21. Contract Tariffs

This section contains terms and conditions and rates and charges for contract tariffs provided by the Telephone Company. Individual contract tariffs are filed in 21.2 following.

21.1 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 Frontier Telephone Companies are set forth in this Tariff F.C.C. No. 4, Section 14; and Tariff F.C.C. No. 5, Section 19.

Each contract tariff includes a serving area that is comprised of one or more MSAs within the operating territories of one or more Frontier Telephone Companies. This tariff provides for service within the operating company of Frontier West Virginia, Inc. The remaining Frontier Telephone Companies participate in Tariff FCC No. 5, and/or No. 8 as shown below. These tariffs also specify the operating territories of each company.

When the serving area for a contract tariff encompasses more than one Frontier Telephone Company, that contract aggregates services, rates and charges, incentives and other contract-specific terms and conditions for MSAs within all of the Frontier Telephone Companies participating in that contract. The Frontier Telephone Companies and tariffs which contain MSAs are:

Tariff FCC No. 4
Frontier West Virginia Inc.

Tariff FCC No. 5
Frontier Communications of the Southwest, Inc.
Frontier North Inc.
Frontier Communications Northwest Inc.
Frontier Communications of the Carolinas Inc.
Frontier West Coast Inc.
Frontier Midstates Inc.

Tariff FCC No. 8
Frontier Communications of the Southwest Inc.
Frontier North Inc.
Frontier Communications Northwest Inc.
Frontier Communications of the Carolinas Inc.
Frontier West Virginia Inc.
Frontier Midstates Inc.

Contract Tariffs are subject to the regulations specified in all other sections of the applicable Telephone Company interstate tariff(s), unless otherwise specified.

21. Contract Tariffs (Cont'd)

21.2 Contract Tariff Option 22

(A) Scope

Contract Tariff Option 22 (**Option 22**) provides a discount to the monthly rates on Special Access High Capacity DS3 Service - Primary Premises Channel Termination (**SpA Primary Premises CT**) rate elements when the customer subscribes to High Capacity 44.736 Mbps Switched Access Services (**SwA DS3 Services**) and/or High Capacity 44.736 Mbps Special Access Services (**SpA DS3 Services**) in accordance with (B) through (F) following. Switched Access High Capacity DS3 Service - Primary Premises Channel Termination (**SwA Primary Premises CT**) rate elements are not eligible for the Option 22 discount, but are counted for the purpose of determining the rate step for eligibility and discounting on SpA Primary Premises CTs under this Option 22. A Primary Premises is a customer-designated premises where DS3 Services are either originated or terminated in accordance with Section 7.4.1(A)(1) preceding for SwA DS3 Service and SpA DS3 Services.

(B) Eligibility

To be eligible for the benefits provided under this Option 22, the customer must meet all of the following eligibility criteria.

(1) At the time of subscription to this Option 22, the customer must have a minimum count of twelve (12) SpA Primary Premises CTs and/or SwA Primary Premises CTs at each location that is within a Phase I or Phase II Metropolitan Statistical Area (**Qualifying Location**). Only those Qualifying Locations which the customer subscribes to Option 22 will be eligible for the benefits of this Option 22. The manner in which DS3 Primary Premises CTs are counted is specified in Section 7.4.1(A)(1) preceding for SwA DS3 Service and SpA DS3 Services. This count is used to determine the rate step and corresponding rate in the schedule set forth in Section 7.5.9 preceding for SpA DS3 Services.

(2) At each Qualifying Location, all SpA Primary Premises CTs at such Qualifying Location must be subscribed to this Option 22.

(3) In order to subscribe to Option 22, the customer must subscribe at least one (1) Qualifying Location that meets the criteria set forth herein during the Subscription Period as defined in (E) following.

21. Contract Tariffs (Cont'd)

21.2 Contract Tariff Option 22 (Cont'd)

(B) Eligibility (Cont'd)

(4) A customer must subscribe each individual Qualifying Location that it seeks to include under this Option 22 at any time during the Subscription Period in accordance with (E) following. The date on which a Qualifying Location is subscribed to Option 22 is the date that the Service Period (as set forth in (D) following) for that Qualifying Location commences and the date that the Option 22 discount for that Qualifying Location goes into effect. The Option 22 discount is further described in (F)(4) following.

