing Bonus Credit as described in (G) following.
- (2) The customer must purchase one or more of the Eligible UNEs specified in (A)(2) preceding from the Telephone Company in at least three (3) Qualified MSAs. A Qualified MSA is a Metropolitan Statistical Area (MSA) where the customer purchases one (1) or more of the Eligible UNEs specified in (A)(2) preceding from the Telephone Company. The customer must meet the requirement to purchase Eligible UNEs in at least three (3) Qualified MSAs in one (1) of the following ways: (a) the customer purchases Eligible UNEs in at least three (3) MSAs which are entirely within the operating territories of this tariff; or (b) the customer purchases Eligible UNEs in at least three (3) MSAs which are within the operating territories of this tariff.

As an illustrative example, assume that the customer purchases Eligible UNEs in two (2) MSAs within the operating territories of this tariff. The customer is eligible to participate in this Option 45 because it purchases Eligible UNEs in a total of six (6) MSAs, as measured on a combined basis across this tariff and Tariff F.C.C. No. 1, which meets the requirement to purchase Eligible UNEs in at least three (3) Qualified MSAs as set forth above.

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32. Contract Tariffs (Cont'd)

32.23 Contract Tariff Option 45 (Cont'd)

(B) Eligibility (Cont'd)

- (3) At the time of subscription to this Option 45, the customer must elect to include all (one hundred percent (100%)) of its Eligible UNEs in one hundred percent (100%) of its Qualified MSAs.

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32. Contract Tariffs (Cont'd)

32.23 Contract Tariff Option 45 (Cont'd)

Reserved for Future Use

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(B) Eligibility (Cont'd)

(3) (Cont'd)

The Telephone Company will project manage (in a manner designated by the Telephone Company) conversion of each DS1 Eligible UNE and each DS3 Eligible UNE within a Qualifying MSA to a DS1 Eligible Special Access Service and a DS3 Eligible Special Access Service, respectively.

- (4) Eligible Special Access Services that can be subscribed to under this Option 45 include only those Eligible Special Access Services that are (a) replacing Eligible UNEs within a Qualified MSA as committed to by the customer at the time of subscription to this Option 45, and (b) those Eligible Special Access Services specified in (A)(3) preceding that were Previously Converted Eligible UNEs.

(C) Service Period

(1) Option 45 Service Period

- (a) The Service Period for this Option 45 is that period of time during which the monthly recurring rates (as set forth in (I) following) and the other applicable benefits of this Option 45 apply to the Eligible Special Access Services that are subscribed to under this Option 45 (Service Period).
- (b) The Service Period for Option 45 commences with the date that the customer subscribes to Option 45 and continues until there are no longer any Eligible Special Access Services remaining under a Service Discount Plan (SDP) or a Commitment Discount Plan (CDP).
- (c) Any customer that qualified for this option with a predecessor company will qualify for this Option with the Telephone Company.# (N)
(N)

FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract. (N)
(N)

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(C) Service Period (Cont'd)

(2) Service Period for Eligible Special Access Service Ordered Under an SDP

- (a) The Service Period for each Eligible Special Access Service specified in (A)(3) preceding that is ordered under a circuit-specific SDP as described herein and in Section 7.4.10 preceding is the SDP commitment period for that individual Eligible Special Access Service.
- (b) The SDP commitment period commences with the date of subscription to this Option 45 (SDP Subscription Date) and continues for the selected commitment period unless otherwise extended or renewed in accordance with Section 7.4.10 preceding, in which case subscription to this Option 45 continues for the extended or renewed SDP commitment period.
- (c) Each Eligible Special Access Service that is subscribed to under this Option 45 was under an SDP with a commitment period of 3-years, 5-years or 7-years, or under a CDP as specified in (C)(3) following.

(3) Service Period for Eligible Special Access Service Ordered Under a CDP

- (a) The Service Period for each Eligible Special Access Service specified in (A)(3) preceding that is ordered under a CDP as described herein and in Section 25.1 following is (1) the selected CDP commitment period if a new CDP is established in conjunction with subscription to this Option 45; or (2) the balance of the CDP commitment period for the applicable service type involved unless otherwise renewed or extended, in which case subscription to this Option 45 continues for the extended or renewed CDP commitment period.
- (b) The CDP commitment period commences with the date of subscription (CDP Subscription Date) and continues to the common expiration date for the applicable service type under the CDP. For example, assume that the customer establishes a new 5-year CDP for its DS1 Eligible Special Access Services upon subscription to this Option 45 on October 30, 2006, and that the common expiration date for all DS1 services under the CDP is October 30, 2011. In this case, all DS1 Eligible Special Access Services that are subscribed to under this Option 45 will have a common expiration date of October 30, 2011.

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(C) Service Period (Cont'd)

(3) Service Period for Eligible Special Access Service Ordered Under a CDP (Cont'd)

(c) In accordance with the terms and conditions for a CDP set forth in Section 25.1 following, a customer who already subscribes to a CDP at the time of subscription will have the Eligible Special Access Services that are subscribed to under this Option 45 automatically added to their existing CDP for the purposes specified herein.

(d) Each Eligible Special Access Service that is subscribed to under this Option 45 was under a CDP with a commitment period of 3-years, 5-years or 7-years, or under an SDP as specified in (C)(2) preceding.

(D) Serving Area

(1) The serving area for this Option 45 includes all Phase I MSAs, all Phase II MSAs, and all other MSAs of this tariff (collectively, all MSAs). Wire centers for the Phase II MSAs in this tariff are set forth in Section 15.2 preceding.

(2) Any additions of, or changes to, the wire centers within an MSA that occur during the Service Period of this Option 45 will apply beginning on the effective date of such change and continuing through the end of the Service Period.

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(E) Obligations of the Customer

(1) Acceptance of UNE Circuit Identification Numbers

- (a) No later than thirty (30) calendar days following subscription to Option 45, the Telephone Company will provide the customer with a list of circuit identification numbers for the Newly Converted Eligible UNEs (as defined in (A)(3) preceding) and the Previously Converted Eligible UNEs (as defined in (A)(3) preceding). Each circuit identification number on the list will count as one (1) Eligible UNE that is converted to an Eligible Special Access Service for the purpose of administering the terms and conditions of this Option 45.
- (b) No later than fifteen (15) calendar days following the Telephone Company's provision of the foregoing list of circuit identification numbers in accordance with (E)(1)(a) preceding, the customer must accept in writing the list of circuit identification numbers that identifies the Newly Converted Eligible UNEs and the Previously Converted Eligible UNEs provided by the Telephone Company.
- (c) In the event that the customer does not so accept one (1) or more circuit identification numbers on the list provided to the customer in accordance with (E)(1)(a) preceding, the Telephone Company will verify that the Eligible UNE exists in its records for the customer and shall have the final decision on whether or not such circuit identification number(s) will be included as an Eligible Special Access Service(s) in this Option 45.

- (2) The customer must work cooperatively with the Telephone Company, including by following all procedures that the Telephone Company employs to convert the Eligible UNEs within each Qualified MSA to Eligible Special Access Service that are subscribed to under this Option 45.

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(F) Application of Monthly Recurring Rates and Nonrecurring Charges

Except as expressly provided in this Section 32.23, the rates and regulations set forth herein do not apply to an Eligible Special Access Service that is subscribed to under this Option 45, where such Eligible Special Access Service is served by a wire center that is not within a Phase I or Phase II MSA, or where the End User channel termination of an Eligible Special Access Service is served by a non-qualifies wire center as described in Section 15.2 preceding.

- (1) Subject to (F)(2) following, the monthly recurring rates set forth in (I) following apply to each Eligible Special Access Service that is subscribed to under this Option 45, as follows. Monthly recurring rates are arranged in two (2) tiers depending on the percentage of Qualified MSAs that the customer elects to convert at the time of subscription to this Option 45.

(a) Tier 1 Monthly Recurring Rates

Where an Eligible Special Access Service is served by a wire center that is within a Phase I or Phase II Qualified MSA of this tariff, and where the customer elected to convert all (one hundred percent (100%)) of its Eligible UNEs within one hundred percent (100%) of its Qualified MSAs to the Eligible Special Access Services as specified in (A)(3) preceding, Tier 1 monthly recurring rates set forth in (I)(1) following apply in accordance with Section 15.2 preceding. In this case, Tier 1 monthly recurring rates apply in lieu of the monthly recurring rates set forth in Section 30 preceding for price band rates and charges and Section 31 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding).

- (2) Where the End User channel termination of an Eligible Special Access Service that is subscribed to under this Option 45 is served by a non-qualifies wire center (as described in Section 15.2 preceding), the monthly recurring rates and nonrecurring charges as set forth in other sections of this tariff apply in accordance with Section 15.2 preceding.

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(F) Application of Monthly Recurring Rates and Nonrecurring Charges (Cont'd)

- (3) The Tier 1 monthly recurring rates as described in (F)(1)(a) through (F)(1)(c) preceding, apply to each Eligible Special Access Service beginning with the date of subscription and ending when the Eligible Special Access Service is no longer subscribed to under this Option 45 for one of the following reasons:
 - (a) The Eligible Special Access Service is disconnected; or
 - (b) The Eligible Special Access Service is no longer under an initial term, an extended term or a renewed term of an SDP or CDP, as applicable; or
 - (c) The Eligible Special Access Service is disconnected, moved or physically modified in any way whatsoever, except that such Eligible Special Access Service may be groomed for the purpose of changing the amount of channel mileage applicable to such service; or
 - (d) The Eligible Special Access Service is converted back to a UNE.
- (4) Where the customer's subscription of an Eligible Special Access Service is terminated under (F)(4)(b) or (F)(4)(c) preceding, the monthly recurring rates set forth in (I) following will no longer apply to the affected Eligible Special Access Service and, where the affected Eligible Special Access Service continues, it will continue at the monthly recurring rates set forth in Section 30 preceding for price band rates and charges and Section 31 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding).
- (5) Where the customer's subscription of an Eligible Special Access Service is terminated under (F)(4)(d) preceding, the monthly recurring rates set forth in (I) following will no longer apply to the affected Eligible Special Access Service. Additionally, the Eligible Special Access Services that remain subscribed to under this Option 45 will be subject to the terms and conditions set forth in (H)(4) following.

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(F) Application of Monthly Recurring Rates and Nonrecurring Charges (Cont'd)

- (6) Nonrecurring charges do not apply under this Option 45 to convert a DS1 Eligible UNE to a DS1 Eligible Special Access Service or to convert a DS3 Eligible UNE to a DS3 Eligible Special Access Service.
- (7) Subsequent Physical Work Orders
 - (a) After (but not simultaneous with) the conversion of a DS1 Eligible UNE to a DS1 Eligible Special Access Service under this Option 45, or after (but not simultaneous with) the conversion of a DS3 Eligible UNE to a DS3 Eligible Special Access Service under this Option 45, the customer may order to have the DS1 or DS3 Eligible Special Access Service groomed for the purpose of increasing or decreasing the number of miles applicable to such DS1 or DS3 Eligible Special Access Service. Under this Option 45, grooming is defined as work activity involving a change in the wire center where the DS1 Eligible Special Access Service or DS3 Eligible Special Access Service is multiplexed on to a facility of a higher bit rate. Such grooming of the DS1 or DS3 Eligible Special Access Service will not result in cancellation of the customer's subscription of the affected DS1 or DS3 Special Access Service to this Option 45. Nonrecurring charges for such grooming orders apply in accordance with Section 7 preceding.
 - (b) Except as allowed under (F)(8)(a) preceding, all other physical work orders (e.g., upgrades or moves) will result in cancellation of the customer's subscription of the affected DS1 or DS3 Eligible Special Access Service to this Option 45. In this case, nonrecurring charges as set forth in other sections of this tariff may apply.

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(G) Early Commitment Signing Bonus Credit

(1) Eligibility for Early Commitment Signing Bonus Credit

A customer who subscribes to this Option 45 between the period beginning October 21, 2006 and ending January 20, 2007 (the date of subscription by the customer being the Early Subscription Date) is eligible for an Early Commitment Signing Bonus (ECSB) Credit when all of the following conditions are met:

- (a) The customer, via such subscription(s), elected to convert all (one hundred percent (100%)) of its Eligible UNEs to Eligible Special Access Services within all (one hundred percent (100%)) of its Qualified MSAs of this tariff; and
- (b) The Eligible Special Access Services are under an SDP or CDP with a commitment period of five (5) years or seven (7) years under this tariff; and,
- (c) At the end of the first twelve (12) months following the Early Subscription Date, the customer has in-service at least seventy-five percent (75%) of the Eligible Special Access Services, as measured in this (G), that were initially subscribed to on the Early Subscription Date under this Option 45.

The ECSB Credit is a one-time credit that will be determined by the Telephone Company following the passage of the first twelve (12) months after the Early Subscription Date. The Telephone Company will apply the ECSB Credit, if any, to the customer's bill within ninety (90) days after the passage of the first twelve (12) months after the Early Subscription Date. The Telephone Company's determination of the ECSB Credit amount shall be final and binding, absent arithmetical errors, and shall not be subject to dispute by customer.

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(G) Early Commitment Signing Bonus Credit (Cont'd)

(2) Determination of ECSB Credit Amount, if any

The customer's ECSB Credit amount, if any, shall be an amount that is:

- (a) no greater than twenty-six percent (26%) of the total monthly recurring charges (Total MRCs) for a single month (as determined in (G)(3) following) that would have been assessed if (i) all (one hundred percent (100%)) of the customer's Eligible UNEs had already been converted to Eligible Special Access Services no later than the close of the bill period in the month immediately prior to the Early Subscription Date, and (ii) the customer subscribed to the Eligible Special Access Services under an SDP, TPP or CDP with a 5-year commitment period, and (iii) the Eligible Special Access Services were billed at the 5-year monthly recurring rates set forth in (I)(1) following, or
- (b) no greater than twenty-nine percent (29%) of the total monthly recurring charges (Total MRCs) for a single month (as determined in (G)(3) following) that would have been assessed if (i) all (one hundred percent (100%)) of the customer's Eligible UNEs had already been converted to Eligible Special Access Services no later than the close of the bill period in the month immediately prior to the Early Subscription Date, and (ii) the customer subscribed to the Eligible Special Access Services under an SDP, TPP or CDP with a 7-year commitment period, and (iii) the Eligible Special Access Services were billed at the 7-year monthly recurring rates set forth in (I)(1) following.

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(G) Early Commitment Signing Bonus Credit (Cont'd)

- (3) The total monthly recurring charges that would have been assessed at the close of the bill period in the month immediately prior to the Early Subscription Date if all (one hundred percent (100%)) of the customer's Eligible UNEs (both Newly Converted Eligible UNEs and Previously Converted Eligible UNEs) had already been converted to Eligible Special Access Services (Total MRCs) are determined as follows:
- (a) Using the monthly recurring rates set forth in Section 30 preceding for price band rates and charges and Section 31 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding) of this tariff, the Telephone Company will recalculate the total monthly recurring charges that would have been assessed to the customer if all (one hundred percent (100%)) of the customer's Eligible UNEs had already been converted to Eligible Special Access Services by the close of the bill date in the month immediately prior to the Early Subscription Date; and
 - (b) where the customer's Eligible UNEs include Previously Converted Eligible UNEs for which the customer selects a different SDP, TPP or CDP commitment period upon subscription to this Option 45, the Telephone Company will recalculate the monthly recurring charges that would have been assessed to the customer based on the selected commitment period and using the same methodology set forth in (G)(3)(a) preceding.

The Total MRCs determined above are for the purpose of determining the ECSB Credit amount and are not meant to mean that the service is repriced.

- (4) In no case shall the ECSB Credit amount exceed 26% or 29%, as applicable, of the Total MRCs as determined in (G)(3) preceding.
- (5) The ECSB Credit may be reduced in accordance with the table in Step 5 of (G)(7) following based on the total number of Eligible Special Access Services that are still in-service on the date that is twelve (12) months after the Early Subscription Date.
- (6) Where the customer has Qualified MSAs that are within this tariff, the customer's ECSB Credit amount, if any, will be calculated across this tariff.

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(G) Early Commitment Signing Bonus Credit (Cont'd)

(7) The amount, if any, of ECSB Credit is determined as follows:

Step 1 Determine the total number of DS1 Eligible UNEs that the customer converts to DS1 Eligible Special Access Services by first summing the following two numbers: (i) the total number of DS1 Newly Converted Eligible UNEs that are in-service at the close of the last bill period prior to the Early Subscription Date and (ii) the total number of DS1 Previously Converted Eligible UNEs that are in-service at the close of the last bill period prior to the Early Subscription Date.

Separately determine the total number of DS3 Eligible UNEs (both DS3 Newly Converted Eligible UNEs and DS3 Previously Converted Eligible UNEs) using the same methodology specified above for DS1 Eligible UNEs.

Step 2 Calculate the Total MRCs that would have been assessed for all DS1s (as determined in Step 1) to the customer at the close of the last bill period prior to the Early Subscription Date using the methodology set forth in (G)(3) preceding.

Separately calculate the Total MRCs that would have been assessed for all DS3s (as determined in Step 1) in the same manner specified above for DS1s.

Step 3 Calculate the maximum DS1 ECSB Credit that the customer can obtain by multiplying 26% or 29% (as determined in (G)(2) preceding) to the DS1 Total MRCs (as determined in Step 2).

Separately calculate the maximum DS3 ECSB Credit in the same manner specified above for the DS1 ECSB Credit.

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(G) Early Commitment Signing Bonus Credit (Cont'd)

(7) (Cont'd)

Step 4 Determine the total number of DS1s that were retained and are still in-service on the date that is twelve (12) months after the Early Subscription Date, and develop a percentage of DS1s Retained by dividing the number of DS1s retained by the total number of DS1 Eligible UNEs determined in Step 1. Always round the percentage of DS1s Retained down to the next whole percentage before continuing to Step 5. For example, a percentage of 74.9% would be rounded down to 74%.

Separately develop a percentage of DS3s Retained in the same manner as the percentage of DS1s Retained was determined above.

Step 5 Using the table set forth following, determine the Maximum Percentage Payout for the DS1 ECSB Credit by applying the percentage of DS1s Retained (as determined in Step 4) to Column A of the table. The corresponding percentage in Column B is the Maximum Percentage Payout for DS1s.

Percentage DS1 or DS3 Retained <u>Column A</u>	Maximum Percentage Payout of DS1 or DS3 ECSB Credit <u>Column B</u>
86% - 100%	100%
85%	85%
84%	84%
83%	83%
82%	82%
81%	81%
80%	80%
79%	79%
78%	78%
77%	77%
76%	76%
75%	75%
0-74%	Not Eligible for ECSB Credit

Separately determine the Maximum Percentage Payout for the DS3 ECSB Credit in the same manner as the Maximum Percentage Payout for DS1s was determined above.

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(G) Early Commitment Signing Bonus Credit (Cont'd)

(7) (Cont'd)

Step 6 Calculate the actual DS1 ECSB Credit obtained, if any, by multiplying the Total MRCs for DS1s (as determined in Step 2) by the Maximum Percentage Payout for DS1s Retained (as determined in Step 5).

Separately calculate the actual DS3 ECSB Credit obtained in the same manner as the actual DS1 ECSB Credit was determined above.

Step 7 The actual ECSB Credit that is due to the customer is the determined by summing the actual DS1 ECSB Credit (as determined in Step 6) and the actual DS3 ECSB Credit (as determined in Step 6).

(8) The following example illustrates the calculations used to determine the ECSB Credit.

For this illustrative example, assume the following:

- The customer's Early Subscription Date is October 23, 2006.
- At the time of Early Subscription, the customer had 8,500 DS1 Newly Converted Eligible UNEs and 1,500 DS1 Previously Converted Eligible UNEs for a total of 10,000 DS1 Eligible UNEs. Further assume that the DS1 Previously Converted Eligible UNEs had been converted to Special Access Services under a CDP with a 5-year commitment period.
- At the time of Early Subscription, the customer has 180 DS3 Newly Converted Eligible UNEs and 20 DS3 Previously Converted Eligible UNEs for a total of 200 DS3 Eligible UNEs. Further assume that the DS3 Previously Converted Eligible UNEs had been converted to Special Access Services under a CDP with a 5-year commitment period.
- On the Early Subscription Date, the customer selected a 7-year commitment period for its DS1 Eligible Special Access Services that are under a CDP (i.e., an increase in the CDP commitment period for DS1 services from 5-years to 7-years) and a 5-year commitment period for its DS3 Eligible Special Access Services that are under a CDP (i.e., no change in the CDP commitment period for DS3 services).
- On the date that is twelve (12) months after the Early Subscription Date, the customer retained 8,500 DS1 Eligible Special Access Services and 189 DS3 Eligible Special Access Services.

Step 1 Determine the total number of DS1 and DS3 Eligible UNEs. From the above assumptions, the customer has a total of 10,000 DS1 Eligible UNEs and 200 DS3 Eligible UNEs.

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(G) Early Commitment Signing Bonus Credit (Cont'd)

(8) (Cont'd)

Step 2 Calculate the DS1 Eligible Special Access Services Total MRCs for DS1 Newly Converted Eligible UNEs and DS1 Previously Converted Eligible UNEs using the 7-year CDP rates. For purposes of this illustrative example, assume that the DS1 Eligible Special Access Services Total MRCs for DS1s is \$1,865,384.

Calculate the DS3 Eligible Special Access Services Total MRCs for DS3 Newly Converted Eligible UNEs and DS3 Previously Converted Eligible UNEs using the 5-year CDP rates. For purposes of this illustrative example, assume that the Total MRCs for DS3s is \$230,769.

Step 3 Calculate the DS1 Maximum ECSB Credit by multiplying the DS1 Total MRCs calculated in Step 2 by 29% for the 7-year CDP commitment period ($\$1,865,384 \times 29\% = \$540,961.36$).

Calculate the DS3 Maximum ECSB credit using the same methodology used to calculate the DS1 Maximum ECSB Credit above ($\$230,769 \times 26\%$ for a 5-year CDP commitment period = \$59,999.94).

Step 4 Calculate the percentage of DS1s Retained. Using the assumed number of DS1s Retained as stated above, divide the number of DS1s Retained by the total number of DS1 Eligible UNEs determined in Step 1 (8,500 DS1s Retained / 10,000 DS1 Eligible UNEs = .85 or 85 percent (85%) DS1s retained).

Calculate the percentage of DS3s Retained using the same methodology used to calculate the percentage of DS1s Retained above (189 DS3s Retained / 200 DS3 Eligible UNEs = .945 and round down to the next whole percentage or to 94% DS3s retained for this example).

Step 5 Apply the percentage of DS1s Retained to Column A of the table set forth in (G)(7) preceding and determine the corresponding percentage payout for DS1 ECSB Credit (85% DS1s Retained equals an 85% payout for DS1 ECSB Credit).

Apply the same methodology to determine the percentage payout for DS3 ECSB Credit (94% DS3s Retained equals a 100% payout for DS3 ECSB Credit).

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(G) Early Commitment Signing Bonus Credit (Cont'd)

(8) (Cont'd)

Step 6 Calculate the actual DS1 ECSB Credit by multiplying the maximum DS1 ECSB Credit determined in Step 3 by the percentage DS1s Retained determined in Step 5 ($\$540,961.36 \times 85\% = \$459,817.16$).

Calculate the actual DS3 ECSB Credit using the same methodology used to calculate the actual DS1 ECSB Credit above ($\$59,999.94 \times 100\% = \$59,999.94$)

Step 7 Determine the actual ECSB Credit due to the customer ($\$459,817.16 + \$59,999.94 = \$519,817.10$).

(H) Terms and Conditions

(1) Subscription to Other Contract Tariff Options

- (a) A customer subscribing to Eligible Special Access Services under this Option 45 may concurrently subscribe to any other tariff arrangement, contract tariff option, specialized service or arrangement, or Individual Case Basis (ICB) arrangement offered by the Telephone Company and available to the customer either currently or at any time during the Service Period, which other tariff arrangement, contract tariff option, specialized service or arrangement, or ICB provides a discount, credit, or other reduction in rates or terms based on achievement of revenue or volume targets/levels by the customer for those same services, unless such other tariff arrangement, contract tariff option, specialized service or arrangement, or ICB restricts such subscription to this Option 45.
- (b) Notwithstanding (H)(1)(a) preceding, the customer may not concurrently subscribe any Eligible Special Access Service as specified in (A)(3) preceding to any other contract tariff option, unless subscription of the Eligible Special Access Service is explicitly allowed under such other contract tariff option. Upon subscription to another contract tariff option, the monthly recurring rates set forth in (I) following will cease and the customer will be subject to early termination under (H) following, unless explicitly allowed to continue under such other contract tariff option.

