

**THE VERIZON TELEPHONE COMPANIES**

**TARIFF F.C.C. NO. 1**

**CONTRACT TARIFF OPTION 57**

**TARIFF F.C.C. NO. 11**

**CONTRACT TARIFF OPTION 55**

**TARIFF F.C.C. NO. 14**

**CONTRACT TARIFF OPTION 29**

**DESCRIPTION**

**TRANSMITTAL NO. 1016**

**MAY 15, 2009**

## DESCRIPTION

The Verizon Telephone Companies (Verizon) are submitting tariff pages to introduce a new Contract Tariff Option (“Option”) in its Tariffs F.C.C. Nos. 1, 11 and 14. With this Option, the customer can receive Quarterly Billing Credits and other benefits when the customer maintains certain billed volumes of Special Access Qualifying Services that are included in this new Option, and meets other criteria as specified in the attached tariff pages.

This new Option is filed pursuant to the Pricing Flexibility relief granted to Verizon in certain qualifying Metropolitan Statistical Areas (“MSAs”).<sup>1</sup> The new Option is introduced as Contract Tariff Option 57 in Tariff F.C.C. No. 1, Contract Tariff Option 55 in Tariff F.C.C. No. 11, and Contract Tariff Option 29 in Tariff F.C.C. No. 14.

With this new Option, Qualifying Service unit volumes (“Watermarks”) are aggregated across Tariffs F.C.C. Nos. 1, 11, 14 and 16, however no Quarterly Billing Credits or other benefits of this new Option shall be provided or due with respect to Qualifying Services purchased under Tariff F.C.C. No. 16. Quarterly Billing credits will be applied only to the Qualifying Services which are located in MSAs that have achieved Phase I or Phase II pricing flexibility.

For each Qualifying Service type, the customer will receive Quarterly Billing Credits in an amount equal to the billed revenue for that Qualifying Service for the applicable Quarter **minus** the revenues derived from the Flat Rate pricing for the number of billed units for that Qualifying Service for the same Quarter (as further described in the attached tariff pages). The customer is also eligible for a One-Time Credit upon subscription to this new Option.

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<sup>1</sup> Memorandum Opinion and Order, In the Matter of Verizon Petitions for Pricing Flexibility for Special Access and Dedicated Transport Services, CCB/CPD Nos. 00-24, 00-28 (DA 01-663) released March 14, 2001, CCB/CPD File No. 01-27 (DS 02-706) released March 22, 2002, and WCB/Pricing No. 02-33 (DA 03-1024) released March 31, 2003.

All Quarterly Billing Credits are determined and calculated in accordance with the requirements specified in the attached tariff pages.

A complete description of the terms and conditions of this new Contract Option is included in the attached tariff pages.