As an illustrative example, assume that customer subscribes five (**5**) Qualifying Locations on April 1, 2005 in accordance with the terms of Option 22. Assume further that customer subscribes an additional 5 Qualifying Locations on June 1, 2005. Then, the Service Period and the Option 22 discount for the initial 5 Qualifying Locations shall commence on April 1, 2005. The Service Period and the Option 22 discount for the subsequent 5 Qualifying Locations shall commence on June 1, 2005.

(5) During its subscription to this Option 22, a customer may concurrently subscribe, either currently or at any time during the Service Period, to other contract tariff offerings in this Section 21 that offer a discount or billing credit based on achievement of a total quantity or total billed revenue for qualifying services. Other than as set forth in the prior sentence, the customer may not concurrently subscribe any of the SpA Primary Premises CTs included in this Option 22 to any other contract tariff option, special service arrangement, or ICB arrangement unless specifically allowed under such contract tariff option, special service arrangement, or ICB arrangement.

(C) Serving Area

(1) The serving area of Option 22 is comprised of all Phase I and Phase II Metropolitan Statistical Areas (**MSAs**) of this tariff. The Phase II MSAs are identified in Section 14.3 preceding.

(2) Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 14.3 preceding) that occur during the Service Period of this Option 22 will apply.

21. Contract Tariffs (Cont'd)

21.2 Contract Tariff Option 22 (Cont'd)

(D) Service Period

(1) The Service Period for each SpA Primary Premises CT at a Qualifying Location is the time that such SpA Primary Premises CT is in-service and subscribed to Option 22, whether under a Term Pricing Plan (**TPP**), Commitment Discount Plan (**CDP**), or other commitment period as described in (D)(1)(a) through (D)(1)(e) below and (F)(12) following (**Service Period**). In no event will the Service Period of any SpA Primary Premises CT extend beyond December 31, 2010.

(a) SpA Primary Premises CTs that are included in a TPP and which subscribe to Option 22 during the Subscription Period will have an initial Service Period that is equal to the TPP of the associated SpA DS3 Service. Upon expiration of the commitment period of such TPP, such SpA Primary Premises CT will be subject to the terms and conditions set forth in (F)(12) following. The Service Period shall commence on the date that the SpA Primary Premises CT is subscribed to Option 22 and terminate on the earlier of (i) the date of disconnection of the SpA Primary Premises CT, or (ii) December 31, 2010.

(b) SpA Primary Premises CTs that are included in a TPP and added to Option 22 during the Additional Service Window under (D)(2) following will have an initial Service Period equal to the TPP of the associated SpA DS3 Service. Upon expiration of the commitment period of such TPP, such SpA Primary Premises CT will be subject to the terms and conditions set forth in (F)(12) following. The Service Period for such additional SpA Primary Premises CT(s) shall commence on the date that service is installed (**Service Date**) and terminate on the earlier of (i) the date of disconnection of the SpA Primary Premises CT, or (ii) December 31, 2010. For SpA DS3 Service under a 5-year TPP that is still in effect on December 31, 2010, the Option 22 discount applicable to such SpA Primary Premises CT under this Option 22 will cease at the close of the day on December 31, 2010.

(c) A mix of 3-year and 5-year TPPs at the same Qualifying Location is permitted.

21. Contract Tariffs (Cont'd)

21.2 Contract Tariff Option 22 (Cont'd)

(D) Service Period (Cont'd)

(1) (Cont'd)

(d) As an illustrative example of the foregoing, assume the following:

(1) On March 20, 2005, the customer subscribes 5 Qualifying Locations in accordance with the terms of Option 22. Assume that all SpA Primary Premises CTs at all such Qualifying Locations are under new 3-year TPPs. Then, with respect to such 5 Qualifying Locations, the SpA Primary Premises CTs at each such Qualifying Location shall have a Service Period of 3 years commencing on March 20, 2005, and shall receive the Option 22 discount from such date.