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(H) Terms and Conditions (Cont'd)

- (2) For customers whose DS1 and DS3 Eligible Special Access Services are already under a CDP as of the date of subscription to this Option 45 (Existing CDP), the following applies.
 - (a) For each Eligible UNE converted to an Eligible Special Access Service, the Eligible Special Access Service will automatically be added to the customer's DS1 Existing CDP for DS1 services or DS3 Existing CDP for DS3 services, as applicable.
 - (b) For each DS1 or DS3 channel termination of the Eligible Special Access Services that are added to the customer's Existing CDP(s), the CDP count of in-service channel terminations will increase by one (1) DS1 or DS3 channel termination, as applicable.
 - (c) For each CDP true-up following the date of subscription, the increased CDP count of in-service channel terminations will be used in determining if the customer has met its minimum commitment under the Existing CDP as follows.
 - (1) During the time that an Eligible Special Access Service is subscribed to under this Option 45, each DS1 or DS3 channel termination that is served by a wire center that is within a Phase I or Phase II Qualified MSA will be included in the CDP count of in-service channel terminations for use in each subsequent CDP true-up following the date of subscription. Provided that the Eligible Special Access Service of such channel termination remains subscribed to under this Option 45 the resulting increase to the CDP count of in-service channel terminations will not result in an increase in the CDP minimum commitment under Section 25.1.7 preceding.
 - (2) During the time that an Eligible Special Access Service is subscribed to under this Option 45, each DS1 or DS3 channel termination that is not served by a wire center that is within a Phase I or Phase II Qualified MSA and each DS1 or DS3 End User channel termination that is served by a non-Qualifies wire center will be included in the CDP count of in-service channel terminations for use in each subsequent CDP true-up following the date of subscription. The resulting increase to the CDP count of in-service channel terminations may result in an increase in the CDP minimum commitment under Section 25.1.7 preceding.
 - (d) Termination Liability Reduction Credit as described in (H)(3) following will not be applied to the Eligible Special Access Services specified in (A)(3) preceding that are added to a CDP.

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(H) Terms and Conditions (Cont'd)

(3) Termination Liability Reduction Credit

- (a) For customers who subscribed to an Eligible Special Access Service specified in (A)(3) preceding under an SDP, the customer is eligible for a Termination Liability Reduction Credit (TLRC). The Telephone Company will apply TLRC to the end of the SDP commitment period thereby reducing the number of months for which termination liability charges are applicable.
- (b) The customer's TLRC is determined in accordance with the following table and is based on the SDP commitment period selected by the customer for the Eligible Special Access Service.

<u>Selected SDP Commitment Period</u>	<u>TLRC Granted</u>
36 Months	24 Months
60 Months	36 Months
84 Months	48 Months

- (c) TLRC will not be granted unless specifically requested in writing by the customer at the time that disconnection of the service under the SDP is requested.
- (d) As an illustrative example, assume that the customer selects a commitment period of sixty (60) months upon subscription to this Option 45. For the 60 months commitment period selected, the TLRC is thirty-six (36) months. In this example, the customer is not subject to termination liability charges after the twenty-fourth (24th) month of the 60 month commitment period.
- (e) TLRC will not be granted when ordering disconnection of service under an SDP for the purpose of converting the Eligible Special Access Service back to a UNE.

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(H) Terms and Conditions (Cont'd)

(4) Conversion of an Eligible Special Access Service Back to a UNE

- (a) When the customer orders to reconvert an Eligible Special Access Service back to a UNE, all of the following apply to the Eligible Special Access Service being reconverted.
 - (1) A DS1 or DS3 Eligible Special Access Service that is under an SDP and reconverted back to a UNE will no longer be subscribed to under this Option 45 and will no longer be subject to the monthly recurring rates set forth in (I) following. Additionally, such DS1 or DS3 Eligible Special Access Service that is reconverted to a UNE is subject to any outstanding minimum period and/or termination liability obligations as set forth in Section 7.4.10 preceding that remain on the applicable DS1 or DS3 Eligible Special Access Service.
 - (2) A DS1 or DS3 Eligible Special Access Service that is under a CDP and reconverted back to a UNE will no longer be subscribed under to this Option 45 and will no longer be subject to the monthly recurring rates set forth in (I) following. Additionally, such DS1 or DS3 Eligible Special Access Service that is reconverted to a UNE is subject to any outstanding minimum period obligations under Section 25.1 following and/or termination liability obligations as set forth in (H)(6) following that remain on the applicable DS1 or DS3 Eligible Special Access Service.
 - (3) TLRC (as set forth in (H)(3) preceding) will not be applied to termination liability applicable under (H)(4)(a)(1) preceding, if any.

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(H) Terms and Conditions (Cont'd)

(4) Conversion of an Eligible Special Access Service Back to a UNE (Cont'd)

- (b) When the customer orders to reconvert an Eligible Special Access Service back to a UNE, all of the following apply to the Eligible Special Access Services that remain subscribed to under this Option 45.
 - (1) All DS1 or DS3 Eligible Special Access Services that remain subscribed to under this Option 45 shall continue to be subject to the monthly recurring rates set forth in (I) following of this Option 45.
 - (2) Any channel termination included in the CDP count of in-service channel terminations under (H)(2)(c)(1) preceding will remain in the CDP count of in-service channel terminations and will now be used in determining changes to the CDP minimum commitment (i.e., with respect to any and all CDP true-ups that occurred on or after the customer's subscription to this Option 45 and with respect to any and all CDP true-ups that occur after conversion of an Eligible Special Access Service Back to a UNE). The addition of these in-service channel terminations may increase the CDP minimum commitment in accordance with Section 25.1.7 preceding..
 - (3) The TLRC as set forth in (H)(3) preceding will no longer be applicable to any remaining Eligible Special Access Services that are subscribed to under this Option 45.
 - (4) If the customer was eligible for ECSB Credit under (G) preceding, and the customer converts one or more Eligible Special Access Services subscribed to under this Option 45 back to a UNE prior to the end of month twelve (12) of the Service Period, the ECSB Credit will not be due and, thus, will not be applied.

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(H) Terms and Conditions (Cont'd)

- (5) Termination Liability For Disconnection of Service Not Involving Re-conversion Back to a UNE
- (a) In the event that the customer disconnects, for purposes other than re-conversion back to a UNE, a DS1 or DS3 Eligible Special Access Service that is subscribed to under this Option 45 and is provided under an SDP prior to the end of the SDP commitment period, termination liability applies in accordance with Section 7.4.10(C) preceding. The number of months in which the customer is subject to termination liability charges may be reduced if the customer is eligible for TLRC as described in (H)(3) preceding. When calculating the termination liability charge, the monthly recurring rates set forth in Section 30 preceding for price band rates and charges and Section 31 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding) are used in lieu of the monthly recurring rates set forth in (I) following.
- (b) In the event that the customer disconnects, for purposes other than re-conversion back to a UNE, a DS1 or DS3 Eligible Special Access Service, that is subscribed to under this Option 45 and is provided under a CDP, prior to the end of the CDP commitment period, or terminates the CDP in full, the terms set forth in Section 25.1.11 following apply.
- (c) In addition to termination liability as set forth in (H)(5)(a) preceding, the customer also remains responsible for satisfying any outstanding minimum period obligation for the Eligible Special Access Service. Minimum periods for Eligible Special Access Services are set forth in Section 7.4.4 for service provided under an SDP. When calculating the minimum period charge, the monthly recurring rates set forth in Section 30 preceding for price band rates and charges and Section 31 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding) are used in the calculation of minimum period charges in lieu of the monthly recurring rates set forth in (I) following.

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(H) Terms and Conditions (Cont'd)

- (6) Termination Liability For Disconnection of Service Involving Re-conversion Back to a UNE
- (a) Where the customer orders conversion of an Eligible Special Access Service (where such service is under a CDP and subscribed to under this Option 45) back to a UNE prior to the end of the CDP commitment period, termination liability applies to that Eligible Special Access Service at fifty percent (50%) of the monthly recurring rates set forth in Section 30 preceding for price band rates and charges and Section 31 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding) for the balance of the CDP commitment period. None of the forgoing shall affect what happens if the CDP is discontinued in its entirety, in which case termination liability as set forth in Section 25.1.11 following applies.
- (b) Where the customer orders conversion of an Eligible Special Access Service (where such service is under an SDP and subscribed to under this Option 45) back to a UNE prior to the end of the SDP commitment period, termination liability applies in accordance with Section 7.4.10(C) preceding to that Eligible Special Access Service. When calculating the termination liability charge, the monthly recurring rates set forth in Section 30 preceding for price band rates and charges and Section 31 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding) are used in lieu of the monthly recurring rates set forth in (I) following
- (c) In addition to termination liability as set forth in (H)(6)(a) and (H)(6)(b) preceding, the customer also remains responsible for satisfying any outstanding minimum period obligation for the Eligible Special Access Service. Minimum periods for Eligible Special Access Services are set forth in Section 25.1 following for service provided under a CDP or Section 7.4.4 preceding for service provided under an SDP. When calculating the minimum period charge, the monthly recurring rates set forth in Section 30 preceding for price band rates and charges and Section 31 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding) are used in the calculation of minimum period charges in lieu of the monthly recurring rates set forth in (I) following.

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(H) Terms and Conditions (Cont'd)

(7) Increasing the Commitment Period for a CDP

- (a) If customer meets all of the following conditions, the customer may extend the commitment period for its CDP (the Existing Commitment Period) to a longer term (the Longer Commitment Period).

- (1) The time remaining in the Existing Commitment Period for the customer's CDP is twenty-four (24) months or longer.
- (2) The customer selects a Longer Commitment Period for its CDP from those offered under Section 25.1.10(D) thereby extending the period of time that the DS1 or DS3 Eligible Special Access Services, as applicable, are subscribed to under this Option 45.

For example, a CDP with a 60 month Existing Commitment Period may be extended to a CDP with an 84 month term thereby extending the commitment period to 84 months.

- (3) The customer included all (one hundred percent (100%)) of its Qualified MSAs for conversion from Eligible UNEs to Eligible Special Access Services.
- (b) Where the conditions set forth in (H)(7)(a)(1) through (3) preceding are met, the following applies.
- (1) The increased discount for the Longer Commitment Period shall commence with the first bill date following the orders to increase the commitment period as allowed under this (H)(7). No retroactive billing or adjustment will be made for the portion of the CDP commitment period that has elapsed prior to the effective date of the increased discount; and
 - (2) The beginning date for the Longer Commitment Period will be the date that the Existing Commitment Period originally begins.

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(H) Terms and Conditions (Cont'd)

(7) Increasing the Commitment Period for a CDP (Cont'd)

(b) (Cont'd)

- (3) The expiration date for the Longer Commitment Period will be based on the Longer Commitment Period and is determined by adding the number of months for the increase to the expiration date that would have applied for the Existing Commitment Period.

As an illustrative example, assume (i) that the customer subscribes to a CDP with a 36 month commitment period that is due to expire November 28, 2009. Further assume that the customer is extending to a term of 84 months. In this example, the expiration date for the Longer Commitment Period would be 48 months later than the expiration date would have been for the Existing Commitment Period (84 months less 36 months equals 48 months). Hence the new expiration date would be November 28, 2013).

(c) CDP Renewal Option

Where the customer increases its CDP commitment period to a Longer Commitment Period under this (H)(7), such Longer Commitment Period shall be used for the purpose of qualifying for, and satisfying the requirements to complete the increased commitment period, and is considered to be completion of the full commitment period for the purpose of qualifying for and administering the CDP Renewal Option set forth in Section 25.1(G)(3)(a) following.

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(H) Terms and Conditions (Cont'd)

(7) Increasing the Commitment Period for a CDP (Cont'd)

- (d) For a customer that already purchases service under a CDP that includes time-in-service credit (TISC) previously granted in accordance with Section 25.1.10(F) preceding, the following applies.
 - (1) If, at the time of subscription to this Option 45, the customer extends the commitment period for its CDP to a Longer Commitment Period, the TISC for the customer's CDP for that service type (including all existing services that are in the CDP and eligible to receive TISC, any new services added to the CDP, and all Eligible Special Access Services that are added to the CDP at the time of subscription to this Option 45) will be subject to the TISC applicable to the Longer Commitment Period under Section 25.1.10(F) preceding; and
 - (2) The customer must independently meet the requirements of Section 25.1.10(F) following.
 - (3) As an illustrative example, assume that the customer's CDP is receiving 12 months of TISC. Further assume that when subscribing to this Option 45, the customer extends the commitment period for its CDP to 7-years. In this case, TISC will be extended to eighteen (18) months to reflect the increased commitment period.
 - (4) The Telephone Company will assume that the customer would have qualified for the TISC applicable to the Longer Commitment Period and the TISC will be increased accordingly.

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(I) Monthly Recurring Rates

The following monthly recurring rates for DS1 service and the following monthly recurring base rates for DS3 service apply as of the date of subscription to Option 45, and the discount percentage for the selected commitment period of the SDP or CDP for such service will be applied to such monthly recurring rates or monthly recurring base rates, as applicable, during the time the service is subscribed to under this Option 45, unless otherwise restricted under this Section 32.22.

(1) Tier 1 Rates – 100% Commitment

(a) Standard Channel Termination,
per point of termination:

(1) 1.544 Mbps

	<u>USOC</u>	<u>3-Year/5-Year Rates</u>	<u>7-Year Rates</u>
Pricing Zone 1	TMECS#	\$185.19	\$196.77
Pricing Zone 2	TMECS#	185.19	196.77
Pricing Zone 3	TMECS#	185.19	196.77
Price Band 4	TMECS#	234.45	249.10
Price Band 5	TMECS#	234.45	249.10
Price Band 6	TMECS#	234.45	249.10

Substitute USOC TZGHX for USOC TMECS when the 1.544 Mbps Service is connected to FairPoint Enterprise Service, Enterprise SONET Service or provides access to Frame Relay Service.

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd)
per point of termination:(2) 44.736 Mbps
Pricing Zone 1

<u># DS3 CTs Counted</u>	<u>USOC</u>	<u>3-Year/5-Year Monthly Rate, Per CT</u>	<u>7-Year Monthly Rate, Per CT</u>
1	TYFMX*	\$2,032.60	\$2,159.85
2	TYFMX*	1,848.00	1,963.50
3	TYFMX*	1,452.00	1,542.75
4	TYFMX*	1,364.00	1,449.25
5	TYFMX*	1,320.00	1,402.50
6	TYFMX*	1,276.00	1,355.75
7	TYFMX*	1,232.00	1,309.00
8	TYFMX*	1,188.00	1,262.25
9	TYFMX*	1,166.00	1,238.88
10	TYFMX*	1,144.00	1,215.50
11	TYFMX*	1,122.00	1,192.13
12	TYFMX*	1,100.00	1,168.75
13	TYFMX*	1,095.60	1,164.08
14	TYFMX*	1,091.20	1,159.40
15	TYFMX*	1,082.40	1,150.05
16	TYFMX*	1,073.60	1,140.70
17	TYFMX*	1,056.00	1,122.00
18	TYFMX*	1,047.20	1,112.65
19	TYFMX*	1,034.00	1,098.63
20	TYFMX*	1,012.00	1,075.25
21	TYFMX*	1,003.20	1,065.90
22	TYFMX*	985.60	1,047.20
23	TYFMX*	972.40	1,033.18
24	TYFMX*	968.88	1,029.43
25 and Over	TYFMX*	822.80	874.23
Per DS3 CT at each Secondary Premises	TYFMS*	1,496.84	1,590.40

* Substitute USOC TYFVX for USOC TYFLX and USOC TYFVS for USOC TYFLS when the 44.736 Mbps Service is connected to Enterprise SONET Service.

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd)
per point of termination:(2) 44.736 Mbps
Pricing Zone 2

<u># DS3 CTs Counted</u>	<u>USOC</u>	<u>3-Year/5-Year Monthly Rate, Per CT</u>	<u>7-Year Monthly Rate, Per CT</u>
1	TYFMX*	\$2,032.60	\$2,159.85
2	TYFMX*	1,848.00	1,963.50
3	TYFMX*	1,452.00	1,542.75
4	TYFMX*	1,364.00	1,449.25
5	TYFMX*	1,320.00	1,402.50
6	TYFMX*	1,276.00	1,355.75
7	TYFMX*	1,232.00	1,309.00
8	TYFMX*	1,188.00	1,262.25
9	TYFMX*	1,166.00	1,238.88
10	TYFMX*	1,144.00	1,215.50
11	TYFMX*	1,122.00	1,192.13
12	TYFMX*	1,100.00	1,168.75
13	TYFMX*	1,095.60	1,164.08
14	TYFMX*	1,091.20	1,159.40
15	TYFMX*	1,082.40	1,150.05
16	TYFMX*	1,073.60	1,140.70
17	TYFMX*	1,056.00	1,122.00
18	TYFMX*	1,047.20	1,112.65
19	TYFMX*	1,034.00	1,098.63
20	TYFMX*	1,012.00	1,075.25
21	TYFMX*	1,003.20	1,065.90
22	TYFMX*	985.60	1,047.20
23	TYFMX*	972.40	1,033.18
24	TYFMX*	968.88	1,029.43
25 and Over	TYFMX*	822.80	874.23
Per DS3 CT at each Secondary Premises	TYFMS*	1,496.84	1,590.40

* Substitute USOC TYFVX for USOC TYFLX and USOC TYFVS for USOC TYFLS when the 44.736 Mbps Service is connected to Enterprise SONET Service.

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd)
per point of termination:(2) 44.736 Mbps (Cont'd)
Pricing Zone 3

<u># DS3 CTs Counted</u>	<u>USOC</u>	<u>3-Year/5-Year Monthly Rate, Per CT</u>	<u>7-Year Monthly Rate, Per CT</u>
1	TYFMX*	\$2,032.60	\$2,159.85
2	TYFMX*	1,848.00	1,963.50
3	TYFMX*	1,452.00	1,542.75
4	TYFMX*	1,364.00	1,449.25
5	TYFMX*	1,320.00	1,402.50
6	TYFMX*	1,276.00	1,355.75
7	TYFMX*	1,232.00	1,309.00
8	TYFMX*	1,188.00	1,262.25
9	TYFMX*	1,166.00	1,238.88
10	TYFMX*	1,144.00	1,215.50
11	TYFMX*	1,122.00	1,192.13
12	TYFMX*	1,100.00	1,168.75
13	TYFMX*	1,095.60	1,164.08
14	TYFMX*	1,091.20	1,159.40
15	TYFMX*	1,082.40	1,150.05
16	TYFMX*	1,073.60	1,140.70
17	TYFMX*	1,056.00	1,122.00
18	TYFMX*	1,047.20	1,112.65
19	TYFMX*	1,034.00	1,098.63
20	TYFMX*	1,012.00	1,075.25
21	TYFMX*	1,003.20	1,065.90
22	TYFMX*	985.60	1,047.20
23	TYFMX*	972.40	1,033.18
24	TYFMX*	968.88	1,029.43
25 and Over	TYFMX*	822.80	874.23
Per DS3 CT at each Secondary Premises	TYFMS*	1,496.84	1,590.40

* Substitute USOC TYFVX for USOC TYFLX and USOC TYFVS for USOC TYFLS when the 44.736 Mbps Service is connected to Enterprise SONET Service.

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd)
per point of termination:(2) 44.736 Mbps (Cont'd)
Pricing Band 4

<u># DS3 CTs Counted</u>	<u>USOC</u>	<u>3-Year/5-Year Monthly Rate, Per CT</u>	<u>7-Year Monthly Rate, Per CT</u>
1	TYFMX*	\$2,032.60	2,159.85
2	TYFMX*	1,848.00	1,963.50
3	TYFMX*	1,452.00	1,542.75
4	TYFMX*	1,364.00	1,449.25
5	TYFMX*	1,320.00	1,402.50
6	TYFMX*	1,276.00	1,355.75
7	TYFMX*	1,232.00	1,309.00
8	TYFMX*	1,188.00	1,262.25
9	TYFMX*	1,144.00	1,215.50
10	TYFMX*	1,100.00	1,168.75
11	TYFMX*	1,056.00	1,122.00
12	TYFMX*	959.20	1,019.15
13	TYFMX*	1,108.80	1,178.10
14	TYFMX*	1,091.20	1,159.40
15	TYFMX*	1,082.40	1,150.05
16	TYFMX*	1,073.60	1,140.70
17	TYFMX*	1,056.00	1,122.00
18	TYFMX*	1,047.20	1,112.65
19	TYFMX*	1,034.00	1,098.63
20	TYFMX*	1,012.00	1,075.25
21	TYFMX*	1,003.20	1,065.90
22	TYFMX*	985.60	1,047.20
23	TYFMX*	972.40	1,033.18
24	TYFMX*	968.88	1,029.43
25 and Over	TYFMX*	968.00	1,028.50
Per DS3 CT at each Secondary Premises	TYFMS*	1,496.84	1,590.40

* Substitute USOC TYFVX for USOC TYFLX and USOC TYFVS for USOC TYFLS when the 44.736 Mbps Service is connected to Enterprise SONET Service.

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd)
per point of termination:(2) 44.736 Mbps (Cont'd)
Pricing Band 5

<u># DS3 CTs Counted</u>	<u>USOC</u>	<u>3-Year/5-Year Monthly Rate, Per CT</u>	<u>7-Year Monthly Rate, Per CT</u>
1	TYFMX*	\$2,032.60	2,159.85
2	TYFMX*	1,848.00	1,963.50
3	TYFMX*	1,452.00	1,542.75
4	TYFMX*	1,364.00	1,449.25
5	TYFMX*	1,320.00	1,402.50
6	TYFMX*	1,276.00	1,355.75
7	TYFMX*	1,232.00	1,309.00
8	TYFMX*	1,188.00	1,262.25
9	TYFMX*	1,144.00	1,215.50
10	TYFMX*	1,100.00	1,168.75
11	TYFMX*	1,056.00	1,122.00
12	TYFMX*	959.20	1,019.15
13	TYFMX*	1,108.80	1,178.10
14	TYFMX*	1,091.20	1,159.40
15	TYFMX*	1,082.40	1,150.05
16	TYFMX*	1,073.60	1,140.70
17	TYFMX*	1,056.00	1,122.00
18	TYFMX*	1,047.20	1,112.65
19	TYFMX*	1,034.00	1,098.63
20	TYFMX*	1,012.00	1,075.25
21	TYFMX*	1,003.20	1,065.90
22	TYFMX*	985.60	1,047.20
23	TYFMX*	972.40	1,033.18
24	TYFMX*	968.88	1,029.43
25 and Over	TYFMX*	968.00	1,028.50
Per DS3 CT at each Secondary Premises	TYFMS*	1,496.84	1,590.40

* Substitute USOC TYFVX for USOC TYFLX and USOC TYFVS for USOC TYFLS when the 44.736 Mbps Service is connected to Enterprise SONET Service.

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd)
per point of termination:(2) 44.736 Mbps (Cont'd)
Pricing Band 6

<u># DS3 CTs Counted</u>	<u>USOC</u>	<u>3-Year/5-Year Monthly Rate, Per CT</u>	<u>7-Year Monthly Rate, Per CT</u>
1	TYFMX*	\$2,032.60	2,159.85
2	TYFMX*	1,848.00	1,963.50
3	TYFMX*	1,452.00	1,542.75
4	TYFMX*	1,364.00	1,449.25
5	TYFMX*	1,320.00	1,402.50
6	TYFMX*	1,276.00	1,355.75
7	TYFMX*	1,232.00	1,309.00
8	TYFMX*	1,188.00	1,262.25
9	TYFMX*	1,144.00	1,215.50
10	TYFMX*	1,100.00	1,168.75
11	TYFMX*	1,056.00	1,122.00
12	TYFMX*	959.20	1,019.15
13	TYFMX*	1,108.80	1,178.10
14	TYFMX*	1,091.20	1,159.40
15	TYFMX*	1,082.40	1,150.05
16	TYFMX*	1,073.60	1,140.70
17	TYFMX*	1,056.00	1,122.00
18	TYFMX*	1,047.20	1,112.65
19	TYFMX*	1,034.00	1,098.63
20	TYFMX*	1,012.00	1,075.25
21	TYFMX*	1,003.20	1,065.90
22	TYFMX*	985.60	1,047.20
23	TYFMX*	972.40	1,033.18
24	TYFMX*	968.88	1,029.43
25 and Over	TYFMX*	968.00	1,028.50
Per DS3 CT at each Secondary Premises	TYFMS*	1,496.84	1,590.40

* Substitute USOC TYFVX for USOC TYFLX and USOC TYFVS for USOC TYFLS when the 44.736 Mbps Service is connected to Enterprise SONET Service.

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(b) Channel Mileage

(1) 1.544 Mbps

	<u>USOC</u>	<u>Fixed</u>	<u>Monthly Rates</u> <u>Per Mile</u>
Pricing Zone 1	1L5XX*	\$37.70	\$9.59
Pricing Zone 2	1L5XX*	37.70	9.59
Pricing Zone 3	1L5XX*	37.70	9.59
Price Band 4	1L5XX*	44.00	13.69
Price Band 5	1L5XX*	44.00	13.69
Price Band 6	1L5XX*	44.00	13.69

* Substitute USOC 1A8ZS for USOC 1L5XX when the High Capacity Service provides access to Frame Relay Service.

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(b) Channel Mileage (Cont'd)

(2) 44.736 Mbps

	<u>USOC</u>	<u>Fixed</u>	<u>Monthly Rates</u> <u>Per Mile</u>
Pricing Zone 1	1A5LX*	\$561.00	\$65.89
Pricing Zone 2	1A5LX*	561.00	65.89
Pricing Zone 3	1A5LX*	561.00	65.89
Price Band 4	1A5LX*	660.00	77.52
Price Band 5	1A5LX*	660.00	77.52
Price Band 6	1A5LX*	660.00	77.52

* Substitute USOC 1A8ZS for USOC 1L5XX when the High Capacity Service provides access to Frame Relay Service.

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(c) Optional Features and Functions/Basic Service Elements

(1) Central Office Multiplexing

(a) DS1 to Voice, per arrangement

	<u>USOC</u>	<u>3-Year</u>	Monthly Rates <u>5-Year</u>	<u>7-Year</u>
Pricing Zone 1	MQ1	\$175.54	\$175.54	\$186.51
Pricing Zone 2	MQ1	185.29	185.29	196.87
Pricing Zone 3	MQ1	195.04	195.04	207.23
Price Band 4	MQ1	202.40	202.40	215.05
Price Band 5	MQ1	202.40	202.40	215.05
Price Band 6	MQ1	202.40	202.40	215.05

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32. Contract Tariffs (Cont'd)32.23 Contract Tariff Option 45 (Cont'd)(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(c) Optional Features and Functions/Basic Service Elements

(1) Central Office Multiplexing

(b) DS1 to DS0, per arrangement

	<u>USOC</u>	<u>3-Year</u>	Monthly Rates <u>5-Year</u>	<u>7-Year</u>
Pricing Zone 1	QMU	\$175.54	\$175.54	\$186.51
Pricing Zone 2	QMU	185.29	185.29	196.87
Pricing Zone 3	QMU	195.04	195.04	207.23
Price Band 4	QMU	202.40	202.40	215.05
Price Band 5	QMU	202.40	202.40	215.05
Price Band 6	QMU	202.40	202.40	215.05

(c) BSE DS3 to DS1

	<u>USOC</u>	<u>3-Year</u>	Monthly Rates <u>5-Year</u>	<u>7-Year</u>
Pricing Zone 1	MKM	\$460.03	\$460.03	\$488.78
Pricing Zone 2	MKM	483.04	483.04	513.23
Pricing Zone 3	MKM	506.03	506.03	537.66
Price Band 4	MKM	536.05	536.05	569.55
Price Band 4	MKM	562.85	562.85	598.03
Price Band 4	MKM	589.66	589.66	626.51

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32. Contract Tariffs (Cont'd)

32.23 Contract Tariff Option 45 (Cont'd)

Reserved for Future Use

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32. Contract Tariffs (Cont'd)

32.23 Contract Tariff Option 45 (Cont'd)

Reserved for Future Use

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32. Contract Tariffs (Cont'd)

32.23 Contract Tariff Option 45 (Cont'd)

Reserved for Future Use

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32. Contract Tariffs (Cont'd)

32.23 Contract Tariff Option 45 (Cont'd)

Reserved for Future Use

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32. Contract Tariffs (Cont'd)

32.23 Contract Tariff Option 45 (Cont'd)

Reserved for Future Use

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32. Contract Tariffs (Cont'd)

32.23 Contract Tariff Option 45 (Cont'd)

Reserved for Future Use

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32. Contract Tariffs (Cont'd)

32.23 Contract Tariff Option 45 (Cont'd)

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32. Contract Tariffs (Cont'd)

32.23 Contract Tariff Option 45 (Cont'd)

Reserved for Future Use

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32. Contract Tariffs (Cont'd)

32.23 Contract Tariff Option 45 (Cont'd)

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32. Contract Tariffs (Cont'd)

32.23 Contract Tariff Option 45 (Cont'd)

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32. Contract Tariffs (Cont'd)

32.23 Contract Tariff Option 45 (Cont'd)

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32. Contract Tariffs (Cont'd)

32.23 Contract Tariff Option 45 (Cont'd)

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32. Contract Tariffs (Cont'd)32.24 Contract Tariff Option 46(A) Scope

- (1) Contract Tariff Option 46 (Option 46) is an offering that provides a customer with discounted monthly rates for:
 - (a) 1.544 Mbps High Capacity Service (DS1 Service); and
 - (b) 44.736 Mbps High Capacity Service (DS3 Service); and
 - (c) 44.736 Mbps Multiplexed High Capacity Service (Multiplexed DS3 Service)
 - (d) Ports that allow DS1 Services, DS3 Services, and Multiplexed DS3 Services to be provided over, or connected to, Telephone Company provided SONET dedicated rings (collectively, Ports).
- (2) The customer must satisfy the eligibility requirements set forth in (B) following including (i) the customer's purchase of a minimum number of SONET dedicated rings from the Telephone Company (SDRs); and (ii) a minimum number of DS1 Services, DS3 Services, and Multiplexed DS3 Services. DS1 Services, DS3 Services, and Multiplexed DS3 Services that are under a Commitment Discount Plan (as set forth in Section 25.1 preceding) are not eligible for subscription to this Option 46.
- (3) The regulations, terms, and conditions provided in this Section 32.24 apply to all customers who subscribe to DS1 Service, DS3 Service, Multiplexed DS3 Service, and Ports under this Option 46 in the applicable Metropolitan Statistical Areas (MSAs) specified in (C) following and during the specified Subscription Period set forth in (B)(5) following.

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32. Contract Tariffs (Cont'd)32.24 Contract Tariff Option 46 (Cont'd)(B) Eligibility Requirements

All of the following requirements must be met in order to subscribe to this Option 46 and to be eligible for the rates set forth in (H) following.

- (1) During the twelve (12) month period prior to subscription to this Option 46, the customer must have achieved a minimum of sixteen million dollars (\$16,000,000.00) in billed monthly recurring revenue for interstate telecommunications services purchased by the customer from the predecessor company.
- (2) For the twelve (12) month period prior to subscription to this Option 46, the customer must have investment grade level credit ratings on a total corporate basis, including all affiliates, of at least "A" as issued by Standard & Poor's, and at least "A2" as issued by Moody's.
- (3) The customer must have short term credit ratings of at least "A1" as issued by Standard & Poor's and at least "P1" as issued by Moody's.
- (4) For the twelve (12) month period prior to subscription to this Option 46, the customer must have a Quick Ratio (current assets divided by current liabilities), as measured on a total corporate basis, including all affiliates, of at least 0.5. The value of the total cash, cash equivalents, and other short term investments of current assets used in the Quick Ratio calculation must be at least twenty billion dollars (\$20,000,000,000.00).

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32. Contract Tariffs (Cont'd)32.24 Contract Tariff Option 46 (Cont'd)(B) Eligibility Requirements (Cont'd)

- (5) A minimum of six (6) interstate SDRs must be ordered during the period which begins January 26, 2007 and ends March 27, 2007 (Subscription Period). The interstate SDRs must be new SDRs (as defined in (B)(8)(a) following), upgrades to OC192 SDRs (as defined in (B)(8)(b) following), renewals of SDRs (as defined in (B)(8)(c) following), or conversions to SDRs (as defined in (B)(8)(d) following) (collectively, Ordered SDRs). The Ordered SDRs must meet all of the following requirements.
- (a) The Ordered SDRs must be purchased by the customer from the Telephone Company.
 - (b) At least fifty percent (50%) of the total number of Ordered SDRs that are new SDRs (as defined in (B)(8)(a) following) must have an optical carrier (OC) rate of forty-eight (OC48) or one hundred ninety-two (OC192).
 - (c) At least two (2) of the Ordered SDRs that are new SDRs, upgrades to OC192 SDR, or renewals of SDRs must have an OC rate of 192.
 - (d) At least one (1) of the Ordered SDRs must be replacing an IntelliBeam Dedicated SONET Ring service that was previously purchased under Section 26.1 preceding (IDSR) of this tariff.
 - (e) At least sixty percent (60%) of the existing SDRs that are an upgrade to OC192 SDR under (B)(8)(b) following or are converted to SDR under (B)(8)(d) following, must have been in service for at least two (2) years prior to the date of subscription to this Option 46.
 - (f) At least forty percent (40%) of the existing SDRs that are an upgrade to OC192 SDR under (B)(8)(b) following or are converted to SDR under (B)(8)(d) following must be under a term plan that has already expired or that will expire prior to January 26, 2008.

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32. Contract Tariffs (Cont'd)32.24 Contract Tariff Option 46 (Cont'd)(B) Eligibility Requirements (Cont'd)

- (6) A minimum of six (6) of the Ordered SDRs was turned up and placed into service.
- (7) DS1 Services, DS3 Services and Multiplexed DS3 Services
 - (a) In order to be eligible for the rates set forth in (H) following, the customer must order during the Subscription Period set forth in (B)(5) preceding a minimum of two hundred (200) and up to a maximum of thirteen hundred (1,300) DS1 Services and a minimum of two (2) and up to a maximum of seventy-five (75) DS3 Services (for purposes of this Section 32.24(B)(7)(a), the term DS3 Services shall mean DS3 Services, Multiplexed DS3 Services or a combination of both). The rates set forth in (H) following will continue for the duration of the Service Period (as set forth in (D) following) provided that such minimum and maximum quantities of DS1 Services and DS3 Services (as stated above) are maintained. Only interstate DS1 Services and interstate DS3 Services that originate and terminate at the Telephone Company's serving wire centers are eligible for the rates set forth in (H) following.
 - (b) DS1 Services, DS3 Services, or Multiplexed DS3 Services that are subscribed to under this Option 46 was a combination of stand alone services (i.e., services that do not connect to Ordered SDRs) and services that connect to Ordered SDRs.
 - (c) DS3 Services that are subscribed to this Option 46 may be point-to-point services or multiplexed services (as described in Section 7 preceding).
- (8) Ordered SDRs

Ordered SDRs must meet all of the requirements set forth below for a new SDR, upgrade to OC192 SDR, renewal of SDR, or conversions, as applicable.

(a) New SDRs

A new SDR is a SONET dedicated ring that is newly ordered in accordance with this Option 46 and does not include the following.

- (1) An SDR that was disconnected from its current location and installed under Section 34.1 following as new at that same location.
- (2) An SDR that is upgraded to OC192 under (B)(8)(b) following.
- (3) An SDR whose Term Pricing Plan (TPP) is renewed as an Ordered SDR under (B)(8)(c) following.
- (4) An IDSR that is converted to an Ordered SDR under (B)(5)(d) preceding.

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32. Contract Tariffs (Cont'd)32.24 Contract Tariff Option 46 (Cont'd)(B) Eligibility Requirements (Cont'd)

(8) Ordered SDRs (Cont'd)

(b) Upgrade to OC192 SDR

(1) An upgrade to OC192 SDR is defined as the replacement of two (2) or more existing SDRs, each of which has an OC rate that is less than 192, with a single SDR that has an OC rate of 192, and which satisfies all of the following requirements.

(a) Each existing SDR must have at least one node location (i.e., customer designated premises or Telephone Company central office) in common with the OC192 SDR; and

(b) The upgrade to OC192 SDR is ordered during the Subscription Period set forth in (B)(5) preceding or was ordered prior to the Subscription Period, but, as of the date of subscription, the Telephone Company has not completed the upgrade to an OC192 SDR; and

(c) The customer specifies in its order for service whether or not the transitional billing option as set forth in (G)(3) following will apply to the upgrade to OC192 SDR; and

(d) The Service Period for the upgrade to OC192 SDR commences with the date that billing begins.

(2) The upgrade to OC192 SDR is complete when all services provided over the existing SDRs have been disconnected from the existing SDRs and are installed and operational on the upgraded OC192 SDRs, and the existing SDRs are disconnected.

(3) The following types of changes to an existing SDR are not considered an upgrade to OC192 under this Option 46:

- A change of an existing OC192 SDR to a new OC192 SDR is not an upgrade to OC192 SDR. For example, the addition of one or more node(s) to an existing OC192 SDR is not an upgrade to OC192 SDR.
- The addition of one (1) or more port(s) or node(s) to an existing OC192 SDR is not an upgrade to OC192 SDR.

(4) Except as set forth in this (B)(8)(b), an SDR that is upgraded to any other OC rate shall not be deemed an Ordered SDR under this Option 46.

(5) Any customer that qualified for this option with a predecessor company will qualify for this Option with the Telephone Company. Notwithstanding anything in this Option to the contrary, no minimum subscriptions will be required for any customer that qualified for this option with a predecessor company.#

(N)
|
(N)

FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract.

(N)
|
(N)

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32. Contract Tariffs (Cont'd)32.24 Contract Tariff Option 46 (Cont'd)(B) Eligibility Requirements (Cont'd)

(8) Ordered SDRs (Cont'd)

(c) Renewal of SDR

Renewal of SDR occurs when the customer renews the TPP of an existing SDR (e.g., a SONET dedicated ring provided under Section 34.1 following) for an equal or longer term period where (i) the commitment period for the existing SDR will expire prior to March 25, 2007, or (ii) the commitment period for the existing SDR has already expired and the customer is continuing with the service at the 3-year or a 5-year TPP rate; and all of the following apply:

- the customer does not select a new plan under Section 34.1(D)(2) following; or
- does not extend the expiring commitment period under Section 34.1(I) following.

(d) Conversions to SDR

- (1) The customer may convert a dedicated SONET ring purchased under this tariff to a comparable Ordered SDR as described in (B)(5) preceding and that:
 - (a) has no change in OC rate (for example, replacement of an OC48 SDR to an OC192 SDR would be a change in optical carrier rate and is not a conversion to SDR); and
 - (b) has no change in node locations at both the customer designated premises and at Telephone Company central offices; and
 - (c) does not involve a change in the type of node (e.g., from nodes that are not enhanced to enhanced nodes).
- (2) The conversion to SDR is complete when billing, record order changes and other work is completed for the Ordered SDR.

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32. Contract Tariffs (Cont'd)32.24 Contract Tariff Option 46 (Cont'd)(C) Serving Area

- (1) The serving area of Option 46 for DS1 Services, DS3 Services, and Multiplexed DS3 Services purchased under this tariff is comprised of the Telephone Company's wire centers. The Telephone Company's wire centers are listed in Section 15.2 preceding. DS1 Services, DS3 Services, and Multiplexed DS3 Services must originate and terminate at locations served by the Telephone Company's wire centers.
- (2) The serving area of Option 46 for Ports and any Ordered SDRs purchased from the Telephone Company under this tariff is comprised of the wire centers that are within the following Telephone Company MSAs.

Bangor ME	MSA#224
Boston MA-NH	MSA#6
Manchester NH	MSA#133
Portland ME	MSA#152
- (3) The serving area of Option 46 for Ordered SDRs purchased under Section 34.1 following is comprised of the wire centers that are within the Telephone Company MSAs specified in (C)(2) preceding.
- (4) Any additions of, or changes to, the wire centers that are within the MSAs specified in (C)(2) preceding that occur during the Service Period of this Option 46 will apply beginning on the effective date of such change and continuing through the end of the commitment period. When such change results in an increase or decrease to the rates applicable under this Option 46, no retroactive billing or adjustment will be made for the portion of the Service Period that has elapsed prior to the effective date of the change.

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32. Contract Tariffs (Cont'd)32.24 Contract Tariff Option 46 (Cont'd)(D) Service Period

- (1) The Service Period for DS1 Services, DS3 Services, and Multiplexed DS3 Services that are subscribed to under this Option 46 is thirty-six (36) months.
 - (a) For each existing DS1 Service, DS3 Service, or Multiplexed DS3 Service that is already in-service as of January 26, 2007 and subsequently subscribed to under this Option 46, a new Service Period shall commence on January 26, 2007 and continue for thirty-six (36) consecutive months.
 - (b) DS1 Services, DS3 Services, and Multiplexed DS3 Services ordered on or after January 26, 2007 and no later than January 26, 2010 will have a Service Period that begins with the date of installation of the DS1 Service, DS3 Service, or Multiplexed DS3 Service and continues for thirty-six (36) months.
- (2) The Service Period for Ports that are ordered during the Subscription Period begins with the installation of such Ports and ends on the same day that the term plan for the associated Ordered SDR ends. Ports added after the end of the Subscription Period and during the first thirty-six (36) months of the Service Period will be coterminous with the initial Ports ordered. Ports added after the first thirty-six (36) months of the Service Period will be provided on month-to-month terms at the rates set forth in (H) following.
- (3) Upon completion of the applicable Service Period, the customer may continue with the Services and Ports that were subscribed to under this Option 46 in accordance with (G)(4) following.

(E) Exceptions to General Regulations

- (1) Except as set forth in this Section (E), a customer subscribing to this Option 46 is subject to all of the General Regulations as set forth in Section 2 of this tariff preceding.
- (2) Definitions

The following definitions apply only to limitations of liability, liability to third parties, and indemnification obligations as set forth in (E)(3), (4), and (5) following.

Affiliate – the term "Affiliate" of a party means any entity that Controls, is Controlled by, or is under common Control with, the party specified, including any entity that conforms to such definition as of the date of subscription to this Option 46 as well as any entity that conforms to the definition anytime thereafter.

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32. Contract Tariffs (Cont'd)32.24 Contract Tariff Option 46 (Cont'd)(E) Exceptions to General Regulations (Cont'd)

(2) Definitions (Cont'd)

Control or Controlled – the term "Control" or "Controlled" of/by an entity means that the specified party, directly or indirectly, has the power to direct or cause the direction of the management and policies of that entity through the ownership of voting securities, by contract or otherwise.

Customer – the term "Customer" shall mean customer, its permitted assigns and successors, its Affiliates, and its and their employees, directors, officers, agents, and representatives.

Damages – the term "Damages" shall mean (collectively) all injury, damage, liability, loss, penalty, interest and expense incurred.

Days – the term "Days" shall mean calendar days.

Loss or Losses – the term "Loss" or "Losses" means all losses, liabilities, damages and claims, and all related costs and expenses (including reasonable fees, expenses and disbursements of attorneys, accountants and other experts and professionals, and costs, fees and expenses of investigation, litigation or other proceedings of any claim, default or assessment, settlement, judgment, interest, court costs and penalties) paid or payable to a third party.

Party – the term "Party" shall mean either Customer or the Telephone Company or when used as "Parties" includes both Customer and the Telephone Company.

Subcontractor – the term "Subcontractor" means any independent supplier engaged by the Telephone Company or a Telephone Company Affiliate to perform the Services or any part thereof.

Telephone Company – the term "Telephone Company" shall mean the Telephone Company, its permitted assigns and successors, its Affiliates, and its and their employees, directors, officers, agents, representatives, Subcontractors, and suppliers.

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32. Contract Tariffs (Cont'd)32.24 Contract Tariff Option 46 (Cont'd)(E) Exceptions to General Regulations (Cont'd)

(3) Limitations of Liability

- (a) Except for (a) a Party's indemnification obligations under this Option 46, (b) a Party's breach of confidentiality obligations to the other Party and (c) a Party's gross negligence and/or willful misconduct with respect to the subject matter of this Option 46 (any intentional wrongful repudiation or intentional wrongful early termination of this Option 46 or the Telephone Company's intentionally wrongful cessation of Services by the Telephone Company under this Option 46 are examples of willful misconduct), neither Party will be liable for any punitive, exemplary, indirect, special, consequential or incidental or similar Damages, including, without limitation, with respect to loss of data or loss of savings, revenues, or profits, or other commercial or economic loss. Coverage limitations for insurance required under this Option 46 shall not be deemed to limit any dollar amounts recoverable by Customer directly from the Telephone Company under this Option 46. Each Party's liability to each other in connection with all claims under this Option 46 shall be limited to the lesser of (i) direct Damages (or, if otherwise stated in this Section, direct and indirect Damages) awarded to the claiming Party in a final non-appealable order of the Federal Communications Commission or a court of competent jurisdiction or (ii) the aggregate amounts paid by Customer to the Telephone Company for interstate Services or products provided by the Telephone Company to Customer under this Option 46 for the six (6) months prior to the accrual of such claim of cause of action for the specific product or Service which forms the basis for such cause of action, to the extent the claim relates to a specific product or Service. If a recovery is made by one Party against the other in a contract year, the 6 month direct damages cap referenced above shall be replenished for the next contract year of Option 46.
- (b) The limitations of liability set forth above do not limit amounts due and owing from Customer for products and Services provided by the Telephone Company under this Option 46, including minimum commitment charges, shortfall charges or early termination liability charges or amounts due and owing in the form of credits from the Telephone Company to Customer.
- (c) The limitations of liability set forth in this Option 46 shall apply regardless of the form of action, whether in contract or tort, strict liability or otherwise; and whether or not losses or Damages were foreseeable and shall survive failure of any exclusive remedies provided in this Option 46.
- (d) The limitations of liability set forth in this Option 46 do not preclude a Party from seeking injunctive relief from a court of competent jurisdiction in the event of a violation by the other party of confidentiality obligations or other situations where there is no adequate remedy at Law and no exclusive remedy is provided under this Option 46.

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32. Contract Tariffs (Cont'd)32.24 Contract Tariff Option 46 (Cont'd)(E) Exceptions to General Regulations (Cont'd)

(4) Liability to Third Parties

- (a) No subcontract, or other agreement entered into by either Party with any third party in connection with this Option 46 shall provide for any indemnity, guarantee, assumption of liability or other obligation of or by the other Party to this Option 46 with respect to such arrangement except as consented to in writing by such other Party.
- (b) This Option 46 does not expressly or implicitly provide any third party (including users and subcontractors) with any remedy, claim, liability, reimbursement, cause of action or other right or privilege. This Option 46 shall not create any right or cause of action in or on behalf of any person or entity other than Customer or the Telephone Company.

(5) Indemnification

(a) Customer Indemnifications

Customer will indemnify, hold harmless and defend the Telephone Company in accordance with the procedures described in Section (E)(5)(d), Indemnification Procedures, hereof, against all Losses arising out of, in connection with, resulting from or based on allegations of, any of the following:

- (1) The death or bodily injury of any person (including, any agent, employee, customer, the Telephone Company, business invitee or business visitor of the Telephone Company) to the extent that such Loss was proximately caused by any negligent act or omission or willful misconduct by Customer or Customer's subcontractors in connection with the services set forth in (A)(1)(a) through (A)(1)(d) preceding, collectively Services.
- (2) The damage, loss or destruction of any real or personal property to the extent that such Loss was proximately caused by any negligent act or omission or willful misconduct by Customer or Customer's subcontractors in connection with the Services.
- (3) Customer's use of the Services other than as specified or permitted under this tariff.

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32. Contract Tariffs (Cont'd)32.24 Contract Tariff Option 46 (Cont'd)(E) Exceptions to General Regulations (Cont'd)

(5) Indemnification (Cont'd)

(a) Customer Indemnifications (Cont'd)

- (4) Any taxes or other similar charges, including interest and penalties, assessed against the Telephone Company which are obligations of Customer.
- (5) Customer's obligations with regard to compliance with applicable law.
- (6) Customer's obligations with regard to confidential information that arise in connection with provision of Services pursuant to the Option 46.