(2) On March 20, 2008, the customer renews/extends its TPP at 4 Qualifying Locations for a new 5-year commitment period and adds 10 new SpA Primary Premises CTs at each of the 4 Qualifying Locations. Then, in accordance with (F)(12) following, the Service Period of the SpA Primary Premises CTs at each such Qualifying Location, and the Option 22 discount will be available until the earlier of (i) the date of disconnection of the SpA Primary Premises CT, or (ii) December 31, 2010. In accordance with this Section (D), the Service Period and the Option 22 discount for the newly added SpA Primary Premises CTs at each location commences on March 20, 2008 and ends on (i) the date of disconnection of the SpA Primary Premises CT, or (ii) December 31, 2010. The TPP commitment period for all SpA Primary Premises CTs at such Qualifying Locations are unaffected by the Service Period under this Option 22 and shall terminate on March 20, 2013.

(3) On March 20, 2008, the 3-year commitment period at the fifth Qualifying Location terminates and the customer continues the SpA Primary Premises CTs at such Qualifying Location on a month to month basis. Then, in accordance with (F)(12) following, the Service Period of each SpA Primary Premises CTs at such fifth Qualifying Location and the Option 22 discount to each SpA Primary Premises CT at such Qualifying Location will be available until the earlier of (i) the date of disconnection of the SpA Primary Premises CT, or (ii) December 31, 2010.

(e) SpA Primary Premises CTs included in a 3-year or 5-year CDP will have an initial Service Period equal to the number of months remaining in the CDP commitment period in accordance with (F)(2) following, and such Service Period will continue under the terms and conditions set forth in (F)(12) following.

(f) The Service Period of SpA Primary Premises CTs under this Option 22 does not change or affect the commitment period the customer selected for its TPP or CDP under other sections of this tariff.

21. Contract Tariffs (Cont'd)

21.2 Contract Tariff Option 22 (Cont'd)

(D) Service Period (Cont'd)

(2) Following initial subscription to Option 22, a customer may order additional SpA DS3 Services to be installed at a Qualifying Location at any time prior to March 31, 2008 (**Additional Service Window**). Such additions must be ordered with a 3-year or 5-year TPP or CDP, and the SpA Primary Premises CT rate elements will automatically receive the Option 22 discount in accordance with this Option 22.

SpA DS3 Services that are installed at a Qualifying Location at any time after the March 31, 2008 are not eligible for the Option 22 discount on the SpA Primary Premises CT rate elements. Such SpA DS3 Services may be ordered under any then available SpA DS3 Service offering or term plan set forth in other sections of this tariff.

(E) Subscription to Option 22

(1) Subscription of each Qualifying Location which the customer wishes to include in Option 22 must occur during the Subscription Period that begins March 16, 2005 and ends December 31, 2005 and in accordance with (E)(2) following (**Subscription Window**).

(2) A customer subscribes a Qualifying Location to Option 22 by submitting its request in writing during the Subscription Period specified in (E)(1) preceding. The request shall be submitted in a manner designated by the Telephone Company and must include, at a minimum, the following information.

(a) The Qualifying Locations, as defined in (B)(1) preceding, which are to be included in this Option 22. For each Qualifying Location, the customer must specify the Access Customer Terminal Location (**ACTL**), or in the alternative, the location of the Primary Premises. All Qualifying Locations that the customer seeks to include in this Option 22 must be subscribed to this Option 22 at any time during the Subscription Period as set forth in (E)(1) preceding.

(b) The date of subscription to Option 22. The date of subscription for a Qualifying Location is the date that the Telephone Company receives the customer's written request to subscribe such Qualifying Location to Option 22. The customer may specify a later date for its subscription to Option 22 provided that such date is no later than December 31, 2005. The date of subscription serves as the date on which the Service Period for SpA Primary Premises CTs at a Qualifying Location commences. For in-service SpA Primary Premises CTs that are subscribed to during the Subscription Period, the Option 22 discount commences with the date of subscription. For SpA Primary Premises CTs that are added during the Additional Service Window, the Service Period and Option 22 discount commence on the Service Date of the associated SpA DS3 Service.

(c) A list of Telephone Company circuit identification numbers for the SpA DS3 Services at that Qualifying Location. For each circuit identification number on the list, the customer must also specify the TPP or CDP for the SpA Primary Premises CTs as a 3-year or a 5-year period in accordance with (D)(1) preceding and (F) following.