(b) The Telephone Company Indemnifications

The Telephone Company shall indemnify, hold harmless, and defend Customer in accordance with the procedures described in (E)(5)(d) following, Indemnification Procedures, hereof, against all Losses arising out of, in connection with, resulting from or based on allegations of, any of the following relating to the Telephone Company:

- (1) Any duties or obligations of the Telephone Company, its Affiliates or any Subcontractor, or any the Telephone Company Personnel in respect of a third party or any Subcontractor of any tier (i.e., direct Subcontractors, their subcontractors, and so on), including claims and causes of actions based on employer status or on the Telephone Company's payment obligations to Subcontractors.
- (2) The death or bodily injury of any person (including any agent, employee, customer, supplier, business invitee or business visitor of Customer) to the extent that such Loss was proximately caused by any negligent act or omission or willful misconduct by the Telephone Company in connection with the Services.

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32. Contract Tariffs (Cont'd)32.24 Contract Tariff Option 46 (Cont'd)(E) Exceptions to General Regulations (Cont'd)

(5) Indemnification (Cont'd)

(b) The Telephone Company Indemnifications (Cont'd)

- (3) The damage, loss or destruction of any real or personal property to the extent that such Loss was proximately caused by any negligent act or omission or willful misconduct by the Telephone Company in connection with the Services.
- (4) Any taxes or other similar charges, including interest and penalties, assessed against Customer which are obligations of the Telephone Company hereunder.
- (5) The Telephone Company's willful misconduct or fraud with respect to the Services.
- (6) That use of a Service provided by the Telephone Company to Customer under this Option 46 during the applicable Service Period infringes any United States patent, copyright, trade secret, trademark, or service mark; provided that, the obligations hereunder shall not apply to claims of infringement or misappropriation arising from: (a) any use of a Service in combination with services, software, data or systems not supplied by the Telephone Company under this Option 46; (b) modification of a Service by Customer or its contractors or modification by the Telephone Company at the direction of Customer or its contractors, provided that, no infringement would have occurred without such modification; or (c) the content of communications transmitted by or for Customer in the Customer's use of a Service, including libel, slander or invasion of privacy. If Customer is enjoined, or is otherwise prohibited from using the Services as a result of, or in connection with any such claim, suit, action or proceeding, the Telephone Company shall promptly either (i) procure for Customer the right to continue using the affected Services; (ii) modify the affected Services so that they become non-infringing, without a material and adverse change in functionality of the Services; or (iii) replace the affected Services with services that are non-infringing without material and adverse change in functionality as compared to the affected Services; or (iv) if neither (i), (ii) or (iii) above are commercially reasonable, promptly terminate the infringing Services and any Services ordered by Customer that Customer is unable to use due to termination of the infringing Services without such termination constituting a breach of the Option 46. Customer shall not be obliged to pay any termination liability to the Telephone Company for Services so terminated.

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32. Contract Tariffs (Cont'd)32.24 Contract Tariff Option 46 (Cont'd)(E) Exceptions to General Regulations (Cont'd)

(5) Indemnification (Cont'd)

- (c) For the purposes of Section (E)(5), for Customer, the term "agent" means Customer agents retained by Customer to provide services to Customer that require use of Services provided by the Telephone Company to Customer; and for the Telephone Company, the term "agent" means the Telephone Company agents retained by the Telephone Company to assist the Telephone Company in the provision of the Services.

(d) Indemnification Procedures

If a notice of commencement or threatened commencement of a claim or cause of action is received by a party entitled to indemnification under this Option 46 ("Indemnified Party"), the Indemnified Party shall give written notice thereof ("Indemnification Notice") to the party that is obligated to provide indemnification ("Indemnifying Party") within thirty (30) Days of the Indemnified Party's receipt of the notice of commencement or threatened commencement of the claim or cause of action. The Indemnified Party's Indemnification Notice as provided herein shall not affect the Indemnifying Party's indemnification obligations hereunder except to the extent the Indemnifying Party was materially prejudiced as a result of such failure.

- (1) Within fifteen (15) Days after the Indemnifying Party's receipt of an Indemnification Notice, but in no event later than ten (10) Days before the date on which a response to a complaint or summons in connection therewith is due, the Indemnifying Party shall notify the Indemnified Party, in writing, if the Indemnifying Party acknowledges its indemnification obligations and elects to assume control of the defense and settlement of such claim or cause of action ("Election Notice").
- (2) If the Indemnifying Party delivers an Election Notice within the required time period, then the Indemnifying Party shall immediately take control of the defense and investigation of such claim or cause of action and select and engage counsel reasonably satisfactory to the Indemnified Party to handle and defend the claim or the cause of action, at the Indemnifying Party's sole cost and expense.

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32. Contract Tariffs (Cont'd)32.24 Contract Tariff Option 46 (Cont'd)(E) Exceptions to General Regulations (Cont'd)

(5) Indemnification (Cont'd)

(d) Indemnification Procedures (Cont'd)

- (3) If the Indemnifying Party fails to deliver an Election Notice within the required time period, or delivers an Election Notice within the required time period but does not immediately take control of the defense and investigation of such claim or cause of action and select and engage counsel reasonably satisfactory to the Indemnified Party to handle and defend the claim or cause of action, then the Indemnified Party shall have the right to defend the Loss in such manner as it may deem appropriate, at the sole cost and expense of the Indemnifying Party (including payment of any judgment or award and the costs of settlement or compromise of the claim or cause of action), and the Indemnifying Party shall promptly reimburse the Indemnified Party for all such costs and expenses, including payment of any judgment or award and the costs of settlement or compromise of the claim or the cause of action.
- (4) The Indemnified Party shall cooperate in all reasonable respects with the Indemnifying Party and its counsel in the investigation, trial and defense of such claim or cause of action and any appeal arising therefrom; provided, however, that the Indemnified Party may, at its own cost and expense, participate, through the Indemnified Party's own counsel or otherwise, in the investigation, trial and defense of such claim or cause of action; and any appeal arising therefrom.
- (5) The Indemnifying Party will reimburse the Indemnified Party for the reasonable costs of counsel engaged by the Indemnified Party, as such costs are incurred and upon request therefore, if:
 - (i) The Indemnified Party engages counsel in connection with its right to defend the Loss as described in Section (E)(5)(d)(3) preceding, or
 - (ii) Customer and the Telephone Company are parties to an action, proceeding or investigation and the Indemnified Party wishes to pursue additional or different claims and/or defenses unavailable to, or not pursued by, the Indemnifying Party.

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32. Contract Tariffs (Cont'd)32.24 Contract Tariff Option 46 (Cont'd)(E) Exceptions to General Regulations (Cont'd)

(5) Indemnification (Cont'd)

(d) Indemnification Procedures (Cont'd)

(6) The Indemnifying Party shall not settle any claim or cause of action of which indemnity may be sought hereunder, whether or not the Indemnified Party is an actual or potential party thereto without the Indemnified Party's express prior written consent. Indemnified Party will not unreasonably withhold its consent to any such proposed settlement provided:

(i) Such proposed settlement does not involve a remedy other than the payment of money by the Indemnifying Party, and

(ii) Indemnifying Party and all plaintiffs or claimants agree to unconditionally release Indemnified Party from any responsibility or liability with respect to the subject matter thereof and any related facts or circumstances.

(F) Application of Rates and Charges

(1) Application of Rates and Charges for DS1 Service, DS3 Service and Multiplexed DS3 Service

(a) The monthly recurring rates for DS1 Service, DS3 Service, and Multiplexed DS3 Service subscribed to this Option 46 are set forth in (H) following and apply only to those DS1 Services, DS3 Services, and Multiplexed DS3 Services ordered prior to the end of the thirty-six (36) month Service Period specified in (D) preceding.

(b) The monthly recurring rate elements for DS1 Services, DS3 Services, and Multiplexed DS3 Service that are subscribed to this Option 46 include the following.

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32. Contract Tariffs (Cont'd)32.24 Contract Tariff Option 46 (Cont'd)(F) Application of Rates and Charges (Cont'd)

(1) Application of Rates and Charges for DS1 Service, DS3 Service and Multiplexed DS3 Service (Cont'd)

(b) (Cont'd)

(1) Channel Termination Rate Element

Monthly recurring rates in section (H) following for the DS1 Service, DS3 Service and Multiplexed DS3 Service Channel Termination rate elements apply per point of termination. Included in the Channel Termination rate elements are the transmission facilities that connect the customer's designated premises to its Telephone Company's serving wire centers. Except as described herein, the Channel Termination rate element is subject to the terms and conditions set forth in Section 7.1.2(A) preceding.

(2) Channel Mileage

(i) Monthly recurring rates in (H) following for the DS1 Service, DS3 Service and Multiplexed DS3 Service Channel Mileage rate elements apply as a fixed rate and a rate per mile and are differentiated by whether or not the service originates and/or terminates at locations that are served by wire centers.

(ii) Channel mileage is calculated in accordance with Section 7.4.6 preceding.

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32. Contract Tariffs (Cont'd)32.24 Contract Tariff Option 46 (Cont'd)(F) Application of Rates and Charges (Cont'd)

(1) Application of Rates and Charges for DS1 Service, DS3 Service and Multiplexed DS3 Service (Cont'd)

(b) (Cont'd)

(3) DS3/DS1 Central Office Multiplexing

Multiplexed DS3 Services are further subject to monthly recurring rates for the DS3/DS1 Central Office Multiplexing rate element. The DS3/DS1 Central Office Multiplexing rate element set forth in (H) following applies per arrangement where multiplexing is provided from a Telephone Company Hub that is served by the Telephone Company's wire center. The DS3/DS1 Central Office Multiplexing optional feature is further described in Section 7.9(D) preceding.

(c) Following the end of the first year of the Service Period and annually thereafter, the Telephone Company will review the customer's eligibility for Option 46 to determine if the customer is within the minimum and maximum number of DS1 Services and DS3 Services (for purposes of this Section (F)(1)(c), the term DS3 Services shall mean DS3 Services, Multiplexed DS3 Services or a combination of both) specified in (B)(7) preceding.

If, as a result of any annual review described above, it is determined by the Telephone Company that the total number of DS1 Services and/or DS3 Services fell below the minimum for such services as specified in (B)(7) preceding, or exceeded the maximum for such services as specified in (B)(7) preceding, as applicable, the rates, terms and conditions of this Option 46 shall no longer apply and the affected DS1 Services, DS3 Services, and Multiplexed DS3 Services will be subject to the terms and conditions set forth in Section 7 preceding, and to the three (3) year SDP rates, beginning with the date that customer failed to satisfy either of the foregoing conditions and ending on the last day of the commitment period. In addition to Customer paying the three (3) year SDP rates on a regular on-going basis through the end of the commitment period once such rates are implemented, the Telephone Company will bill, and Customer shall pay, the aggregate difference between the Option 46 rates and the three (3) year SDP rates, for the period beginning with the date that customer failed to satisfy either of the foregoing conditions until such time as regular on-going billing for the DS1 Services and/or DS3 Services reflects the three (3) year SDP rates. The SDP is subject to the terms and conditions set forth in Section 7.4.10 preceding.

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32. Contract Tariffs (Cont'd)32.24 Contract Tariff Option 46 (Cont'd)(F) Application of Rates and Charges (Cont'd)

- (1) Application of Rates and Charges for DS1 Service, DS3 Service and Multiplexed DS3 Service (Cont'd)
 - (b) (Cont'd)
 - (3) DS3/DS1 Central Office Multiplexing
 - (d) All other DS1 services, DS3 services, and Multiplexed DS3 services that are ordered by the customer shall be provided by the Telephone Company in accordance with Section 7 preceding, and at the rates and charges set forth in Section 30.7 preceding for price band rates and charges and Section 31.7 preceding for all other rates and charges (as determined in Section 15.2 preceding).
- (2) Application of Rates and Charges for Ports
 - (a) This Option 46 includes monthly recurring rates for Ports that are ordered during the first thirty-six (36) months of the Service Period specified in (D) preceding and that are within the Serving Area as specified in (C) preceding. Such Ports are exclusively for use with Ordered SDRs that are subscribed to under this Option 46.
 - (b) The monthly recurring rates for Ports as set forth in (H) following apply only to those Ports that are subscribed to under this Option 46 and meet the requirements set forth herein for such Ports.
 - (c) The monthly recurring rates for Ports are set forth in (H) following and apply per Port.
 - (d) Ports ordered after the first thirty-six (36) months of the Service Period specified in (D) preceding may only be ordered on a month-to-month basis. Such Ports are subject to the monthly recurring charges set forth in (H) following of this Option 46 and to the nonrecurring charges set forth in Section 30.34 preceding for price band rates and charges and Section 31.34 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding).
- (3) Order Modification Charges

Following the customer's initial order for service at the time of subscription to Option 46, for any subsequent order for additional DS1 Services, DS3 Services, Multiplexed DS3 Services, or Ports that is modified within five (5) days of placement of an order for such service by Customer, order modification charges as set forth in Section 5 preceding do not apply.

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32. Contract Tariffs (Cont'd)32.24 Contract Tariff Option 46 (Cont'd)(G) Terms and Conditions

Unless specifically superseded by the terms and conditions set forth herein, all terms and conditions, including termination liability and minimum periods, as stated in Section 7 preceding for DS1 Service, DS3 Service and Multiplexed DS3 Service, or Section 34.1 following with respect to Ports, apply to the applicable services and Ports that are subscribed to under this Option 46.

(1) Subscription to Other Contract Tariff Options

The customer may not concurrently subscribe any rate element that is subject to the rates set forth in (H) following of this Option 46 to any other contract tariff option or other Telephone Company offering unless subscription of such rate element is explicitly allowed under that contract tariff option or other offering. Upon subscription to another contract tariff option or other offering, the rates set forth in (H) following will cease, unless explicitly allowed to continue under the other contract tariff option or other offering.

(2) Termination Charges

(a) Termination Charges for DS1 Services, a DS3 Services, and Multiplexed DS3 Services

- (1) Subject to (G)(2)(a)(4) following, termination charges apply per DS1 Service, DS3 Service or Multiplexed DS3 Service that is discontinued prior to the end of its thirty-six (36) month Service Period as set forth in (D) preceding.
- (2) Termination charges for DS1 Service, DS3 Service, and Multiplexed DS3 Service apply at one hundred percent (100%) of the applicable monthly recurring rate set forth in (H) following beginning with the date of disconnection and continuing through the end of the first twelve (12) months of the Service Period, and at twenty percent (20%) of the applicable monthly recurring rate set forth in (H) following for the remainder of the thirty-six (36) month Service Period.
- (3) The conversion of DS1 Services, DS3 Services, and Multiplexed DS3 Services that are in-service as of January 26, 2007 and subsequently subscribed to under this Option 46 shall not be regarded as a termination of such services. Following conversion, for DS1 Services, DS3 Services, and Multiplexed DS3 Services subscribed to under this Option 46, termination liability applies in accordance with (G)(2)(a)(1) and (G)(2)(a)(2) preceding.
- (4) Termination charges do not apply if a DS1 Service, a DS3 Service, or a Multiplexed DS3 Service subscribed to under this Option 46 is discontinued after completing its thirty-six month Service Period.

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32. Contract Tariffs (Cont'd)32.24 Contract Tariff Option 46 (Cont'd)(G) Terms and Conditions (Cont'd)

(2) Termination Charges (Cont'd)

(a) Termination Charges for DS1 Services, a DS3 Services, and Multiplexed DS3 Services (Cont'd)

- (5) Termination Charges under this (G)(2)(a) do not apply if the customer's subscription to this Option 46 is terminated due to the customer's failure to maintain the minimum or maximum number of DS1 Services and DS3 Services (point-to-point or multiplexed or a combination of both) set forth (B)(7) preceding. However, such termination will result in the following:

- (i) customer's DS1 Services, DS3 Services, and Multiplexed DS3 shall be subject to the 3-year SDP rates set forth in Section 30.34 preceding for price band rates and charges and Section 31.34 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding and Section 7.4.10 preceding) beginning with the date that the total number of DS1 Services and/or DS3 Services fell below the minimum for such services as specified in (B)(7) preceding, or exceeded the maximum for such services as specified in (B)(7) preceding, as applicable, until such time as regular, on-going billing for the DS1 Services and/or DS3 Services reflects the three(3) year SDP rates prospectively; and
- (ii) termination liability under Section 7.4.10 preceding if such services are subsequently discontinued prior to the end of the 3-year SDP commitment period; and
- (iii) the customer's subscription to Ports under this Option 46 is not affected and shall continue in accordance with this Section 32.24.

(b) Termination Charges for Ports

- (1) Termination charges apply if a DS1 Port is discontinued prior to the end of the respective Service Period as set forth in (D) preceding.
- (2) Termination charges for Ports apply at one hundred percent (100%) of the applicable monthly recurring rate set forth in (H) following beginning with the date of disconnection and continuing through the end of the first twenty-four (24) months of the Service Period, plus seventy-five percent (75%) for months twenty-five (25) through thirty-six (36) of the Service Period. Termination charges do not apply after month 36 of the applicable Service Period.
- (3) Ports that are ordered after the first thirty-six (36) months of the Service Period (i.e., on a month-to-month basis) are not subject to termination charges.

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32. Contract Tariffs (Cont'd)32.24 Contract Tariff Option 46 (Cont'd)(G) Terms and Conditions (Cont'd)

(2) Termination Charges (Cont'd)

(b) Termination Charges for Ports

- (4) When the TPP for an in-service Port that was previously purchased under Section 34.1 following is cancelled in order to subscribe to a Port of the same type under this Option 46 for use with Ordered SDR under this Option 46, such cancellation of the term plan shall not be regarded as a termination or cancellation of service and will not incur termination liability or cancellation charges. Once such Port(s) are subscribed to under this Option 46, such Port(s) shall be subject to termination liability and/or cancellation charges as set forth in this Option 46.

(3) Transitional Billing

- (a) Where the customer orders an upgrade to OC192 SDR during the Subscription Period, and the upgrade meets the eligibility requirements set forth in (B) preceding, the customer may, at the time of ordering the upgrade, request the transitional billing option. In doing so, the customer will receive six (6) months of transitional billing credit when the conditions set forth herein are met. An upgrade to OC192 SDR that is ordered after the subscription period is not eligible for transitional billing credit under this Option 46.
- (b) Transitional billing credit applies for six (6) months at fifty percent (50%) of the monthly recurring rates for the node and mileage rate elements on the DSR being replaced. For Ordered OC192 SDRs purchased under Section 34.1 following, transitional billing credit also applies at 50% of the node and mileage rate elements provided that the replacing OC192 SDR has at least one (1) node location (customer designated premises or Telephone Company central office) in common with the DSR being replaced. The monthly recurring rates for DSR are set forth in Section 30.34 preceding for price band rates and charges and Section 31.34 preceding for all other rates and charges (as determined in accordance with Section 15.2 preceding).

(4) Expiration of the Service Period

Upon expiration of the applicable Service Period, the customer's subscription to DS1 Services, DS3 Services, Multiplexed DS3 Services and Ports is terminated and the customer must choose one of the following options:

- (a) discontinue the service without termination liability; or
- (b) select any then offered service discount plan, term plan, contract tariff option or other service offering provided by the Telephone Company for which the customer is eligible; or

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32. Contract Tariffs (Cont'd)32.24 Contract Tariff Option 46 (Cont'd)(G) Terms and Conditions (Cont'd)

(4) Expiration of the Service Period (Cont'd)

(c) continue with the service as follows:

- (i) For DS1 Services, DS3 Services, and Multiplexed DS3 Services, the customer may continue with the applicable service on a month-to-month basis at the rates set forth in (H) following and subject to the terms and conditions of this Option 46 for a period of up to twelve (12) months from the expiration date of the Service Period. If the customer elects to continue with the service beyond such twelve (12) month period, the service will be provided at the three (3) year SDP rates and at the terms and conditions set forth in Section 7 preceding.
- (ii) For Ports, the customer may continue with the service on a monthly basis at the sixty (60) month rates set forth in Section 30.34 preceding for price band rates and charges and Section 31.34 preceding for all other rates and charges as determined in accordance with Section 15.2 preceding.

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32. Contract Tariffs (Cont'd)

32.24 Contract Tariff Option 46 (Cont'd)

Reserved for Future Use

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32. Contract Tariffs (Cont'd)

32.24 Contract Tariff Option 46 (Cont'd)

Reserved for Future Use

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32. Contract Tariffs (Cont'd)32.24 Contract Tariff Option 46 (Cont'd)(H) Monthly Recurring Rates (Cont'd)

- (1) DS3/DS1 Central Office Multiplexing
-
- (for use with Multiplexed DS3 Service only)

	<u>USOC</u>	<u>Monthly Recurring Rate</u>
- Per arrangement	-----	\$500.00
(2) Ports		
DS1 Ports	-----	28.00
DS3 Ports	-----	115.00
DS3 Transmux Ports	-----	400.00

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48(A) Scope

Contract Tariff Option 48 (Option 48) provides Credits on certain Special Access Services if the customer meets certain total billed revenue (TBR) amounts for the Services (as defined in (E) following) during each Plan Year.

(B) Specific Terms

Unless otherwise defined in this Option 48, the following terms are used in this Option 48.

- (1) Alternative Tariff Arrangement shall mean collectively any other generally available tariff arrangement (including any term or volume plans), contract tariff option, special service arrangement, or Individual Case Basis tariff arrangement offered by the Telephone Company and available to the customer pursuant to this tariff with respect to any of the Services covered by this Option 48.
- (2) Credits shall mean collectively the RPC Credits (as described in (H)(1) following); the TBR Credits (as described in (H)(2) following); and the VID Credits (as described in (H)(3) following).
- (3) Customer ACNA(s) shall mean the customer's ACNA(s) that are provided to the Telephone Company by the customer in its subscription to this Option 48 (as required in (C) following), which ACNA(s) are agreed to by the Telephone Company in writing for inclusion in this Option 48.
- (4) Groom(s) shall mean a change in the connecting facility assignment (CFA) or termination point of a Special Access DS3 Service, and shall include any of the following types of moves, rearrangements, reterminations, and disconnection and subsequent reconnection, to the DS3 Service:
 - (a) a change in the CFA or termination point within a single Telephone Company wire center; or
 - (b) a change in the CFA or termination point from one Telephone Company wire center to CFA in another Telephone Company wire center (CFA can be a Telephone Company provided facility or a collocation).
- (5) MRCs shall mean monthly recurring charges for the Services.

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(B) Specific Terms (Cont'd)

- (6) Plan Year shall mean each of the following periods during the Service Period: (1) Plan Year 1 shall commence on July 24, 2007, and end on May 31, 2008; (2) Plan Year 2 shall commence on June 1, 2008 and end on May 31, 2009; and (3) Plan Year 3 shall commence on June 1, 2009 and end on May 31, 2010.
- (7) Quarter shall mean either of the following periods, as applicable: (i) the first Quarter of each Plan Year is the period beginning with the first date of the applicable Plan Year and ending on the last day of the second calendar month after the month in which the first date occurs (i.e., approximately ninety (90) days thereafter), except for Quarter 1 of Plan Year 1 which shall commence on July 24, 2007, and end on August 31, 2007; or (ii) each consecutive three (3) month period thereafter commencing on the first day of the calendar month following the end of the prior Quarter and ending on the last day of the second calendar month after the month in which the first day occurs.

In addition to the specific terms set forth in (1) through (7) preceding, the following shall apply.

All references to amounts represented in dollars followed by the letter "M" shall refer to such number in millions (e.g., \$17.25M shall mean \$17,250,000).

All amounts in this Option 48 will be rounded up or down to the nearest \$1,000.

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(C) Eligibility

The customer met all of the following criteria in order to be eligible to receive the Credits as set forth in (H) following and other benefits of this Option 48.

- (1) During the three (3) month period prior to July 24, 2007, the customer maintained a minimum average of \$65M in billed MRCs per month for the Services as defined in (E) following.
- (2) The customer does not concurrently subscribe to an Alternative Tariff Arrangement except as allowed under (O) following.
- (3) The customer submitted a written authorization in a manner designated by the Telephone Company on or before September 22, 2007. Such subscription included a list of Customer ACNA(s).