21. Contract Tariffs (Cont'd)

21.2 Contract Tariff Option 22 (Cont'd)

(F) Terms and Conditions

(1) Extension or Conversion of Existing Services

In order to include a Qualifying Location in this Option 22, the customer must extend the commitment period of the current TPP or CDP or must convert the current TPP or CDP on each SpA DS3 Service at each Qualifying Location as follows:

(a) Extension of TPPs

(1) When subscribing a Qualifying Location that includes SpA DS3 Service(s) that have been in-service under their current 3-year or 5-year TPP for four (4) months or less, the customer has the option to either (i) subscribe the SpA Primary Premises CT(s) at that Qualifying Location to Option 22 under their existing TPP without having to extend the TPP under (F)(1)(a)(2) following, or (ii) subscribe the SpA Primary Premises CT(s) at that Qualifying Location to Option 22 by extending the TPP in accordance with (F)(1)(a)(2) following. The terms applicable to a 3-year extension or a 5-year extension are set forth in (F)(1)(a)(4) following.

(2) Except as set forth in (F)(1)(a)(1) preceding, the customer must extend the TPP on each SpA DS3 Service at a Qualifying Location that has been in-service under its current 3-year or 5-year TPP for more than four (4) months at the time of subscription to Option 22 by selecting a new 3-year or 5-year TPP for each SpA DS3 Service. The terms applicable to a 3-year extension or a 5-year extension are set forth in (F)(1)(a)(4) following. SpA Primary Premises CTs that are under a TPP at the time of subscription to Option 22 are subject to the regulations set forth in (D)(1) preceding.

(3) Where the SpA Primary Premises CT at a Qualifying Location is under a month-to-month billing option at the time of subscription to Option 22, the customer must convert each month-to-month billed SpA DS3 Service at a Qualifying Location to a 3-year or 5-year TPP. No TISC as described in (F)(1)(a)(4) following will be granted for the time that the SpA DS3 Service was under a month-to-month billing option.

(4) Method of Extending TPPs and Associated TISC

(a) A TPP is extended by canceling the current TPP and subscribing to an extended (new) TPP with an equal or greater term in accordance with Section 7.4.13(A) preceding. Specifically, a 3-year TPP must be extended to a new 3-year TPP or a new 5-year TPP, and a 5-year TPP must be extended to a new 5-year TPP. Time-in-service credit (**TISC**) of one (1) year will apply towards the commitment period of the new TPP, regardless of the actual time that the SpA DS3 Service was in-service under its current TPP. TISC reduces the period of time during which the customer is subject to termination liability under the new TPP. For example, a customer subscribing to a 3-year TPP with 1 year of TISC applied is no longer subject to termination liability if the customer terminates the service after month twenty-four (24) of the commitment period (3-year commitment period less 1 year of TISC = 24 months).

(b) When extending the commitment period under this F(1)(a)(4), termination liability and minimum period obligations as set forth in Section 7.4.13 preceding are not applicable to cancellation of the current 3-year or 5-year TPP.

21. Contract Tariffs (Cont'd)

21.2 Contract Tariff Option 22 (Cont'd)

(F) Terms and Conditions (Cont'd)

(1) Extension or Conversion of Existing Services (Cont'd)

(b) Conversion of Expired TPP

A customer with an expired 3-year or 5-year TPP at a Qualifying Location must convert such SpA DS3 Service at that Qualifying Location to a new 3-year or 5-year TPP. TISC of one (1) year will apply towards the commitment period of the new TPP. TISC reduces the period of time during which the customer is subject to termination liability under the new TPP.

(2) Terms and Conditions for Special Access DS3 Services That Are Included in a CDP

For a customer whose Special Access DS3 Services are included in a CDP as set forth in Section 25 following, the customer must choose one of the following options:

(a) If the expiration date for the CDP is on or after December 31, 2007, no action is required.

(b) If the expiration date of the CDP is prior to December 31, 2007, the customer must choose one of the following options prior to the expiration date of the CDP commitment period.