(D) Service Period

Subject to any early termination as set forth in (N) following, the Service Period shall commence on July 24, 2007, and end on May 31, 2010.

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(E) Services

- (1) The terms of this Option 48 apply only to the following Services, where such Services are provided using the USOCs set forth in (G)(6) following:
 - (a) Special Access DS1 Services (collectively, DS1 Services), as described in Section 7.2.9 preceding of this tariff; and
 - (b) Special Access DS3 Services (collectively, DS3 Services), as described in Section 7.2.9 preceding of this tariff; and
 - (c) Special Access Facilities Management Service (collectively, FMS Services), as described in Section 7.2.16 preceding of this tariff; and
 - (d) IntelliBeam Entrance Facilities Service using STS1, DS3 or DS1 interfaces, as described in Section 26.1.4 preceding of this tariff;
 - (e) Any customer that qualified for this option with a predecessor company will qualify for this Option with the Telephone Company.# (N)
(N)
- (2) Any other services provided by the Telephone Company other than the Services listed above (including any similar SONET entrance facility service provided under an agreement or arrangement other than this tariff) are not included herein as a Service. No switched access services are included in this offering.
- (3) This tariff may be amended from time to time, and such amended rates, terms, and conditions for the Services shall apply to this Option 48 upon the effectiveness of such change to this tariff.

(F) Serving Area

Any Billing Credits will be provided only in the Metropolitan Statistical Areas (MSAs) that have achieved Phase I or Phase II pricing flexibility under this tariff. Wire centers for the Phase II MSAs are listed in Section 15.2 preceding of this tariff. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status) that occur during the Service Period of this Option 48 will apply.

- # FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract. (N)
(N)

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(G) Calculation of TBR

(1) Quarterly TBR Calculation

- (a) Other than Quarter 1 of Plan Year 1 for which quarterly TBR is calculated as set forth in (G)(1)(b) following, the TBR for a given Quarter during the Service Period shall be determined as follows: (i) determine the MRCs for the Services that are billed during such applicable Quarter; and (ii) subtract from the amount derived in (1)(a)(i) preceding any DS3 Credits that are earned during such applicable Quarter; and
- (b) For Quarter 1 of Plan Year 1, the TBR shall be determined as follows: (i) determine the MRCs for the Services that are billed during Quarter 1 as well as during the period from June 1, 2007 to July 24, 2007; and (ii) subtract from the amount derived in (1)(b)(i) preceding any DS3 Credits earned during Quarter 1 as well as during the period from June 1, 2007 to July 24, 2007. The customer and the Telephone Company agree that, notwithstanding the inclusion of MRCs and DS3 Credits in the calculation of quarterly TBR, the Services within the operating territories of this tariff are provided pursuant to the terms set forth in other sections of this tariff.

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(G) Calculation of TBR (Cont'd)

(2) Annual TBR Calculation

- (a) Other than Plan Year 1 for which the Annual TBR is calculated as set forth in (G)(2)(b) following, the TBR for a given Plan Year shall be determined as follows: (i) determine the MRCs for the Services that are billed during such applicable Plan Year, which MRCs have been paid in full by the customer, as more specifically described in (M) following; and (ii) subtract from the amount derived in (2)(a)(i) preceding any DS3 Credits that are earned during such applicable Plan Year; and
- (b) For Plan Year 1, the TBR shall be determined as follows: (i) determine the MRCs for the Services that are billed during such applicable Plan Year as well as during the period from June 1, 2007 to July 24, 2007, which MRCs have been paid in full by the customer, as more specifically described in (M) following; and (ii) subtract from the amount derived in (2)(b)(i) preceding any DS3 Credits that are earned during such applicable Plan Year as well as during the period from June 1, 2007 to July 24, 2007. The customer and the Telephone Company agree that, notwithstanding the inclusion of MRCs and DS3 Credits in the calculation of annual TBR, the Services within the operating territories of this tariff are provided pursuant to the terms set forth in other sections of this tariff.

As used in this Section (G), "earned" shall mean DS3 Credits that are associated with the MRCs for the Eligible DS3 Circuit(s) that were billed during the applicable Quarter or Plan Year. The customer and the Telephone Company acknowledge and agree, however, that the applicable DS3 Credit shall be provided on a Carrier Access Billing System (CABS) bill to the customer after the end of the applicable Quarter or Plan Year during which the MRCs for the Eligible DS3 Circuits were billed. In calculating TBR for the applicable Quarter or Plan Year, the Telephone Company shall only use DS3 Credits that are earned during such applicable Quarter or Plan Year.

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(G) Calculation of TBR (Cont'd)

(2) Annual TBR Calculation (Cont'd)

- (c) Set forth below are two illustrative examples with respect to calculation of TBR. These examples, as well as other examples in this Option 48, are provided to add clarity to the substantive provisions of this Option 48, not to modify or replace those provisions.

Example 1:

Assume that the Telephone Company billed \$11M in MRCs for purchases of Eligible DS3 Circuits in Quarter 1 of Plan Year 2. Assume that the applicable DS3 Credit associated with such Eligible DS3 Circuits is \$1M. Assume further that the DS3 Credit of \$1M is provided in Quarter 2 of Plan Year 2. In calculating the TBR for Quarter 1 of Plan Year 2, the DS3 Credits earned in Quarter 1 (\$1M) shall be subtracted from the MRCs for the Eligible DS3 Circuits billed in Quarter 1 (\$11M), yielding a total of \$10M in MRCs to be included in calculation of TBR for Quarter 1. The DS3 Credits provided in Quarter 2 that are associated with the MRCs for Eligible DS3 Circuits billed during Quarter 1 shall not be used in the calculation of TBR for Quarter 2.

Example 2:

Assume that Plan Year 1 and the Service Period commence on July 25, 2007. The RPC Credit of \$18M shall be due on August 8, 2007 (i.e., 15th calendar day of the Service Period). No Credits or discounts as set forth herein may be provided prior to July 25, 2007. However, in calculating the TBR for Plan Year 1 or Quarter 1 of Plan Year 1, as applicable, the Telephone Company shall determine the MRCs for such Services that have been billed during Plan Year 1 as well as from June 1, 2007 to July 25, 2007, and shall subtract from such MRC amount any DS3 Credits that have been earned by the customer during Plan Year 1 as well as from June 1, 2007 to July 25, 2007. Additionally, all Grooms performed between June 1, 2007 and May 31, 2008 shall be counted towards the Maximum Annual Grooms number for Plan Year 1, in accordance with (J) following.

(TR 1)

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(G) Calculation of TBR (Cont'd)

- (3) The Telephone Company agrees that it will not intentionally and willfully delay billing in order to avoid discounts or credits otherwise due to the customer.
- (4) Calculation of TBR to Include Only Billed Amounts for the Services
Billed amounts associated with any service (or any portion of a service) that is not a Service as specified in (E) preceding shall not be included in calculation of TBR.

- (5) Calculation of TBR to Include Only MRCs

Other than the DS3 Credit (which will be included in the calculation of TBR), the TBR shall not include any non-recurring charges (NRCs), surcharges, taxes, late payment charges, credits (including any Credits provided herein, fractional debit/credit amounts, adjustments, minimum period charges, termination liabilities, or any other billings other than billed amounts that are applied on a recurring monthly basis for the applicable Quarter or Plan Year of the Service Period. As an illustrative example, assume that during a Plan Year, the Telephone Company provides a credit of \$5M based on incorrect billing of MRCs for a DS1 Service, such credit of \$5M would not be included in the calculation of the TBR (i.e., the TBR for such Plan Year or Quarter, as applicable, would not be reduced by \$5M). However, assume that the customer has earned a DS3 Credit of \$2M during a given Quarter based on the customer's purchase of Eligible DS3 Circuits, then such \$2M would be included in the calculation of TBR for such Quarter (i.e., the TBR for such Plan Year or Quarter, as applicable, would be reduced by \$2M), as described in Sections (G)(1) and (G)(2) preceding.

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(G) Calculation of TBR (Cont'd)

(6) USOCs Used in Calculation of TBR

The TBR will include all of the MRCs for the Services that are billed under one of the following USOCs, and that are ordered by the customer using one of the Customer ACNA(s). Calculation of TBR is more specifically described in (M) following. If any of the USOCs listed below bill both MRCs and/or other charges (e.g., NRCs), then only the MRC amounts of such USOCs shall be counted towards the calculation of TBR. If Services are billed under any USOCs not listed below as a result of any of the following reasons, then such new USOCs will be counted as contributory towards the TBR: (a) the customer begins purchasing under term plans under which it does not previously purchase Services; or (b) the Telephone Company introduces new USOCs for the Services, and the customer purchases Services using such USOCs, for which the Telephone Company shall provide notice to the customer within thirty (30) days of its inclusion in the Telephone Company's systems; or (c) the customer and the Telephone Company agree to add any USOCs to the list below.

USOCs Used to Calculate TBR:

1A4YS	1A59S	1A5LX	1A5YS	1A5ZS
1A89S	1CF22	1CF25	1CF3W	1CF75
1CFA5	1CFC5	1CFD1	1CFD3	1CFD5
1CFE3	1CFE5	1CFF1	1CFF5	1CFH1
1CFH3	1CFH5	1CFU8	1CFV8	1CKDX
1CKJX	1CKPF	1CKSX	1HHP5	1J53S
1J54S	1L5LS	1L5RS	1L5XS	1L5XX
1LFMX	1LFSX	1OX1X	1OX3X	1OX5X
1OXTX	1T58S	1U5PS	1X7VX	1XCDX
1Y3AC	1Y3AD	1YA8S	1YWPS	1YWQS

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(G) Calculation of TBR (Cont'd)

(6) USOCs Used in Calculation of TBR (Cont'd)

USOCs Used to Calculate TBR (Cont'd):

A1VA1	A1VXG	A1VXZ	ABVBA	AVY
AVYXX	B2CFP	C6H6X	C6H7X	CCO
DVA	EU4DX	EU4JX	EU4KX	EU4PF
EU4SX	EU7VX	EUU21	EUU22	EUU23
EUU25	EUU35	EUU3W	EUU41	EUU43
EUU45	EUU55	EUU95	EUUA1	EUUA5
EUUC5	EUUD1	EUUD3	EUUD5	EUUF5
EUUG1	EUUH5	EUUU8	EUUV8	EUUVJ
EUW	HGV1X	HGVTX	HKTJS	HKTJX
MKM	MQ1	MQ3	MQK	MXN12
MXN13	MXN15	MXN17	MXNF5	MXNM5
MXNMX	MXNRX	N2M	PR9PX	PR9SX
QMU	SLHA1	SLHA3	SLHA5	SLHB1
SLHB3	SLHB5	SLHC5	SLHC7	SLHD3
SLHD5	SLHD7	SLHE1	SLHE3	SLHE5
SLHE7	TJ59X	TMECS	TNJ9X	TNJZX
TNT3X	TNT4X	TNT8X	TNW5X	TNWZX
TRG	TSP	TUTPX	TVJPX	TVJRX
TVJYX	TWTE6	TWTE9	TWTF6	TWTF7
TYF1X	TYF3S	TYF3X	TYF8S	TYF8X
TYFLS	TYFLX	TYFMS	TYFMX	TYFSX
P8T35	TWBNX	TWBPX	T8XJ5	VPQSP

(H) Credits

If the customer meets the applicable TBR set forth in (H)(1), (H)(2) and (H)(3) following during a Quarter or a Plan Year of the Service Period, as applicable, then the customer is eligible to receive the following Credits as described below:

- RPC Credits (described in (H)(1) following)
- TBR Credits (described in (H)(2) following)
- VID Credits (described in (H)(3) following)

The above Credits are cumulative and apply independently of each other.

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(H) Credits (Cont'd)

(1) Revenue Performance Credits (RPCs)

- (a) Subject to the terms set forth in (M) and (N) following, if the customer achieves a certain TBR for each Plan Year as set forth in the table below, then the customer will be eligible for the corresponding RPC amount for such Plan Year (i.e., the Plan Year just ends), as set forth in the following RPC Table (Eligible RPC Amount).

RPC Table

<u>TBR During Each Plan Year</u>	<u>Plan Year 1 RPC</u>
Less than \$4.34M	None (\$0)
Greater than or equal to \$4.34M but less than \$4.40M	\$0.124M
Greater than or equal to \$4.40M but less than \$4.45M	\$0.159M
Greater than or equal to \$4.45M	\$0.188M

(C) #

RPC Table

<u>TBR During Each Plan Year</u>	<u>Plan Year 2 RPC</u>	<u>Plan Year 3 RPC</u>
Less than \$26.05M	None (\$0)	None (\$0)
Greater than or equal to \$26.05M but less than \$26.37M	\$0.778M	\$0.803M
Greater than or equal to \$26.37M but less than \$26.69M	\$0.967M	\$0.979M
Greater than or equal to \$26.69M	\$1.130M	\$1.130M

(C) #

- # FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract.

(N)

(N)

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(H) Credits (Cont'd)

(1) Revenue Performance Credits (RPCs) (Cont'd)

- (b) Subject to the restrictions set forth in the immediately succeeding sentence, on the fifteenth (15th) calendar day of each Plan Year, and on the one hundred eightieth (180th) calendar day of each Plan Year (other than in Plan Year 1, where the second credit shall be provided on December 1, 2007), the Telephone Company will provide to the customer an RPC credit amount equal to \$0.565M, for a total of \$1.130M in each Plan Year (individually and collectively, RPC Credit). Such RPC Credit is subject to a partial or total refund if the customer does not meet or exceed a TBR of \$26.69M for such Plan Year (i.e., the Plan Year just ends). The amount of the refund of the RPC Credit shall be equal to the difference between (a) the Eligible RPC Amount that the customer would have been eligible for (based on the tier in the table in Section (H)(1)(a) preceding into which the customer falls) and (b) \$1.130M. Such determination shall be made at each Annual True-Up as described in (M) following. No RPC Credit will be due if the TBR for that Plan Year is less than \$26.05M. The maximum Eligible RPC Amount available during any Plan Year is \$1.130M. (C) # (C) # (C) # (C) #

Example 1:

If the TBR for Plan Year 2 was calculated as \$845M, then the customer would be required to refund to the Telephone Company \$5.2M (the RPC Credit of \$36M provided during Plan Year 2 less the Eligible RPC Amount earned by the customer during such Plan Year 2 of \$30.8M, as determined in accordance with the table in (H)(1)(a) preceding).

Example 2:

If the TBR for Plan Year 2 was calculated as \$829M, then the customer would be required to refund to the Telephone Company the entire RPC Credit of \$36M (the RPC Credit of \$36M provided during Plan Year 2 less the Eligible RPC Amount earned by the customer during such Plan Year 2 of \$0, as determined in accordance with the table in (H)(1)(a) preceding).

- # FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract. (N) | (N)

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(H) Credits (Cont'd)

(1) Revenue Performance Credits (RPCs) (Cont'd)

(c) Application of a Debit (if any)

If the customer is required to refund to the Telephone Company some (or all) of the RPC Credit, the Telephone Company shall enter a debit on its CABS billing to the customer as soon as reasonably possible, which generally will be approximately thirty (30) days following the completion of the Annual True-Up described in (M) following. Such debit shall be issued on BANs of the customer that are associated with the Services in MSAs where the Telephone Company has received pricing flexibility. The customer shall pay to the Telephone Company such refund amount no later than the due date set forth on such bill.

(2) TBR Credits

TBR Credits are comprised of Quarterly TBR Credits and Annual TBR Credits

(a) Quarterly TBR Credits

- (1) Subject to the terms of (M) and (N) following, if the customer achieves a TBR as set forth in the Quarterly TBR Credit Table set forth in (H)(2)(a)(4) following for one (1) or more of the first three (3) Quarters of each Plan Year, then the customer will be eligible for the corresponding Quarterly TBR Credit for such Quarter, as set forth in the Quarterly TBR table in (H)(2)(a)(4) following. Quarterly TBR Credits are subject to an Annual True-Up as described in (M) following.
- (2) The Quarterly TBR Credit shall be determined at the end of each of the first three (3) Quarters of each Plan Year by calculating the TBR for Services for the Quarter just ends in accordance with (G) preceding. There shall be no Quarterly TBR Credit due in the last Quarter (i.e., Quarter 4) of each Plan Year. No Quarterly TBR Credit will be due if the TBR for the Quarter just ends is less than \$6.512M.
- (3) If the customer is eligible to receive one (1) or more Quarterly TBR Credits, the Telephone Company will provide a credit on its CABS billing to the customer within sixty (60) days following the end of the applicable Quarter.

(C) #

FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract.

(N)
|
(N)

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(H) Credits (Cont'd)

(2) TBR Credits (Cont'd)

(a) Quarterly TBR Credits

(4) Quarterly TBR Credit Table

<u>Quarterly TBR</u>	<u>Plan Year 1 Quarterly TBR Credit</u>	<u>Plan Year 2 Quarterly TBR Credit</u>	<u>Plan Year 3 Quarterly TBR Credit</u>	
Less than \$6.512M	None (\$0)	None (\$0)	None (\$0)	(C) #
Greater than or equal to \$6.512M but less than \$6.593M	N/A	\$0.065M	\$0.089M	
Greater than or equal to \$6.593M but less than \$6.674M	N/A	\$0.081M	\$0.108M	
Greater than or equal to \$6.674M	N/A	\$0.094M	\$0.126M	(C) #

(5) Example 1:

Assume that the TBR for Quarter 2 in Plan Year 2 is calculated as \$215M, then the applicable Quarterly TBR Credit is \$3M (as determined in accordance with the Quarterly TBR table in (H)(2)(a)(4) preceding). This amount is subject to the Annual True-Up as defined in (M) following.

FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract. (N)
(N)

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(H) Credits (Cont'd)

(2) TBR Credits (Cont'd)

(b) Annual TBR Credits

- (1) Subject to the terms of (M) and (N) following, if the customer achieves an annual TBR as set forth in the Annual TBR Credit Table in (H)(2)(b)(2) following for each Plan Year, then the customer will be eligible for the corresponding Annual TBR Credit for such Plan Year (i.e., the Plan Year just ends), as set forth in the Annual TBR table in (H)(2)(b)(2) following. The applicable Annual TBR Credit is the aggregate TBR Credit amount, if any, for which the customer is eligible during each Plan Year, and includes any Quarterly TBR Credits that may have been previously provided during such Plan Year.

(2) Annual TBR Credit Table

<u>Annual TBR</u>	<u>Plan Year 1 Annual TBR Credit</u>	
Less than \$4.34M	None (\$0)	
Greater than or equal to \$4.34M but less than \$4.40M	\$0.028M	
Greater than or equal to \$4.40M but less than \$4.45M	\$0.035M	
Greater than or equal to \$4.45M	\$0.042M	
<u>Annual TBR</u>	<u>Plan Year 2 Annual TBR Credit</u>	<u>Plan Year 3 Annual TBR Credit</u>
Less than \$26.05M	None (\$0)	None (\$0)
Greater than or equal to \$26.05M but less than \$26.37M	\$0.260M	\$0.358M
Greater than or equal to \$26.37M but less than \$26.69M	\$0.323M	\$0.433M
Greater than or equal to \$26.69M	\$0.377M	\$0.502M

(C)#

(C)#

- # FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract.

(N)

(N)

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(H) Credits (Cont'd)

(2) TBR Credits (Cont'd)

(b) Annual TBR Credits (Cont'd)

- (3) At each Annual True-Up, the Annual TBR Credit shall be equal to the difference between (i) the Annual TBR Credit corresponding to the TBR for Services for the Plan Year just ends (as determined in accordance with the Annual TBR table set forth in (H)(2)(b)(2) preceding); and (ii) the total amount of all Quarterly TBR Credits provided by the Telephone Company during such Plan Year. No Annual TBR Credit will be due if the TBR for that Plan Year (i.e., the Plan Year just ends) is less than \$26.05M.

(C) #

- (c) The following describes the calculation of any credits or refunds that would be applicable in a given Plan Year:

- (1) If the amount of the Annual TBR Credit for which the customer is eligible in a given Plan Year exceeds the total amount of all Quarterly TBR Credits already provided to the customer during such Plan Year, then the Telephone Company shall provide a credit equal to the difference between (a) the Annual TBR Credit for which the customer was eligible in such Plan Year (as determined in accordance with the Annual TBR table in (H)(2)(b)(2) preceding); and (b) the total amount of all Quarterly TBR Credits provided in such Plan Year.

Example 1:

Assume that the customer's Annual TBR for Plan Year 2 is \$865M, then the applicable Annual TBR Credit is \$12M (as determined in accordance with the Annual TBR table in (H)(2)(b)(2) preceding). Assume also that the Telephone Company had provided Quarterly TBR Credits in Plan Year 2 in the amount of \$3M per Quarter for each of the 3 Quarters (i.e., a total of \$9M in Quarterly TBR Credits). Then, at the end of Plan Year 2, the Telephone Company would provide an additional credit of \$3M (i.e., the eligible Annual TBR Credit of \$12M less \$9M of Quarterly TBR Credits already provided during such Plan Year).

- # FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008.

(N)
|
(N)

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(H) Credits (Cont'd)

(2) TBR Credits (Cont'd)

(c) (Cont'd)

- (2) If the total amount of all Quarterly TBR Credits already provided to the customer during a Plan Year exceeds the applicable Annual TBR Credit for which the customer is eligible (in accordance with the Annual TBR table in (H)(2)(b)(2) preceding), then the customer would be required to refund the difference between (a) the total amount of all Quarterly TBR Credits provided in such Plan Year; and (b) the Annual TBR Credit for which it was eligible in such Plan Year (as determined in accordance with the Annual TBR table in (H)(2)(b)(2) preceding).

Example 2:

Assume that the TBR for Plan Year 2 is \$835M, then the applicable Annual TBR Credit is \$8.3M (as determined in accordance with the Annual TBR table in (H)(2)(b)(2) preceding). Assume, however, that the Telephone Company had provided Quarterly TBR Credits in Plan Year 2 in the amounts of \$3M, \$3M, and \$2.575M for each of the 3 Quarters, respectively (i.e., a total of \$8.575M), then the customer would be required to refund \$275,000 to the Telephone Company (i.e., \$8.575M of Quarterly TBR Credits provided during such Plan Year less the eligible Annual TBR Credit of \$8.3M).

Example 3:

Assume that the TBR for Plan Year 2 is \$829M, then the applicable Annual TBR Credit is \$0 (as determined in accordance with the Annual TBR table in (H)(2)(b)(2) preceding). Assume, however, that the Telephone Company had provided Quarterly TBR Credits in Plan Year 2 in the amounts of \$3M, \$3M, and \$2.575M for each of the 3 Quarters, respectively (i.e., a total of \$8.575M), then the customer would be required to refund \$8.575M to the Telephone Company (i.e., \$8.575M of Quarterly TBR Credits already provided during such Plan Year less the eligible Annual TBR Credit of \$0).

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(H) Credits (Cont'd)

(2) TBR Credits (Cont'd)

(d) Application of Credit or Debit

If the customer is eligible to receive an Annual TBR Credit, the Telephone Company shall enter a credit on its CABS billing to the customer within thirty (30) days following the completion of the Annual True-Up, as described in (M) following. If the customer is required to refund to the Telephone Company some (or all) of the TBR Credits, the Telephone Company shall enter a debit on its CABS billing to the customer as soon as reasonably possible, which generally will be approximately thirty (30) days following the completion of the Annual True-Up, as described in (M) following. Such debit/credit shall be issued on BANs of the customer that are associated with the Services in MSAs where the Telephone Company has received pricing flexibility. The customer shall pay to the Telephone Company such refund amount no later than the due date set forth on such bill.