(1) Extend the commitment period of the CDP under the terms and conditions set forth in Section 25.1.8(D) following; or

(2) Convert the Special Access DS3 Services upon expiration of the CDP commitment period to a 3-year or 5-year TPP with a commitment period that begins with the expiration of the CDP.

(3) With the exception of the SpA Primary Premises CTs specified in this Option 22, no other Special Access DS3 channel terminations are eligible for the Option 22 discount including any channel termination associated with Type 1 Facility Management Service, Switched Access DS3 Primary Premises Entrance Facilities CTs, and Special Access DS3 Secondary Premises CTs.

21. Contract Tariffs (Cont'd)

21.2 Contract Tariff Option 22 (Cont'd)

(F) Terms and Conditions (Cont'd)

(4) Option 22 Discount Levels and Application of the Option 22 Discount

(a) Option 22 offers a discount to SpA Primary Premises CT rate elements that meet the terms and conditions of this Option 22. Only those SpA Primary Premises CTs that are subscribed to Option 22 and meet the requirements set forth herein will receive the Option 22 discount set forth in (F)(4)(d) following. The discount level is determined by the rate step achieved for the number of in-service SpA Primary Premises CTs at a Qualifying Location as set forth in (F)(4)(d) following.

(b) The Telephone Company will first apply any discount associated with the TPP or CDP under which the SpA DS3 Service is ordered, and then apply the Option 22 discount to that already discounted rate. For example: assume that the monthly rate for a SpA Primary Premises CT is $1,000 and that the TPP discount is ten percent (10%). Also assume that the applicable discount based on the rate step achieved in (F)(4)(d) following is fifteen percent (15%) under this Option 22. The Telephone Company will first apply the TPP discount to the monthly rate [$1,000 - ($1,000 x 10%) = $900] and then apply the Option 22 discount to that already reduced rate [$900 - ($900 x 15%) = $765].

(c) When the SpA Primary Premises CTs are also under another contract tariff option in this Section 21 for which minimum revenue, total revenue or minimum quantities of SpA DS3 Services are measured on an aggregate basis, the Telephone Company will apply the Option 22 discount in the manner specified in (F)(4)(b) preceding prior to applying any discount associated with the other contract tariff option.

(d) The following discounts apply to Option 22.

Billable Number of Special Access and Switched Access* Primary Premises CTs	
Rate Step 12 - 39	15%
Rate Step 40 or higher	20%

* SwA DS3 Primary Premises CTs are not eligible for the Option 22 discount, but are counted for the purpose of determining the rate step applicable to Primary Premises CTs.

21. Contract Tariffs (Cont'd)

21.2 Contract Tariff Option 22 (Cont'd)

(F) Terms and Conditions (Cont'd)

(4) Option 22 Discount Levels and Application of the Option 22 Discount (Cont'd)

(e) For each month during the Service Period where the customer has achieved a rate step of at least twelve (12) Primary Premises CTs at a Qualifying Location, the Option 22 discount will be applied that month to all SpA Primary Premises CTs at that Qualifying Location. The discount level for each Qualifying Location in a particular month is determined by the rate step achieved for the number of billable in-service Primary Premises CTs in that month at such Qualifying Location.

(f) For each month during the service period where the customer has not achieved a rate step of at least twelve (12) Primary Premises CTs at a Qualifying Location, the Option 22 discount will not be applied that month to any SpA Primary Premises CTs at such Qualifying Location. The customer will continue to receive any other discount it would normally receive under other sections of this tariff. For example, the customer will be eligible for any CDP or TPP related discounts. The customer will also be eligible to receive the Option 22 discount at any other Qualifying Location(s) where the customer has achieved a rate step of at least twelve (12) Primary Premises CTs.

The customer shall remain subscribed to Option 22 and continue to receive the Option 22 discount at any Qualifying Location in those future months where the minimum rate step has been achieved until the SpA Primary Premises CT is disconnected or at the end of the Service Period as described (F)(12) following, whichever occurs first.

(5) The Option 22 discount will not apply to any obligations or calculations involving cancellation charges as described in Section 5.2.3 preceding or minimum period charges described in Section 5.2.6 preceding.

(6) The Option 22 discount will apply to any obligations or calculations involving termination liability or shortfall charges as specified in other sections of this tariff.

(7) At the end of the applicable Service Period, the Option 22 discount will cease.

(8) Except as set forth in (F)(6) preceding, termination liability applies to any discontinuance of SpA Primary Premises CTs prior to the end of the Service Period in accordance with Section 7.4.13 preceding for SpA Primary Premises CTs included in a TPP, or for SpA Primary Premises CTs included in a CDP in accordance with Section 25 following.

(9) Shared Use as set forth in Section 5.2.8 preceding is allowed on DS3 Services. The Option 22 discount will only be applied to the portion of the SpA Primary Premises CT that is rated as SpA DS3 Service.

21. Contract Tariffs (Cont'd)

21.2 Contract Tariff Option 22 (Cont'd)

(F) Terms and Conditions (Cont'd)

(10) Unless explicitly superseded by the terms and conditions set forth herein, all terms and conditions including termination liability, shortfall charges, and minimum periods, as stated in other sections of this tariff, apply to SpA Primary Premises CTs under this Option 22.

(11) Shortfall charges for failure to maintain the CDP minimum commitment also apply in accordance with the terms and conditions set forth in Section 25 following.

(12) At the expiration of the initial 3-year or 5-year Service Period under the applicable TPP or CDP, the customer has the following options:

(a) disconnect service; or

(b) continue with the service on a month-to-month basis, during which time the customer will receive the Option 22 discount in accordance with this Option 22 through December 31, 2010; or

(c) renew or extend the expired TPP or CDP under the terms and conditions specified for the applicable TPP or CDP. If the renewed or extended TPP or CDP is still in effect on December 31, 2010, the Option 22 discount will cease at the close of the day on December 31, 2010; or

(d) select any then effective term plan or commitment plan applicable to DS3 Primary Premises CTs, during which commitment period the Option 22 discount will be applied to the reduced term plan or commitment plan discounted base rates, as applicable, through December 31, 2010, unless prohibited by such term plan or commitment plan; or

(e) convert its expired CDP to a TPP under the terms specified in (F)(2) preceding. In this case, the customer will continue to receive the Option 22 discount in accordance with this Option 22 through the end of the TPP or December 31, 2010, whichever occurs first.

Notwithstanding the foregoing, in no event will the Option 22 discount be provided after December 31, 2010.

21. Contract Tariffs (Cont'd)

21.3 Contract Tariff Option 33

(A) Scope

(1) Contract Tariff Option 33 (**Option 33**) provides discounted monthly rates for Special Access Dedicated SONET Broadband Transport Service (**DSBT**) and Special Access multiplexed Dedicated SONET Broadband Transport Service (**multiplexed DSBT**) which are ordered in accordance with the requirements set forth in this Option 33. DSBT that are eligible for subscription to this Option 33 are specified in (A)(2) following.

(2) The following DSBT are eligible for subscription to this Option 33 when the conditions set forth herein are met.

(a) Customer orders a new DSBT (point-to-point or multiplexed) during the subscription period set forth in (B)(1) following (**new DSBT**). Except as allowed under (B)(4)(b) following, a new DSBT can not be a point-to-point DSBT or a multiplexed DSBT 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 33; or

(b) Customer upgrades an existing point-to-point or multiplexed DSBT to a point-to-point or multiplexed DSBT of a greater capacity (e.g., an upgrade of an OC3 DSBT to an OC12 DSBT) (**upgrade of DSBT**). 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 DSBT or an existing multiplexed DSBT, in each case, where the term plan is scheduled to expire prior to December 31, 2006 (**renewal of DSBT**). 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 DSBT term plan, no other changes may be made to the DSBT 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 21.3 apply to customers who order a new DSBT, an upgrade of DSBT, or a renewal of DSBT as offered herein.

21. Contract Tariffs (Cont'd)

21.3 Contract Tariff Option 33 (Cont'd)

(B) Eligibility

All of the following requirements must be met in order to be eligible for subscription to Option 33.

(1) A customer must subscribe to Option 33 by submitting a written authorization in a manner designated by the Telephone Company during the subscription period which begins on December 27, 2005 and ends on December 31, 2006 (**Subscription Period**).