(3) Volume Incentive Discount (VID) Credits

- (a) Subject to the terms of (M) and (N) following, if the customer achieves a TBR greater than \$6.754M during a given Quarter during the Service Period, then the customer will be eligible for the corresponding VID Credit for such Quarter, as set forth in the table in (H)(3)(b) following. To determine the applicable VID Credit, multiply (1) the applicable VID Discount percentage from the table in (H)(3)(b) following that corresponds to the TBR achieved for such Quarter by the customer; by (2) the difference between (a) the TBR attained in such Quarter; and (b) \$6.754M. Subject to the customer meeting an annual TBR of \$26.05M or greater as set forth in (H)(3)(e) following, VID Credits are available in all four Quarters of each Plan Year. (C) # (C) # (C) #

FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract. (N) (N)

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(H) Credits (Cont'd)

(3) Volume Incentive Discount (VID) Credits (Cont'd)

(b) VID Credit Table

<u>Quarterly TBR</u>	<u>VID Discount</u>	(C) #
Greater than \$6.754M but less than \$6.823M	10%	
Greater than or equal to \$6.823M but less than \$6.892M	12%	
Greater than or equal to \$6.892M but less than \$6.961M	14%	
Greater than or equal to \$6.961M but less than \$7.030M	16%	
Greater than \$7.030M	18%	(C) #

(c) Examples

Example 1:

If the TBR attained by the customer for Quarter 1 in Plan Year 3 is \$215.000M, then the customer is eligible for a VID Credit of \$0 for such Quarter (i.e., \$215.000M achieved TBR minus \$215.000M, multiplied by 10%).

Example 2:

If the TBR attained by the customer for Quarter 2 in Plan Year 2 is \$224.9M, then the customer is eligible for a VID Credit of \$1.782M for such Quarter (i.e., \$224.9M achieved TBR minus \$215.000M, multiplied by 18%).

- (d) If the customer is eligible to receive a VID Credit for a Quarter, the Telephone Company will provide a credit on its CABS billing to the customer within sixty (60) days following the end of the applicable Quarter.

FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract.

(N)
|
(N)

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(H) Credits (Cont'd)

(3) Volume Incentive Discount (VID) Credits (Cont'd)

- (e) If the TBR as calculated at an Annual True-Up in a given Plan Year is less than \$26.05M, then all VID Credits provided during such Plan Year shall be refunded by the customer as set forth below. If the TBR as calculated at an Annual True-Up in a given Plan Year is equal to or greater than \$26.05M, then any VID Credits provided during such Plan Year shall not be subject to refund by the customer. If the customer is required to refund to the Telephone Company all of the VID Credits, the Telephone Company shall enter a debit on its CABS billing to the customer as soon as reasonably possible, which generally will be approximately thirty (30) days following the completion of the Annual True-Up described in (M) following. Such debit shall be issued on BANs of the customer that are associated with the Services in MSAs where the Telephone Company has received pricing flexibility. The customer shall pay to the Telephone Company such refund amount no later than the due date set forth on such bill. (C) # (C) #

- # FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract. (N) (N)

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(I) DS3 Credits

(1) Eligible DS3 Circuits

- (a) Subject to the terms of this Section (I), and Section (N) following, the customer will receive DS3 Credits (as defined in (I)(2) following) for the first thirty-eight (38) Eligible DS3 Circuits (as defined below) that the customer orders in a Plan Year (including, as set forth below for Plan Year 1, such Eligible DS3 Circuits that the customer ordered on or after April 1, 2007). An Eligible DS3 Circuit shall mean a DS3 circuit that meets all of the following criteria, provided that any such DS3 circuits that the customer orders in a Plan Year beyond the first 1,200 such DS3 circuits (including, as set forth below for Plan Year 1, such DS3 circuits that the customer ordered on or after April 1, 2007) in that Plan Year shall not be an Eligible DS3 Circuit: (C) #
(C) #
- (1) The DS3 circuit must have an inter-office mileage (channel mileage) rate element, and was in one of the configurations set forth in the table in (I)(2)(b) following; and
- (2) The DS3 circuit cannot be a DS3 circuit that was disconnected from its current location and installed as new at the same location; and
- (3) The DS3 circuit was ordered by the customer on or after April 1, 2007 in one of the operating territories.
- (b) Only the first 38 Eligible DS3 Circuits (i.e., the Eligible DS3 Circuits that meet all of the criteria set forth in (I)(1)(a)(1) through (I)(1)(a)(3) preceding) that are ordered by the customer during a Plan Year (or from April 1, 2007, as applicable, as set forth in (I)(1)(c) following) shall receive DS3 Credits. Any DS3 circuits in addition to the initial 38 Eligible DS3 Circuits purchased during a Plan Year shall be billed at the applicable rates set forth in other sections of this tariff, and are not eligible for the DS3 Credits set forth in (I)(2) following. (C) #
(C) #

FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract. (N)
(N)

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(I) DS3 Credits (Cont'd)

(1) Eligible DS3 Circuits (Cont'd)

- (c) During Plan Year 1, the 38 Eligible DS3 Circuits shall also include any Eligible DS3 Circuits ordered by the customer under this tariff from and after April 1, 2007. No later than September 22, 2007, the Telephone Company provided the applicable DS3 Credit on its CABS bill to the customer for the difference between the billed rate and the rate set forth in (I)(2)(b) following for such Eligible DS3 Circuits ordered between April 1, 2007 and July 24, 2007. (C) #

(2) DS3 Credits and True-Up of Mileage

- (a) The Eligible DS3 Circuits purchased by the customer shall be billed on a monthly basis in accordance with other sections of this tariff. The Telephone Company shall provide a credit on its CABS billing to the customer for the difference between (i) the applicable rates set forth in other sections of this tariff; and (ii) the rates set forth in (I)(2)(b) following (DS3 Credit). The customer and the Telephone Company acknowledge and agree that the applicable DS3 Credit shall be applied after the end of the applicable Quarter or Plan Year, during which applicable Quarter or Plan Year, the MRCs for the Eligible DS3 Circuit(s) were billed.

FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract. (N)
(N)

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(I) DS3 Credits (Cont'd)

(2) DS3 Credits and True-Up of Mileage (Cont'd)

(b) Rates Used to Determine DS3 Credits

DS3 Circuit TypeRate

Point-to-Point DS3

(Includes the DS3 Primary Premises Channel Termination (as described in Section 7.4.9(A)(1) preceding), the DS3 Secondary Premises Channel Termination (as described in Section 7.4.9(A)(1), and DS3 Channel Mileage between the wire centers serving such locations (as determined in accordance with Section 7.4.9(A)(2) preceding))

\$1,990.00

Multiplexed (Muxed) DS3

(Includes the DS3 Primary Premises Channel Termination (as described in Section 7.4.9(A)(1) preceding), DS3 Channel Mileage between the wire centers serving the Primary Premises and the Telephone Company DS3/DS1 Hub (as determined in accordance with Section 7.4.9(A)(2) preceding), and the DS3/DS1 multiplexer (as described in Section 7.2.9(D)(3)(a) preceding))

\$1,650.00

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(I) DS3 Credits (Cont'd)

(2) DS3 Credits and True-Up of Mileage (Cont'd)

(b) Rates Used to Determine DS3 Credits (Cont'd)

<u>DS3 Circuit Type</u>	<u>Rate</u>
Point-to-Point DS3 where POP location is served by an IntelliBeam Entrance Facility (Includes DS3 Channel Mileage between the wire centers serving the customer's IEF location and the DS3 Secondary Premises (as described in Section 7.4.9(A)(2) preceding) and the DS3 Secondary Premises Channel Termination (as described in Section 7.4.9(A)(1) preceding) (see note)	\$1,640.00
Multiplexed (Muxed) DS3 where POP Location is served by an IntelliBeam Entrance Facility (Includes DS3 Channel Mileage between the wire centers serving the customer's IEF location and the Telephone Company DS3/DS1 Hub (as determined in accordance with Section 7.4.9(A)(2) preceding) and the DS3/DS1 multiplexer (as described in Section 7.2.9(D)(3)(a) preceding) (see note)	\$1,408.00

Note: Rates in this (I)(2)(b) do not apply to IntelliBeam Entrance Facility, however provided.

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(I) DS3 Credits (Cont'd)

(2) DS3 Credits and True-Up of Mileage (Cont'd)

- (c) The rates set forth in (I)(2)(b) preceding are only applicable to the configurations set forth in the table in (I)(2)(b) preceding. Such configurations assume an average of 13.15 airline miles between the locations involved (DS3 Allowable Average Mileage).
- (d) No later than sixty (60) days following the end of each Plan Year, or no later than July 31st for all years after the end of the Service Period, as applicable, the Telephone Company will conduct a true-up to determine whether the Actual Total Billed Mileage (as defined in (I)(2)(e) following) is greater than the Allowed Total Billed Mileage (as defined in (I)(2)(g) following), and will provide a written notice to the customer setting forth the calculation of the Actual Total Billed Mileage and the Actual Total Billed Circuits (as defined in (I)(2)(f) following), including an identification of the Eligible DS3 Circuits used in the calculation. The customer and the Telephone Company agree that (1) the DS3 Credits set forth in (I)(2) preceding shall continue to apply after the expiration or early termination of the Service Period to all Eligible DS3 Circuits ordered during the Service Period; and (2) the true-up and calculation of the Total Excess Mileage and Total Excess Mileage Charge (if any, and as set forth in (h) and (i) following) shall continue to apply after the expiration or early termination of the Service Period, in each case until the last Eligible DS3 Circuit has been disconnected. In the event of an early termination of this Option 48 in accordance with (N) following, the customer shall not receive the DS3 Credits set forth in (I)(2) preceding on any new orders for DS3 Services from and after the Permitted Date of Termination (as described in (N) following).

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(I) DS3 Credits (Cont'd)

(2) DS3 Credits and True-Up of Mileage (Cont'd)

- (e) The Telephone Company shall calculate the Actual Total Billed Mileage by summing the monthly billed mileage lengths of each Eligible DS3 Circuit ordered by the customer during all years that have been completed (as of the date that the true-up is being conducted), pro-rated (if applicable) for the number of months that such Eligible DS3 Circuit was actually in-service during such year(s). For example, at the end of Plan Year 2, the calculations of Actual Total Billed Mileage would use the monthly billed mileage lengths of each Eligible DS3 Circuit ordered by the customer during the first 24 months of the Service Period, pro-rated (if applicable) for the number of months each Eligible DS3 Circuit was in service.
- (f) The Telephone Company shall calculate the Actual Total Billed Circuits by summing the monthly billed circuit quantities of each Eligible DS3 Circuit ordered by the customer during all year(s) that have been completed as of the date that the true-up is being conducted, pro-rated (if applicable) for the number of months that such Eligible DS3 Circuit was actually in-service during such year(s). For example, at the end of Plan Year 2, the calculations of Actual Total Billed Circuits would use the monthly billed quantities of each Eligible DS3 Circuits ordered by the customer during the first 24 months of the Service Period, pro-rated (if applicable) for the number of months each Eligible DS3 Circuit was in service.
- (g) The Telephone Company shall calculate the Allowed Total Billed Mileage by multiplying the Actual Total Billed Circuits times the DS3 Allowable Average Mileage.
- (h) The Telephone Company shall calculate the Total Excess Mileage by subtracting the Allowed Total Billed Mileage from the Actual Total Billed Mileage.
- (i) If the Total Excess Mileage is greater than zero, the Telephone Company shall calculate the Total Excess Mileage Charge by multiplying the Total Excess Mileage times the DS3 Excess Mileage Charge of \$90.00. In such case, the customer shall pay the Telephone Company the Total Excess Mileage Charge within sixty (60) days of being billed therefore. If the Total Excess Mileage is less than or equal to zero, then no further adjustments or amounts are due by either the customer or the Telephone Company.

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(I) DS3 Credits (Cont'd)

(2) DS3 Credits and True-Up of Mileage (Cont'd)

(j) Example 1

If in Plan Year 1, the Actual Total Billed Mileage is 108,077.55 miles, but the Allowed Total Billed Mileage is 105,200.00 miles, the customer must pay the Telephone Company a Total Excess Mileage Charge of \$258,979.50 ($108,077.55 - 105,200.00 = 2,877.55$ miles, x \$90).

(3) Quarterly and Annual Review to Determine Eligibility for DS3 Credits

(a) Quarterly Review to Determine Eligibility for DS3 Credits

If, in any given Quarter of the Service Period, the customer's TBR for Services is less than \$6.512M for the applicable Quarter, then the customer will not receive a DS3 Credit for any Eligible DS3 Circuits ordered during any subsequent Quarter(s) until such time that the customer's TBR for a given Quarter meets or exceeds \$6.512M. Even if the customer's TBR for a given Quarter is less than \$6.512M, the customer shall retain its DS3 Credit for any Eligible DS3 Circuits ordered in the Quarter just ends and any Eligible DS3 Circuits ordered in any prior Quarters.

(C) #

(C) #

(C) #

(b) Annual Review to Determine Eligibility for DS3 Credits

If the customer's annual TBR (as calculated at the Annual True-Up) is equal to or greater than \$26.05M, then the customer shall receive the rates set forth in (I)(2)(b) preceding (i.e., the customer will receive a DS3 Credit) for the first 38 Eligible DS3 Circuits ordered during the Plan Year just completed. If the customer's annual TBR (as calculated at the Annual True-Up) is less than \$26.05M, then the customer may retain the DS3 Credits for any Eligible DS3 Circuits that were previously receiving such DS3 Credits, and such Eligible DS3 Circuits shall continue to receive the DS3 Credits until such time as they are disconnected. In calculating the annual TBR for such Plan Year, the Telephone Company shall only use the DS3 Credits that are actually provided during such Plan Year, and shall not include any DS3 Credits that could have been provided based on achieving an annual TBR of \$26.05M for the Plan Year just completed. If the customer's annual TBR (as calculated at the Annual True-Up) is equal to or greater than \$26.05M, but the customer's TBR for Services for Quarter 4 of such Plan Year is less than \$6.512M, then the customer will not receive DS3 Credits for all Eligible DS3 Circuits ordered during any subsequent Quarter(s) until such time that the customer's TBR for a given Quarter meets or exceeds \$6.512M.

(C) #

(C) #

(C) #

(C) #

(C) #

(C) #

(C) #

FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract.

(N)

|

(N)

(TR 1)

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ACCESS SERVICE

32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(I) DS3 Credits (Cont'd)

(4) Example 2

Assume that in Quarters 1 and 2 of Plan Year 1 the customer placed orders for 250 Eligible DS3 Circuits in each such Quarter, for a total of 500 Eligible DS3 Circuits. Assume further that at the end of Quarter 1 of Plan Year 1, the customer's Quarterly TBR is calculated as \$208,000M, and that at the end of Quarter 2 of Plan Year 1, that the customer's Quarterly TBR is calculated as \$205,000M. Then, the customer shall not be eligible to receive the DS3 Credits for any Eligible DS3 Circuits ordered in Quarter 3, and may not be eligible for such DS3 Credit in any successive Quarter until such time that the customer's Quarterly TBR meets or exceeds \$207,500M. However, the customer shall retain the DS3 Credits that it received in Quarters 1 and 2 of Plan Year 1 for the 500 Eligible DS3 Circuits. Further, the customer shall continue to receive DS3 Credits on such 500 Eligible DS3 Circuits until such Eligible DS3 Circuits are disconnected.

Assume further that in Quarters 3 and 4 of Plan Year 1, the customer placed orders for an additional 300 Eligible DS3 Circuits in each such Quarter, for a total of 600 Eligible DS3 Circuits. Assume also that at the end of Plan Year 1, the customer's annual TBR is calculated as \$840M (such calculation shall include only DS3 Credits provided on the 500 Eligible DS3 Circuits during the first two Quarters of the Plan Year), and that its Quarterly TBR for Quarter 4 of Plan year 1 was \$207M. Since the customer's annual TBR is greater than \$830M, the customer will be eligible to receive DS3 Credits on all Eligible DS3 Circuits ordered during Plan Year 1 (i.e., also on the 600 Eligible DS3 Circuits ordered in Quarters 3 and 4). The Telephone Company shall provide a DS3 Credit for such 600 Eligible DS3 Circuits following completion of the Annual True-Up. However, since the customer Quarterly TBR for Quarter 4 was less than \$207,500M, the customer will not receive DS3 Credits for any Eligible DS3 Circuits ordered during any subsequent Quarter(s) until such time that the customer's TBR for a given Quarter meets or exceeds \$207,500M.

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(J) Limitation on Grooms

In consideration of the Credits and the DS3 Credits for Eligible DS3 Circuits as contemplated herein, the customer and the Telephone Company hereby agree as follows:

(1) Limitation on Grooms

Subject to the terms of this Option 48, during each Plan Year, the Telephone Company shall not be required to perform more than thirteen (13) Grooms of Special Access DS3 circuits per Plan Year (Maximum Annual Grooms).

(2) ACNAs Subject to Limitation on Grooms

The Maximum Annual Grooms limitation set forth in Section (J)(1) preceding shall only apply to those Customer ACNA(s) that are designated by the customer and agreed to, in writing, by the Telephone Company (i.e., the Maximum Annual Grooms limitation may apply to all, or less than all, of the Customer ACNA(s)). When determining whether the number of Grooms exceeds the Maximum Annual Grooms, the Telephone Company shall count all Grooms ordered during the Plan Year in any of the operating territories of this tariff; however, during Plan Year 1, the Maximum Annual Grooms shall be measured from June 1, 2007 through May 31, 2008.

(3) Grooms in Excess of Maximum Annual Grooms

The customer may submit requests to the Telephone Company to perform Grooms that exceed the Maximum Annual Grooms during any Plan Year, but the Telephone Company shall not be obligated to perform any Grooms in excess of the Maximum Annual Grooms, unless the customer specifically instructs the Telephone Company in writing to perform such Grooms that are in excess of the Maximum Annual Grooms, and agrees in writing to the assessment of any reductions in the Credits as set forth in (J)(4) following.

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(J) Limitation on Grooms (Cont'd)

(4) Reduction in Credits or Application of a Debits

During any given Plan Year, if the customer submits one (1) or more requests to the Telephone Company to perform more than the Maximum Annual Grooms, and the Telephone Company agrees to the same, the aggregate Credits provided under this Option 48 (including the RPC, TBR, and VID Credits) shall be reduced by \$50,000 for each Groom that exceeds the Maximum Annual Grooms, or in the case where the customer is not eligible for a Credit, then the Telephone Company shall issue a debit on the customer's BAN(s) equal to \$50,000 for each Groom that exceeds the Maximum Annual Grooms. The customer agrees that any reduction in the Credits, or application of a debit, as set forth herein, will be in addition to any retermination, move, or other charges assessed under other sections of this tariff. For example, following the Annual True-Up for Plan Year 2, assume that the Telephone Company owes an aggregate Credit (inclusive of any VID Credit and Annual TBR Credit) of \$3.5M to the customer. Assume further that the customer has requested, and the Telephone Company has performed ten (10) Grooms in excess of the Maximum Annual Grooms. Hence, the total Credit provided to the customer for Plan Year 2 is \$3M (\$3.5M less \$500,000).

(5) Exceptions to the Maximum Annual Grooms

The following types of Grooms shall not be included in the Maximum Annual Grooms and shall be performed by the Telephone Company in accordance with its normal business practices:

- (a) Telephone Company Initiated Grooms: Any Groom initiated by the Telephone Company; or
- (b) Optimization Grooms: Any Grooms where a DS3 Service rides a Telephone Company optical service provided to the customer, which optical service terminates at or, originates from, a customer Point-of-Presence (POP); or
- (c) A disconnection of a multiplexed DS3 Service that does not (at the time of the Groom) have any DS1 Service that rides a channel of such DS3 Service; or
- (d) Any other Grooms that the customer and the Telephone Company mutually agree in writing to not include in the count of Maximum Annual Grooms, including Grooms associated with the elimination or decommissioning of a customer POP.

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(J) Limitation on Grooms (Cont'd)

- (6) No representation or warranty is made by the Telephone Company with respect to the number of Grooms, process, speed, or completion of any Grooms in addition to the Maximum Annual Grooms, and such additional Grooms shall not be subject to the terms of this Option 48 with respect to any remedies for failure to perform the Grooms. Other than as set forth herein, all Grooms shall remain subject to the terms set forth in other sections of this tariff.

(K) Mergers, Acquisitions, Divestitures, and Other Changes in Control of Customer

Only the Customer ACNA(s) are included in calculation of TBR under this Option 48. If the customer experiences either of the changes in control set forth in (1) or (2) following, the ACNA(s) associated with such changes in control will not be added to or removed from the calculation of TBR under this Option 48, unless the Telephone Company and the customer mutually agree to such addition or removal.

- (1) The customer merges with, acquires, or otherwise gains an interest (whether through stock, assets, or otherwise) in one or more ACNA(s), entities, or unaffiliated third parties.
- (2) The customer sells or otherwise divests one or more ACNA(s), or a line of business, division, affiliate, or other interest.

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ACCESS SERVICE

32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(L) Sale of a Telephone Company Operating Company

- (1) If some or all of the assets and/or stock of a Operating Telephone Company are acquired by an unaffiliated third party (Acquired FP Telco), and the Acquired FP Telco does not provide the Services to the customer under this Option 48 after such time, then the tiers and the Credits set forth in the tables in (H)(1) through (H)(3) preceding shall be adjusted in accordance with Step 1 through Step 4 following:

Step 1 Calculate the following reduction amounts as described below:

(i) Calculate the Total Impacted Revenue

Calculate the MRCs for the Services purchased by the customer from the Acquired FP Telco during the twelve (12) months prior to the time that the Acquired FP Telco ceases to provide the Services under this Option 48; and

(ii) Calculate Average Monthly Impacted Revenue

Divide the Total Impacted Revenue calculated in (i) of this Step 1 by twelve (12) months.

(iii) Calculate the Acquisition Reduction Amount for the Plan Year in Which the Sale Occurred

Multiply the Average Monthly Impacted Revenue for Services calculated in (ii) of this Step 1 by the number of months remaining in the Plan Year in which the sale occurred. As an illustrative example, if the sale occurs in month 3 of Plan Year 2, then the Average Monthly Impacted Revenue is multiplied by 9 months (i.e., 12 months less 3 months).

(iv) Calculate the Annual Acquisition Reduction Amount for the Remaining Plan Year(s)

Multiply the Average Monthly Impacted Revenue for Services calculated in (ii) of this Step 1 by twelve (12) months.

(v) Calculate the Quarterly Acquisition Reduction Amount

Multiply the Average Monthly Impacted Revenue for Services calculated in (ii) of this Step 1 by three (3) months.

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(L) Sale of a Telephone Company Operating Company (Cont'd)

(1) (Cont'd)

Step 2 Reduce each of the tiers in each of the tables set forth in (H)(1) through (H)(3) preceding each time a sale occurs as follows:

- (i) For the Plan Year during which the sale occurs, reduce the upper and lower ranges in each of the tiers in the RPC table set forth in (H)(1)(a) preceding and in the Annual TBR Credit table set forth in (H)(2)(b)(2) preceding by the Acquisition Reduction Amount calculated in (iii) of Step 1.

When calculating RPC and Annual TBR Credits for the Plan Year in which the sale occurs, the tiers of the RPC table as revised in this (i) of Step 2 shall be used in lieu of the RPC table set forth in (H)(1)(a) preceding, and the tiers of the Annual TBR Credit table as revised in this (i) of Step 2 shall be used in lieu of the Annual TBR Credit Table set forth in (H)(2)(b)(2) preceding. Additionally, the reduced tiers of the RPC table and Annual TBR Credit table are subject to further reduction in the event of a subsequent sale of another Telephone Company operating company.

- (ii) For any remaining Plan Year(s), reduce the upper and lower ranges in each of the tiers in the RPC table set forth in (H)(1)(a) preceding, and in the Annual TBR Credit table set forth in (H)(2)(b)(2) preceding by the Annual Acquisition Reduction Amount calculated in (iv) of Step 1.

When calculating RPC and Annual TBR Credits for any remaining Plan Year(s), the tiers of the RPC table as revised in this (ii) of Step 2 shall be used in lieu of the RPC table set forth in (H)(1)(a) preceding, and the tiers of the Annual TBR Credit table as revised in this (ii) of Step 2 shall be used in lieu of the Annual TBR Credit Table set forth in (H)(2)(b)(2) preceding. Additionally, the reduced tiers of the RPC table and Annual TBR Credit table are subject to further reduction in the event of a subsequent sale of another Telephone Company operating company.

- (iii) Reduce the upper and lower ranges in each of the tiers in the Quarterly TBR Credit Table set forth in (H)(2)(a)(4) preceding, and in the VID Credit Table set forth in (H)(3)(b) preceding by the Quarterly Acquisition Reduction Amount calculated in (v) of Step 1. For any sale that occurs prior to completion of a Quarter, the Quarterly Acquisition Reduction Amount shall be prorated to the number of days during the Quarter prior to the sale of the Acquired FP Telco.

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(L) Sale of a Telephone Company Operating Company (Cont'd)

(1) (Cont'd)

Step 3 Calculate the Applicable Revenue Reduction Percentages as follows:

- (i) Calculate the Acquisition Revenue Reduction Percentage by dividing the Acquisition Reduction Amount by the lowest range of the tiers in each of the RPC and Annual TBR tables set forth in (H)(1)(a) and (H)(2)(b)(2) preceding, which tiers may have been reduced in accordance with (i) of Step 2 from time to time.
- (ii) Calculate the Annual Acquisition Revenue Reduction Percentage by dividing the Annual Acquisition Reduction Amount by the lowest range of the tiers in each of the RPC and Annual TBR tables set forth in (H)(1)(a) and (H)(2)(b)(2) preceding, which tiers may have been reduced in accordance with (ii) of Step 2 from time to time.
- (iii) Calculate the applicable Quarterly Acquisition Revenue Reduction Percentage by dividing the applicable Quarterly Acquisition Reduction Amount by twenty-five percent (25%) of the lowest range of the tiers in each of the RPC and Annual TBR tables set forth in (H)(1)(a) and (H)(2)(b)(2) preceding, which tiers may have been reduced in accordance with (iii) of Step 2 from time to time. If any sale occurs prior to the completion of a Quarter, there will be a Quarterly Acquisition Revenue Reduction Percentage for the Quarter in which the sale occurs as well as a Quarterly Acquisition Revenue Reduction Percentage for all remaining Quarters.

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(L) Sale of a Telephone Company Operating Company (Cont'd)

(1) (Cont'd)

Step 4 Determine the Reduced Credits

- (i) Multiply the Acquisition Revenue Reduction Percentage calculated in (i) of Step 3 preceding by each of the Credit amounts set forth in the RPC table in (H)(1)(a) preceding, and each of the Credit amounts set forth in the Annual TBR Credit table in (H)(2)(b)(2) preceding, for the Plan Year in which the sale occurred. Then, subtract these amounts from each of the Credit amounts set forth in the RPC table in (H)(1)(a) and the Annual TBR Credit table in (H)(2)(b)(2) preceding, for the Plan Year in which the sale occurred, to determine the appropriate credits for the Plan Year in which the sale occurred.
- (ii) Multiply the Annual Acquisition Revenue Reduction Percentage calculated in (ii) of Step 3 preceding by each of the Credit amounts set forth in the RPC table in (H)(1)(a) preceding, and each of the Credit amounts set forth in the Annual TBR Credit table in (H)(2)(b)(2) preceding, for any remaining Plan Years. Then, subtract these amounts from each of the Credit amounts set forth in the RPC table in (H)(1)(a) preceding and the Annual TBR Credit table in (H)(2)(b)(2) preceding, for any remaining Plan Years, to determine the appropriate credits for any remaining Plan Years.
- (iii) If the sale occurs at the end of a Quarter, multiply the Quarterly Acquisition Revenue Reduction Percentage calculated in (iii) of Step 3 preceding by each of the Credit amounts set forth in the Quarterly TBR Credit table in (H)(2)(a)(4) preceding. Then, subtract these amounts from each of the Credit amounts set forth in the Quarterly TBR Credit table in (H)(2)(a)(4) preceding to determine the appropriate Quarterly TBR credits. If the sale occurs prior to the completion of a Quarter, in addition to determining the appropriate Quarterly TBR credits for all other Quarters as set forth preceding in this (iii), calculate the appropriate Quarterly TBR credit for the Quarter in which the sale occurs utilizing the Quarterly Acquisition Revenue Reduction Percentage for such Quarter.

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(L) Sale of a Telephone Company Operating Company (Cont'd)

(2) Illustrative Example

Assume that Delaware LLC (the Acquired FP Telco) was acquired by an unaffiliated third party and ceased to operate at the end of month three (3) of year 1 of the Service Period. Assume that the customer purchased a total of \$24M of Services from Delaware LLC during the twelve (12) months prior to the time that Delaware LLC ceased to provide the Services under this Option 48. Assume also that at the end of year 1 of the Service Period, the customer has achieved a TBR for Services of \$849M. To calculate the applicable RPC Credits and TBR Billing Credits at the end of each year of the Service Period, perform the following calculation:

Step 1 Calculate the reduction amounts

- (i) This example assumes the Total Impacted Revenue for the Services purchased by the customer from the Acquired FP Telco is \$24M.
- (ii) The Monthly Average Impacted Revenue for Services purchased by the customer from the Acquired FP Telco is \$2M [$\$24\text{M}/12$ months].
- (iii) The Acquisition Reduction Amount for Services in Plan Year 1 is \$18M [$\$2\text{M} \times 9$ months that remain in Plan Year 1 of the Service Period].
- (iv) The Annual Acquisition Reduction Amount for Services in Plan Year 2 and Plan Year 3 is \$24M [for each remaining Plan Year, multiply $\$2\text{M} \times 12$ months].
- (v) The Quarterly Annual Reduction Amount is \$6M [$\$2\text{M} \times 3$ months per Quarter].

Step 2 Reduce each tier of the TBR for Service set forth in the tables in (H)(1) through (H)(3) preceding.

- (i) Subtract \$18M (the Acquisition Reduction Amount for Services calculated in (iii) of Step 1) from each of the tiers in the RPC table set forth in (H)(1)(a) preceding and in the Annual TRR Credit Table set forth in (H)(2)(b)(2) preceding for the Plan Year during which the sale occurred. This reduction yields a new RPC table (as set forth in (i) following) and a new Annual TBR table (as set forth in (ii) following), which shall be used in lieu of the corresponding tables in (H)(1)(a) and (H)(2)(b)(2) preceding, respectively, during the Plan Year during which the sale occurred.

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(L) Sale of a Telephone Company Operating Company (Cont'd)

(2) Illustrative Example (Cont'd)

Step 2 Reduce each tier of the TBR for Service set forth in (H)(1) through (H)(3) (Cont'd)

- (ii) Subtract \$24M (the Acquisition Reduction Amount for Services calculated in (iv) of Step 1) from each of the tiers in the RPC table set forth in (H)(1)(a) preceding and in the Annual TBR Credit table set forth in (H)(2)(b)(2) preceding for each Plan Year(s) subsequent to the sale. This reduction yields a new RPC table (as set forth in (i) following) and a new Annual TBR table (as set forth in (ii) following), which shall be used in lieu of the corresponding tables in (H)(1)(a) and (H)(2)(b)(2) preceding, respectively, during any successive Plan Years following the Plan Year in which the sale occurred.
- (iii) Subtract \$6M (the Acquisition Reduction Amount for Services calculated in (iv) of Step 1) from each of the tiers in the Quarterly TBR Credit table set forth in (H)(2)(a)(4) preceding and in the VID Credit table set forth in (H)(3)(b) preceding for each Plan Year(s) subsequent to the sale. This reduction yields a new Quarterly TBR Credit table (as set forth in (iii) following) and a new VID Credit table (as set forth in (iv) following), which shall be used in lieu of the corresponding tables in (H)(2)(a)(4) and (H)(3)(b) preceding, respectively, during any successive Plan Years following the Plan Year in which the sale occurred.

Step 3 Calculate the Revenue Reduction Percentages

- (i) The Acquisition Revenue Reduction Percentage is 2.2% [$\$18\text{M}/\830M].
- (ii) The Annual Acquisition Revenue Reduction Percentage is 2.9% [$\$24\text{M}/\830M].
- (iii) The Quarterly Acquisition Revenue Reduction Percentage is 2.9% [$\$6\text{M}/(0.25 \times \$830\text{M})$].

Step 4 Proportionately reduce the Credits

- (i) Proportionately reduce the Credits set forth in (H)(1)(a) and (H)(2)(b)(2) preceding for the Plan Year in which the sale occurred by the Acquisition Revenue Reduction Percentage of 2.2%.
- (ii) Proportionately reduce the Credits set forth in (H)(1)(a) and (H)(2)(b)(2) preceding for any remaining Plan Years by the Annual Acquisition Revenue Reduction Percentage of 2.9%.
- (iii) Proportionately reduce the Credits set forth in (H)(2)(a)(4) preceding by the Quarterly Acquisition Revenue Reduction Percentage of 2.9%.

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(L) Sale of a Telephone Company Operating Company (Cont'd)

(2) Illustrative Example (Cont'd)

Upon completion of the calculations in Step 1 through Step 4 preceding, the adjusted Credit tables are as follows:

(i) Adjusted RPC Tables (Section (H)(1)(a) preceding)

<u>Annual TBR</u>	<u>Plan Year 1 RPC</u>	<u>Plan Year 2 RPC</u>	<u>Plan Year 3 RPC</u>
Less than \$812.0M	None (\$0)	N/A	N/A

Greater than or equal to \$812.0M but less than \$822.0M	\$23.179M	N/A	N/A
--	-----------	-----	-----

Greater than or equal to \$822.0M but less than \$832.0M	\$29.633M	N/A	N/A
--	-----------	-----	-----

Greater than or equal to \$832.0M	\$35.208M	N/A	N/A
-----------------------------------	-----------	-----	-----

<u>Annual TBR</u>	<u>Plan Year 1 RPC</u>	<u>Plan Year 2 RPC</u>	<u>Plan Year 3 RPC</u>
Less than \$806.0M	N/A	None (\$0)	None (\$0)

Greater than or equal to \$806.0M but less than \$816.0M	N/A	\$24.081M	\$24.858M
--	-----	-----------	-----------

Greater than or equal to \$816.0M but less than \$826.0M	N/A	\$29.907M	\$30.295M
--	-----	-----------	-----------

Greater than or equal to \$826.0M	N/A	\$34.956M	\$34.956M
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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(L) Sale of a Telephone Company Operating Company (Cont'd)

(2) Illustrative Example (Cont'd)

(ii) Adjusted Annual TBR Credit Table (Section (H)(2)(b)(2)preceding)

<u>Annual TBR</u>	<u>Plan Year 1 Annual TBR Credit</u>	<u>Plan Year 2 Annual TBR Credit</u>	<u>Plan Year 3 Annual TBR Credit</u>
Less than \$812.0M	None (\$0)	N/A	N/A
Greater than or equal to \$812.0M but less than \$822.0M	\$5.183M	N/A	N/A
Greater than or equal to \$822.0M but less than \$832.0M	\$6.553M	N/A	N/A
Greater than or equal to \$832.0M	\$7.824M	N/A	N/A
<u>Annual TBR</u>	<u>Plan Year 1 Annual TBR Credit</u>	<u>Plan Year 2 Annual TBR Credit</u>	<u>Plan Year 3 Annual TBR Credit</u>
Less than \$806.0M	N/A	None (\$0)	None (\$0)
Greater than or equal to \$806.0M but less than \$816.0M	N/A	\$ 8.059M	\$11.069M
Greater than or equal to \$816.0M but less than \$826.0M	N/A	\$10.001M	\$13.400M
Greater than or equal to \$826.0M	N/A	\$11.652M	\$15.536M

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(L) Sale of a Telephone Company Operating Company (Cont'd)

(2) Illustrative Example (Cont'd)

(iii) Adjusted Quarterly TBR Credit Table (Section (H)(2)(a)(4) preceding)

<u>Quarterly TBR</u>	<u>Plan Year 1 Quarterly TBR Credit</u>	<u>Plan Year 2 Quarterly TBR Credit</u>	<u>Plan Year 3 Quarterly TBR Credit</u>
Less than \$201.5M	None (\$0)	None (\$0)	None (\$0)
Greater than or equal to \$201.5M but less than \$204.0M	\$1.287M	\$2.015M	\$2.767M
Greater than or equal to \$204.0M but less than \$206.5M	\$1.626M	\$2.500M	\$3.350M
Greater than or equal to \$206.5M	\$1.942M	\$2.913M	\$3.884M

(iv) Adjusted VID Credit Table (Section (H)(3)(b) preceding)

<u>Quarterly TBR</u>	<u>VID Discount</u>
Greater than \$209.000M but less than \$211.125M	10%
Greater than or equal to \$211.125M but less than \$213.250M	12%
Greater than or equal to \$213.250M but less than \$215.375M	14%
Greater than or equal to \$215.375M but less than \$217.500M	16%
Greater than \$217.500M	18%

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(M) Annual True-Up, Calculation of TBR and Disputes

No later than ninety (90) days following the end of each Plan Year, the Telephone Company shall complete an annual true-up to calculate the TBR and any corresponding credits owed to the customer or debits owed to the Telephone Company as a result thereof (Annual True-Up), and provide written notice to the customer setting forth the calculation of TBR for Quarter 4 and the Plan Year just ends, and any Credits due to the customer, or any debits owed to the Telephone Company, each as further described herein.

(1) Calculation of TBR

At the Annual True-Up, the Telephone Company shall calculate TBR with respect to the Customer ACNA(s) as follows:

- (a) add all of the MRCs for the Services billed during the Plan Year just completed, using the USOCs (set forth in (G)(6) preceding); and
- (b) subtract from such number derived in (a) preceding (i) any amounts that have not been paid in full by the customer for the Services at the time of the Annual True-Up; and (ii) any DS3 Credits earned during the Plan Year just completed, as more specifically set forth in (G) and (I) preceding.

Such TBR calculation shall not include any credits or debits processed during such Plan Year. Any ongoing disputes, claims, backbilling, or other adjustments (whether debits or credits) shall not affect the calculation of TBR as set forth above.

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(M) Annual True-Up, Calculation of TBR and Disputes (Cont'd)

(2) No Further Disputes/Claims; Adjustments to the TBR

Using such calculated TBR, the Telephone Company shall determine whether any additional Credits are owed by the Telephone Company, or debits owed by the customer, pursuant to (H)(1) through (H)(3) preceding. Upon completion of the Annual True-Up and the credit or debit that is owed in accordance with the terms of this Option 48, there shall be no adjustment to the calculation of the TBR at any later date, including as a result of any ongoing or new disputes, claims or backbilling that may be instituted by either the customer or the Telephone Company. The foregoing shall apply with respect to all billing for all Customer ACNA(s). Either the customer or the Telephone Company may institute backbilling, claims, or other disputes on amounts that were previously included in calculating TBR.

(3) Until any debit or credit as required to be provided under this Option 48 is actually billed (i.e., set forth on a CABS bill rendered to the customer), such debit or credit shall not be subject to any late payment penalty as set forth in Section 2.4.1 preceding. Upon the billing of such debit or credit, late payment penalties (if any) shall apply for failure to timely pay any such amounts.

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(M) Annual True-Up, Calculation of TBR and Disputes (Cont'd)

(4) Example

Assume the following:

- Plan Year 1 ends on May 31, 2008.
- The Telephone Company billed an aggregate amount of \$885M, comprised of MRCs for the Services and net of any DS3 Credits earned during Plan Year 1 (as more specifically set forth in (G) preceding).
- The customer paid \$880M of billed MRCs for the Services no later than August 30, 2008 (i.e., as of the date of the Annual True-Up), but has not paid \$5M of such billed MRC amounts.
- As of July 30, 2008, the customer has fifty (50) filed disputes totaling \$10M in the aggregate.
- As of July 30, 2008, the Telephone Company has notified the customer of certain additional back billing items which equal in the aggregate \$5M, but the Telephone Company has not billed such amounts.
- The customer has not requested any Grooms in excess of the Maximum Annual Grooms.

Based on the foregoing, the total TBR is calculated to be \$880M (billed MRCs and DS3 Credits of \$885M less \$5M of unpaid MRCs). The customer would be eligible for the corresponding Annual TBR Credit (as set forth in (H)(2) preceding), any VID Credit, if applicable, for Quarter 4 of Plan Year 1 (as set forth in (H)(3) preceding), would retain any VID Credit earned for Quarters 1, 2 or 3 of Plan Year 1, and would retain all RPC Credits provided in Plan Year 1. The \$5M of backbilling that the Telephone Company seeks to bill, and the \$10M in disputes on which the customer seeks a credit do not change the calculated TBR of \$880M, and such amounts are subject to the terms of other sections of this tariff.

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(M) Annual True-Up, Calculation of TBR and Disputes (Cont'd)

(4) Example (Cont'd)

Assume further that three (3) months later (i.e., on October 31, 2008), the customer or the Telephone Company have determined that (i) the customer is entitled to a credit of \$7M (out of the customer's initial claim of \$10M) associated with the disputes; (ii) the customer seeks to initiate five (5) new claims that pertain to MRCs for Services billed during the April and May 2008 bill periods (assume that all such claims are equal to \$12M in the aggregate); and (iii) the customer and the Telephone Company both seek to initiate claims that pertain to MRCs for Services billed during the January through April 2006 bill periods.

All such disputes, adjustments, and claims shall be determined and resolved in accordance with the applicable sections of this tariff. There shall be no adjustment to the calculated TBR of \$880M, and no further adjustment to the Credits, as a result of any resolution of any such claims.

(N) Early Termination

- (1) On June 1, 2008 or on June 1, 2009, a customer subscribing to this Option 48 has the right to terminate its subscription to Option 48, or the Telephone Company has the right to terminate this Option 48 (each, a Permitted Termination Date). If the customer seeks to terminate its subscription to Option 48 and/or the Telephone Company seeks to terminate this Option 48, such party must provide at least forty-five (45) days advance notice in writing prior to the Permitted Termination Date of its intent to terminate. If either the customer or the Telephone Company does not provide such notice to the other party within the specified time period, then it shall not have a termination right until the next Permitted Termination Date (subject to the forty-five (45) day notice requirement set forth in this section).

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32. Contract Tariffs (Cont'd)32.25 Contract Tariff Option 48 (Cont'd)(N) Early Termination (Cont'd)

- (2) In addition to the termination liabilities outlined in (N)(1) preceding, termination of any individual Service(s) shall be subject to applicable termination liabilities (if any) in accordance with other sections of this tariff.
- (3) If the customer terminates its subscription to this Option 48 or the Telephone Company terminates Option 48 at a Permitted Termination Date, then the following shall apply:
 - (a) the Telephone Company shall conduct the Annual True-Up as set forth in (M) preceding; and
 - (b) the customer shall be eligible for any VID Credit that it may have earned in the Quarter ending prior to the Permitted Termination Date.

In such event, the customer shall not receive the DS3 Credits on any new orders for Eligible DS3 Circuits from and after the Permitted Date of Termination.

(O) Alternate Tariff Arrangements

- (1) Other than the terms set forth herein, nothing herein shall modify the application of any termination or shortfall penalties that apply in accordance with other sections of this tariff, including under any Commitment Discount Plans, FMS Term Plans, or Term Pricing Plans.
- (2) Other than Alternate Tariff Arrangements that are in effect as of July 24, 2007, (including any existing contract tariffs for DS1 Services and DS3 Services), the customer may not subscribe to any Alternate Tariff Arrangement that provides a discount or credit on the Services, including the National Discount Plan as set forth in Section 25.3 following. Subscription to any such Alternate Tariff Arrangement will result in loss of all Credits and any special pricing available under this Option 48.

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32. Contract Tariffs (Cont'd)32.26 Contract Tariff Option 49(A) Scope

Contract Tariff Option 49 (Option 49) provides Billing Credits on certain Special Access Services if the customer meets certain total billed revenue amounts for the Qualifying Services (as defined in (E) following).

In this Option 49, all references to amounts represented in dollars followed by the letter "M" shall refer to such number in millions (e.g., \$17.25M shall mean \$17,250,000).

Additionally, all amounts in this Option 49 will be rounded up or down to the nearest \$10,000.

(B) Eligibility

The customer must meet all of the following criteria in order to be eligible to receive the Billing Credits of this Option 49.

- (1) During the twelve (12) month period ending on June 30, 2007, the customer, together with all its affiliates, must have: (i) achieved a minimum of fifty million dollars (\$50.0M) in aggregate monthly billed recurring revenue for all Qualifying Services (as defined in (E) following) purchased by the customer from the Telephone Company; (ii) had no more than twelve and one half percent (12.5%) of the aggregate monthly billed recurring revenue for Qualifying Services purchased under this tariff billed on a month-to-month basis; and (iii) had no more than three percent (3%) of the aggregate monthly billed recurring revenue for Qualifying Services purchased under this tariff billed on a month-to-month basis.
- (2) In order to receive any Billing Credit (as determined in (I) following) other than a Billing Credit of \$0 under this Option 49, the customer must achieve during the Service Period (as defined in (C) following) a minimum Total Billed Revenue (TBR), as described following, for Qualifying Services (as defined in (E) following) of at least sixty-one million two hundred fifty thousand dollars (\$61.25M), of which a minimum of seventeen million two hundred fifty thousand dollars (\$17.25M) of such TBR for Qualifying Services was derived from Inter-Office Facility (IOF) transport as determined using the Channel Mileage rate elements as set forth in (E) following. For purposes of this Option 49, IOF TBR for Qualifying Services shall mean the portion of the TBR for Qualifying Services billed under the Channel Mileage USOCs set forth in (E) following during the Service Period.

Any customer that qualified for this Option with a predecessor company will qualify for this Option. #

(N)
(N)

FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract.

(N)
|
(N)

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32. Contract Tariffs (Cont'd)32.26 Contract Tariff Option 49 (Cont'd)(B) Eligibility (Cont'd)

- (3) Other than tariff arrangements that are in effect as of September 27, 2007, the customer may not subscribe to any other tariff arrangement, contract tariff option, special service arrangement, or Individual Case Basis (ICB) arrangement offered by the Telephone Company and available to the customer at any time during the Service Period, which tariff arrangement, contract tariff option, special service arrangement, or ICB provides a discount, credit, or other reduction in rates or terms based on achievement of revenue or volume targets/levels by the customer for the Qualifying Services.
- (4) The customer must subscribe to Option 49 by submitting a written authorization in a manner designated by the Telephone Company or its predecessor during the period beginning September 27, 2007 and ending October 26, 2007. Such subscription must include a list of Customer ACNA(s) which the Telephone Company agrees to, in writing, for inclusion in this Option 49.

The TBR for Qualifying Services and the IOF TBR for Qualifying Services shall be calculated using the criteria and mechanism set forth in this Option 49. The amount of the Billing Credit shall vary depending on the level of TBR for Qualifying Services and the level of the IOF TBR for Qualifying Services achieved by the customer during the Service Period, and such Billing Credits shall be calculated in accordance with the terms and conditions of this Option 49. Billing Credits are determined in accordance with (I) following.

(C) Service Period

The Service Period of this Option 49 shall be for a period of one (1) year commencing on October 1, 2007, and ending on September 30, 2008.

(D) Serving Area

The Billing Credits will be provided only in the Metropolitan Statistical Areas (MSAs) that have achieved Phase I or Phase II pricing flexibility under this tariff. Wire centers for the Phase II MSAs are listed, Section 15.2 preceding of this tariff. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status) as described in Section 15.2 preceding of this tariff that occur during the Service Period of this Option 49 will apply.

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32. Contract Tariffs (Cont'd)32.26 Contract Tariff Option 49 (Cont'd)(E) Qualifying Services

- (1) Qualifying Services will be comprised of Special Access DS1 and DS3 Services as set forth in Section 7.2.9 preceding of this tariff, as the same may be amended from time to time, which Special Access DS1 and DS3 Services are billed by the Telephone Company during the Service Period and meet all of the following criteria during each month of the Service Period.

- (a) Rate elements for Facilities Management Services will not be included.
- (b) For the Qualifying Services set forth above, the associated rate elements was billing under the following Universal Service Order Codes (USOCs):

(1) Channel Mileage Rate Elements

1A5LX	1A5ZS	1A8ZS	1HH7S	1HHBS
1HHPS	1J53S	1J54S	1L5LS	1L5RS
1L5XX	1LFMX	1LFSX	1T58S	1U5PS
1YA8S	TRG			

(2) All Other Rate Elements

MKM	MQ1	MQ3	MQJ++	MQK
MXN12	MXN13	MXN15	MXN17	MXNRX
QMU	1C4A3	1C4A5	1C4A7	1C4B3
1C4B5	1C4B7	1C4C3	1C4C5	1C4C7
1C4D3	1C4D5	1C4D7	1C4E3	1C4E5
1C4E7	1C4F3	1C4F5	1C4F7	1C4G3
1C4G5	1C4G7	1C4H3	1C4H5	1C4H7
1C4J3	1C4J5	1C4J7	1C4K3	1C4K5
1C4K7	1CF21	1CF22	1CF23	1CF25
1CF41	1CF42	1CF43	1CF45	1CF51
1CF52	1CF53	1CF55	1CF61	1CF62
1CF63	1CF65	1CF71	1CF72	1CF73
1CF75	1CF81	1CF82	1CF83	1CF85
1CF91	1CF92	1CF93	1CF95	1CFA1
1CFA2	1CFA3	1CFA5	1CFB1	1CFB2
1CFB3	1CFB5	1CFC1	1CFC2	1CFC3
1CFC5	1CFD1	1CFD3	1CFD5	1CFD7
1CFE1	1CFE3	1CFE5	1CFE7	1CFF1
1CFF3	1CFF5	1CFF7	1CFG1	1CFG3
1CFG5	1CFG7	1CFH1	1CFH3	1CFH5
1CFH7	1CFJ1	1CFJ3	1CFJ5	1CFJ7
1CFK1	1CFK3	1CFK5	1CFK7	1CFL1

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32. Contract Tariffs (Cont'd)32.26 Contract Tariff Option 49 (Cont'd)(E) Qualifying Services (Cont'd)

(1) (Cont'd)

(b) (Cont'd)

(2) All Other Rate Elements (Cont'd)

1CFL3	1CFL5	1CFL7	1CFM1	1CFM3
1CFM5	1CFM7	1CFN1	1CFN3	1CFN5
1CFN7	1CFR8	1CFRJ	1CFS8	1CFSJ
1CFT8	1CFTJ	1CFU8	1CFUJ	1CFV8
1CFVJ	1CKDF	1CKDX	1CKMF	1CKNX
1CKPF	1CKSX	1X7VX	1XCDX	CCO
EQUA3	EQUA5	EQUA7	EQUB3	EQUB5
EQUB7	EQUC3	EQUC5	EQUC7	EQUD3
EQUD5	EQUD7	EQUE3	EQUE5	EQUE7
EQUF3	EQUF5	EQUF7	EQUG3	EQUG5
EQUG7	EQUH3	EQUH5	EQUH7	EQUJ3
EQUJ5	EQUJ7	EQUK3	EQUK5	EQUK7
EU4DF	EU4DX	EU4MF	EU4NX	EU4PF
EU4SX	EU7VX	EUU21	EUU22	EUU23
EUU25	EUU41	EUU42	EUU43	EUU45
EUU51	EUU52	EUU53	EUU55	EUU61
EUU62	EUU63	EUU65	EUU71	EUU72
EUU73	EUU75	EUU81	EUU82	EUU83
EUU85	EUU91	EUU92	EUU93	EUU95
EUUA1	EUUA2	EUUA3	EUUA5	EUUB1
EUUB2	EUUB3	EUUB5	EUUC1	EUUC2
EUUC3	EUUC5	EUUD1	EUUD3	EUUD5
EUUD7	EUUE1	EUUE3	EUUE5	EUUE7
EUUF1	EUUF3	EUUF5	EUUF7	EUUG1
EUUG3	EUUG5	EUUG7	EUUH1	EUUH3
EUUH5	EUUH7	EUUJ1	EUUJ3	EUUJ5
EUUJ7	EUUK1	EUUK3	EUUK5	EUUK7
EUUL1	EUUL3	EUUL5	EUUL7	EUUM1
EUUM3	EUUM5	EUUM7	EUUN1	EUUN3
EUUN5	EUUN7	EUUR8	EUURJ	EUUS8
EUUSJ	EUUT8	EUUTJ	EUUU8	EUUUJ
EUUV8	EUUVJ	EUW	HKTJS	HKTJX
HKTLS	PR9SX	SLHA1	SLHA3	SLHA5
SLHA7	SLHB1	SLHB3	SLHB5	SLHB7
SLHC1	SLHC3	SLHC5	SLHC7	SLHD1
SLHD3	SLHD5	SLHD7	SLHE1	SLHE3
SLHE5	SLHE7	TKTPX	TMECS	TNJZX
TNT3X	TNT4X	TNT8X	TUTPX	TVJ7X
TVJPX	TVJQX	TVJRX	TVJSX	TYF8S
TYF8X	TYFLS	TYFLX	TYFMS	TYFMX
TYFNX	TYFOX	TYFPX	TYFQX	TYFRX
TYFSX	TYFTX	TYFUX	TYFVS	TYFVX
TYFWS	TYFWX	TZGHX		

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32. Contract Tariffs (Cont'd)32.26 Contract Tariff Option 49 (Cont'd)(E) Description of Qualifying Services (Cont'd)

- (2) All other services purchased by the customer from the Telephone Company or any affiliate of the Telephone Company and not listed in (E)(1) preceding shall not be eligible for inclusion as Qualifying Services under Option 49.

(F) Revenue Used to Calculate TBR and IOF TBR

- (1) Revenues Included in Calculation of TBR for Qualifying Services and IOF TBR for Qualifying Services

The customer's TBR for Qualifying Services and IOF TBR for Qualifying Services shall include only the MRC amounts which are paid in full by the customer.

- (a) For purposes of this Option 49, MRCs shall mean the revenues from the billed monthly recurring charges, net of any discounts given under existing pricing plans, if applicable, for the Qualifying Services billed during the Service Period under the USOCs set forth in (E) preceding, and excluding Disputed Charges.
- (b) For purposes of this Option 49, Disputed Charges shall mean MRCs for the Qualifying Services billed during the Service Period, which amounts are under dispute by the customer and have been paid in full by the customer, as of the forty-fifth (45th) calendar day following the end of the Service Period in accordance with Section (I)(2) following. Amounts which have not been paid in full, as of the forty-fifth (45th) calendar day following the end of the Service Period (regardless of whether or not such amounts are under dispute by the customer), shall not be included in either the TBR for Qualifying Services or the IOF TBR for Qualifying Services.
- (c) For purposes of this Option 49, "paid in full" shall mean that the customer has paid the billed amount without any offsets or reductions from the billed amount, in accordance with the terms of the this tariff.

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32. Contract Tariffs (Cont'd)32.26 Contract Tariff Option 49 (Cont'd)(F) Revenue Used to Calculate TBR and IOF TBR (Cont'd)

- (2) Revenue Not Included in Calculation of TBR for Qualifying Services or IOF TBR for Qualifying Services.

TBR for Qualifying Services and IOF TBR for Qualifying Services do not include any revenues other than the revenues as set forth in (F)(1) preceding, and the following types of charges are not included:

- (a) non-recurring charges;
- (b) taxes, or other charges imposed by a federal, state, local, or other governmental entity (e.g. Federal Universal Service Fund);
- (c) service or administrative fees or charges imposed by the Telephone Company (e.g. Interest penalty, late payment penalty);
- (d) any other charges which are not applied on a monthly recurring basis;
- (e) credits or adjustments provided by the Telephone Company that apply to any period other than the Service Period and to any services other than the Qualifying Services;
- (f) any debits or credits for Qualifying Services rendered in prior Quarters or periods prior to September 27, 2007;
- (g) shortfall or overage charges associated with term plan true-ups;
- (h) minimum period charges;
- (i) any Disputed Charges;
- (j) termination liabilities; or
- (k) Billing Credits/adjustments.

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32. Contract Tariffs (Cont'd)32.26 Contract Tariff Option 49 (Cont'd)(G) Mergers and Acquisitions of the Customer

In the event that after subscription to this Option 49, 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 in addition to any other terms and conditions set forth in this Option 49.

- (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 TBR for Qualifying Services or IOF TBR for Qualifying Services.
- (2) The customer's TBR for Qualifying Services and IOF TBR for Qualifying Services shall be calculated based on its business and revenues with the Telephone Company using the Customer ACNAs, without adding the revenues and/or ACNAs attributable to expansion of the customer's purchase of Qualifying Services from the Telephone Company through merger, transfer, assignment, or acquisition.
- (3) The Telephone Company reserves the right to terminate the customer's subscription to this Option 49 without liability if the customer does not adhere to the provisions of this Section (G).

(H) Sale of a Operating Telephone Company

- (1) If some or all of the assets or equity of a Operating Telephone Company of this tariff are acquired by an unaffiliated third party ("Acquired FP Telco"), and does not provide the Qualifying Services to the customer after such time, then the terms and conditions set forth in (H)(2) and (H)(3) following shall apply, in addition to any other terms and conditions set forth in this tariff, as applicable.
- (2) Each range or tier of the TBR for Qualifying Services and IOF TBR for Qualifying Services set forth in the Table in (I)(2)(d) following shall be proportionately reduced by the TBR Acquisition Reduction Amount or IOF TBR Acquisition Amount (each as defined in (a) and (b) following), respectively.

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32. Contract Tariffs (Cont'd)32.26 Contract Tariff Option 49 (Cont'd)(H) Sale of Operating Telephone Company (Cont'd)

(2) (Cont'd)

- (a) The TBR Acquisition Reduction Amount shall be calculated for the Qualifying Services as follows:
 - (i) calculate the TBR for Qualifying Services purchased by the customer from the Acquired FP Telco during the twelve (12) months prior to the time that the Acquired FP Telco ceases to provide the Qualifying Services. For purposes of this Option 49, TBR for Qualifying Services shall mean the portion of the Qualifying Services billed under the USOCs set forth in (E)(1)(b)(1) and (E)(1)(b)(2) preceding; and
 - (ii) calculate the average monthly amount of TBR for Qualifying Services purchased by the customer from the Acquired FP Telco by dividing the number in (i) preceding by twelve (12) months; and
 - (iii) multiply the average monthly amount of TBR for Qualifying Services calculated in (ii) preceding by the number of months and any fraction thereof remaining in the Service Period.
 - (iv) Reduce the tiers of the TBR for Qualifying Services set forth in the Table in (I)(2)(d) following by the amount of the TBR Acquisition Reduction Amount as calculated in (iii) preceding.
- (b) The IOF TBR Acquisition Reduction Amount shall be calculated for the Qualifying Services as follows:
 - (i) calculate the IOF TBR for Qualifying Services purchased by the customer from the Acquired FP Telco during the twelve (12) months prior to the time that the Acquired FP Telco ceases to provide the Qualifying Services; For purposes of this Option 49, IOF TBR for Qualifying Services shall mean the portion of the Qualifying Services billed under the USOCs set forth in (E)(1)(b)(1) preceding; and
 - (ii) calculate the average monthly amount of IOF TBR for Qualifying Services purchased by the customer from the Acquired FP Telco by dividing the number in (i) preceding by twelve (12) months; and
 - (iii) multiply the average monthly amount for IOF TBR for Qualifying Services calculated in (ii) preceding by the number of months and any fraction thereof remaining in the Service Period.
 - (iv) Reduce the tiers of the IOF TBR for Qualifying Services set forth in the Table in (I)(2)(d) following by the amount of the IOF TBR Acquisition Reduction Amount as calculated in (iii) preceding.

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32. Contract Tariffs (Cont'd)32.26 Contract Tariff Option 49 (Cont'd)(H) Sale of a Operating Telephone Company (Cont'd)

- (3) All of the Billing Credits set forth in the Table in (I)(2)(d) following shall be reduced by a percentage which shall be calculated by dividing the TBR Acquisition Reduction Amount by \$61.25M.

For Example:

Assume the Telephone Company sells Delaware LLC and that the sale is finalized with two months remaining in the Service Period.

- (a) Proportionately reduce each range or tier of the TBR for Qualifying Services by the TBR Acquisition Reduction Amount
- (i) Assume that the customer's TBR for Qualifying Services purchased by the customer from Delaware LLC during the previous 12 months = \$24M.
 - (ii) Calculate the average monthly amount of TBR for Qualifying Services purchased by the customer from Delaware LLC = \$2M [$\$24\text{M}/12$].
 - (iii) To calculate the TBR Acquisition Reduction Amount, multiply the average monthly amount determined in (ii) preceding (\$2M) by the number of months (2) remaining in the Service Period = \$4M [$\$2\text{M} \times 2$].
 - (iv) Reduce the tiers set forth in the Table in (I)(2)(d) following by such TBR Acquisition Reduction Amount.
- (b) Proportionately reduce each range or tier of the IOF TBR for Qualifying Services by the IOF TBR Acquisition Reduction Amount
- (i) Assume that the customer's IOF TBR for Qualifying Services purchased by the customer from Delaware LLC during the previous 12 months = \$12M.
 - (ii) Calculate the average monthly amount of IOF TBR for Qualifying Services purchased by the customer from Delaware LLC = \$1M [$\$12\text{M}/12$].
 - (iii) To calculate the IOF TBR Acquisition Reduction Amount, multiply the average monthly amount determined in (ii) preceding (\$1M) by the number of months (2) remaining in the Service Period = \$2M [$\$1\text{M} \times 2$].
 - (iv) Reduce the tiers set forth in the Table in (I)(2)(d) following by such IOF TBR Acquisition Reduction Amount.
- (c) Calculate the percentage reduction in Billing Credits by dividing the TBR Acquisition Reduction Amount of \$4M by \$61.25M = 6.5%.

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32. Contract Tariffs (Cont'd)32.26 Contract Tariff Option 49 (Cont'd)(I) Calculation of TBR and Billing Credit

- (1) Calculation of the TBR for Qualifying Services and IOF TBR for Qualifying Services at the End of Service Period

(a) Calculation of TBR for Qualifying Services

Upon expiration of the Service Period, the Telephone Company will calculate all eligible recurring Special Access DS1 and DS3 revenues as outlined in (E)(1)(b)(1) and (E)(1)(b)(2) preceding. The Special Access DS1 and DS3 recurring revenues carrying any USOCs not listed in (E)(1)(b)(1) and (E)(1)(b)(2) preceding will not be included. Non-Special Access DS1s and DS3s carrying any of the USOCs listed in (E)(1)(b)(1) and (E)(1)(b)(2) preceding will also not be included.

As an illustrative example of calculating TBR for Qualifying Services, assume that the eligible recurring Special Access DS1 and DS3 revenue as outlined in (E)(1)(b)(1) and (E)(1)(b)(2) preceding was \$66.5M. Forty-five (45) calendar days after end of the Service Period, the Telephone Company will calculate all eligible recurring Special Access DS1 and DS3 revenue for the Service Period subject to dispute. Further assume that the amount under dispute is \$1.0M. The TBR for Qualifying Services to be used in determining the Billing Credit therefore equals \$65.5M [\$66.5M - \$1.0M].

(b) Calculation of IOF TBR for Qualifying Services

Upon expiration of the Service Period, the Telephone Company shall calculate all eligible Special Access DS1 and DS3 revenues as outlined in (E)(1)(b)(1) preceding. The Special Access DS1 and DS3 recurring revenues not carrying one of the USOCs listed in (E)(1)(b)(1) preceding will not be included. Non-Special Access DS1s and DS3s carrying any of the USOCs listed in (E)(1)(b)(1) preceding will also not be included.

As an illustrative example of calculating IOF TBR for Qualifying Services, assume that the eligible recurring Special Access DS1 and DS3 revenue as outlined in (E)(1)(b)(1) preceding was \$18.5M. Forty-five (45) calendar days after the end of the Service Period, the Telephone Company will calculate all eligible recurring Special Access IOF DS1 and DS3 revenues for the Service Period subject to dispute. Further assume that the amount under dispute is \$1.0M. The IOF TBR for Qualifying Services to be used in determining the Billing Credit equals \$17.5M [\$18.5M - \$1.0M].

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32. Contract Tariffs (Cont'd)32.26 Contract Tariff Option 49 (Cont'd)(I) Calculation of TBR and Billing Credit (Cont'd)

- (1) Calculation of the TBR for Qualifying Services and IOF TBR for Qualifying Services at the End of Service Period (Cont'd)

- (c) No later than the 60th day following the end of the Service Period, the Telephone Company shall calculate the total TBR for Qualifying Services and IOF TBR for Qualifying Services (i.e., by calculating the total MRCs for Qualifying Services, which MRCs for Qualifying Services shall not include any Disputed Charges) achieved by the customer during the Service Period in accordance with the terms and condition set forth in this Option 49, including Sections (F)(1), (F)(2) preceding and (I)(2) following. Subject to any reductions and adjustments as set forth herein, the customer shall be eligible to receive the applicable credit set forth in Table 1 following ("Billing Credit"), which Billing Credit may be \$0 or more depending on the customer's TBR for Qualifying Services and IOF TBR for Qualifying Services during the Service Period.

- (2) Calculation of Billing Credit at the End of the Service Period

If the customer has not achieved both a TBR for Qualifying Services of at least \$61.25M and an IOF TBR for Qualifying Services of \$17.25M, then the customer shall not receive any Billing Credit (i.e., a Billing Credit of \$0 as set forth in the Table in (I)(2)(d) following). To calculate the Billing Credit, the Telephone Company shall:

- (a) Locate the customer's TBR for Qualifying Services and IOF TBR for Qualifying Services in the Table in (I)(2)(d) following under the headings "TBR for Qualifying Services" and "IOF TBR for Qualifying Services," respectively. The Billing Credit (if any) that the customer is eligible to receive is set forth in the lowest tier achieved of either the TBR for Qualifying Services or the IOF TBR for Qualifying Services. The TBR for Qualifying Services and IOF TBR for Qualifying Services achieved by the customer during the Service Period is calculated in accordance with the terms and conditions set forth in Section (I)(1)(a) and (I)(1)(b) preceding, including Sections (F)(1), (F)(2) preceding and this Section(I)(2);

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32. Contract Tariffs (Cont'd)32.26 Contract Tariff Option 49 (Cont'd)(I) Calculation of TBR and Billing Credit (Cont'd)

(2) Calculation of Billing Credit at the End of the Service Period (Cont'd)

- (b) The Telephone Company shall credit the customer's BANs with the applicable Billing Credit as determined in accordance with the terms of this Option 49. The Billing Credits will be provided only in the MSAs that have achieved Phase I or Phase II pricing flexibility. In no event will the customer be eligible for any Billing Credit unless both their TBR for Qualifying Services and IOF TBR for Qualifying Services fall within one of the tiers set forth in the Table in (I)(2)(d) following.
- (c) To use the Billing Credit Table in (I)(2)(d) following, the "Floor" amount represents the applicable tier minimum and the "Ceiling" amount represents the applicable tier maximum. TBR amounts that fall above a tier minimum but below a tier maximum fall into that tier. To determine the applicable tier for the TBR for Qualifying Services, determine the appropriate tier into which the TBR for Qualifying Services falls. To determine the applicable tier for the IOF TBR for Qualifying Services, determine the appropriate tier into which the IOF TBR for Qualifying Services falls. To determine the Billing Credit, determine the highest tier that the customer achieved for both TBR for Qualifying Services and the IOF TBR for Qualifying Services. As an example, if the customer achieved Tier B for TBR for Qualifying Services and Tier C for IOF TBR for Qualifying Services, the highest tier that customer achieved for both the TBR for Qualifying Services and the IOF TBR for Qualifying Services would be Tier B, and the customer would be entitled to the Tier B Billing Credit (i.e., \$200,000).

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32. Contract Tariffs (Cont'd)32.26 Contract Tariff Option 49 (Cont'd)(I) Calculation of TBR and Billing Credit (Cont'd)

(2) Calculation of Billing Credit at the End of the Service Period (Cont'd)

(d) Table 1#

(C) #

<u>Tier</u>	<u>TBR for</u> <u>Qualifying Services</u>		<u>IOF TBR for</u> <u>Qualifying Services</u>		<u>Billing</u> <u>Credit</u>	
	<u>Floor</u>	<u>Ceiling</u>	<u>Floor</u>	<u>Ceiling</u>	<u>Billing Credit</u>	
A	\$ 0.00M	\$31,051	\$ 0.00M	\$21,431	\$ 0	(C) #
B	\$31,051	\$33,201	\$21,443	\$22,985	\$ 135	
C	\$33,206	\$33,708	\$22,997	\$24,228	\$ 350	
D	\$33,713	\$34,722	\$24,240	\$26,714	\$ 963	
E	\$34,727	\$35,736	\$26,726	\$29,200	\$1,575	
F	\$35,741		\$29,212		\$2,073	

(C) #

for 6 mos remaining of contract as of April 1, 2008

(N)

Illustrative Examples:

Example 1:

Assume the customer's TBR for Qualifying Services equals \$66.5M (placing the customer in Tier D) but the customer's IOF TBR for Qualifying Services equals \$17.25M (placing the customer in Tier B), the customer will receive Tier B Billing Credit of \$200,000.

Example 2:

Assume the customer's TBR for Qualifying Services equals 70.5M (placing the customer in Tier F) but the customer's IOF TBR for Qualifying Services equals \$16.0M (placing the customer in Tier A), the customer will receive no Billing Credit.

Example 3:

Assume the customer's TBR for Qualifying Services equals 69.0M (placing the customer in Tier E) but the customer's IOF TBR for Qualifying Services equals \$25.0M (placing the customer in Tier F), the customer will receive tier E Billing Credit of \$1.8M.

- # FairPoint notified the customer of this change on or before March 15, 2008. The customer will have 60 days from April 1, 2008 to terminate this Contract with no penalties. The customer must notify FairPoint by May 30, 2008 to cancel this Contract.

(N)

(N)

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32. Contract Tariffs (Cont'd)32.26 Contract Tariff Option 49 (Cont'd)(I) Calculation of TBR and Billing Credit (Cont'd)

(3) Disputes, Releases and Waivers

(a) In calculating the Billing Credit, all of the following requirements shall apply.

- (1) The Telephone Company shall not include in the calculation of the Billing Credit any Disputed Charges remaining as of the forty-fifth (45th) calendar day following the end of the Service Period.
- (2) For the purpose of calculating the Billing Credit, the Telephone Company shall not include in MRCs any credits or debits for Qualifying Services provided during any periods prior to the Effective Date (regardless of whether such credits or debits were the result of a valid dispute by the customer or were the result of a billing error by the Telephone Company).
- (3) With respect to any dispute for Qualifying Services, the customer must provide sufficient claim detail to enable the Telephone Company to appropriately assess the dispute, including but not limited to, the Billing Account Number (BAN), circuit ID, USOC detail, amount in dispute, appropriate references within this tariff, and a full explanation regarding why the customer believes it was billed in error.

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32. Contract Tariffs (Cont'd)32.26 Contract Tariff Option 49 (Cont'd)(I) Calculation of TBR and Billing Credit (Cont'd)

(3) Disputes, Releases and Waivers (Cont'd)

(a) (Cont'd)

- (4) Upon resolution of any Disputed Charges, or disputes raised after the issuance of the Billing Credit in respect of amounts included in the TBR for Qualifying Services or the IOF TBR for Qualifying Services, amounts may be credited to the customer if the customer prevails, however notwithstanding anything to the contrary herein, there shall be no adjustment to the Billing Credit, the TBR for Qualifying Services or the IOF TBR for Qualifying Services calculated preceding, and the same shall apply regardless of the outcome of any Disputed Charges.
- (5) There will not be any adjustment to the Billing Credit, the TBR for Qualifying Services or the IOF TBR for Qualifying Services if the Telephone Company bills amounts after the determination of the Billing Credit that would have otherwise been included in the TBR for Qualifying Services or the IOF TBR for Qualifying Services calculated preceding.
- (6) The Billing Credit (as determined by the Telephone Company and agreed to by the customer) is not subject to dispute, except that the customer may dispute the Billing Credit only if the Billing Credit applied by the Telephone Company does not conform with the Billing Credits set forth in this Section (I).
- (7) The amount of the Billing Credit shall in no event be subject to any late payment, interest or penalty as set forth in Section 2 preceding.

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32. Contract Tariffs (Cont'd)32.26 Contract Tariff Option 49 (Cont'd)(J) Termination at the end of the Service Period

Subject to the terms set forth herein, the customer may terminate its subscription to this Option 49 at any time during the Service Period. The customer must provide written notice of such termination at least thirty (30) days prior to the requested date of termination. Termination of less than all of the Contract Tariffs options (i.e., terminations of Contract Tariff Option 48, or this Option 49, shall be deemed to be an automatic termination of all Contract Tariff options. If the customer terminates its subscription to this Option 49 at any time during the Service Period, the customer will not be entitled to the payment of any Billing Credit, pro rated or otherwise, after the termination date. All obligations set forth in other sections of this tariff with respect to the Qualifying Services shall continue to apply. If the customer terminates a Qualifying Service(s) during the Service Period, termination liability shall apply in accordance with the applicable term plan under which such Qualifying Service(s) is being billed.

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