(2) A customer must be ordering a new DSBT, an upgrade of DSBT, or a renewal of DSBT as defined in (A)(2) preceding and in accordance with this Option 33.

(3) For an upgrade of DSBT, the replacing point-to-point DSBT or multiplexed DSBT:

(a) must be a greater capacity than the DSBT being replaced (e.g., replacing an OC12 DSBT with an OC48 DSBT); 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 DSBT. For example, a point-to-point DSBT under a 5-year term plan with 40 months remaining in the commitment period can only upgrade to DSBT with a 5-year Service Period; and

(c) must have at least one location that was part of the service configuration of the replaced DSBT.

(4) A customer may not subscribe DSBT under this Option 33 to any other contract tariff option set forth in this Section 21 except as follows:

(a) A customer who subscribes to DSBT under this Option 33 may concurrently subscribe that DSBT 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.

21. Contract Tariffs (Cont'd)

21.3 Contract Tariff Option 33 (Cont'd)

(C) Serving Area

(1) The serving area of Option 33 is comprised of the Phase I and Phase II Metropolitan Statistical Areas (**MSAs**) of this tariff. Phase II MSAs are listed in Section 14.3 preceding.

(2) Wire centers for the Phase II MSAs are listed in Section 14.3 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 33 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 DSBT under this Option 33, 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 DSBT, an upgrade of DSBT, or a renewal of DSBT under this Option 33 is that period of time during which the customer is subscribed to this Option 33. Customer must select a term period for its DSBT or multiplexed DSBT service from those offered under Section 8.2(C)(1) preceding. The term periods under Section 8.2(C)(1) preceding for DSBT 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 DSBT is a minimum of twelve (12) months. The customer may continue its subscription to this Option 33 until the DSBT is disconnected or until the first bill period following December 31, 2016, whichever occurs first.

(2) The selected Service Period for a new DSBT or an upgrade of DSBT under this Option 33 commences with the date that billing for the new DSBT or upgrade of DSBT commences. The selected service period for a renewal of DSBT under this Option 33 commences on the first day following the expiration date of the commitment period for the expiring term plan. For example, the Service Period for a DSBT that is due to expire May 27, 2006 and is renewed in accordance with this Option 33 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 33.

21. Contract Tariffs (Cont'd)

21.3 Contract Tariff Option 33 (Cont'd)

(E) Terms and Conditions

(1) Except as set forth in this Section 21.3, the terms and conditions and application of rates and charges as set forth in Section 8.2 preceding apply to the new DSBT, an upgrade of DSBT, or a renewal of DSBT.

(2) The rates for DSBT subscribed to this Option 33 are set forth in (F) following and will be applied for the duration of the Service Period specified in (D) preceding. Only those DSBTs that are ordered as new, as an upgrade of DSBT, or as a renewal of DSBT during the subscription period of this Option 33 will receive the rates set forth in (F) following. DSBTs ordered at any time prior to, or after, the subscription period of this Option 33 are not eligible for the rates set forth in (F) following. Such DSBTs are subject to the rates and charges set forth in Section 8.2(E) preceding (as determined in accordance with Section 14.3 preceding).

(3) Except as set forth in this Option 33, 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 DSBT, the upgrade of DSBT, or the renewal of DSBT subscribed to this Option 33 and to any other service connected to such DSBT.

(4) For customers who subscribe DSBT to this Option 33 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 Companyno 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 DSBT or multiplexed DSBT service.

21. Contract Tariffs (Cont'd)

21.3 Contract Tariff Option 33 (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 DSBT, an upgrade of DSBT, or a renewal of DSBT that is subscribed to this Option 33 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 8.2(C)(11) preceding.

(2) When calculating any termination liability charge under this Option 33, 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 8.2(E) preceding (as determined in accordance with Section 14.3 preceding).

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

Minimum period charges apply to a new DSBT, an upgrade of DSBT, or a renewal of DSBT when such DSBT is subscribed to this Option 33 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 33, 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 8.2(E) preceding (as determined in accordance with Section 14.3 preceding).

(6) Shared Use as set forth in Section 5.2.8 preceding is allowed under this Option 33; however, only the Special Access portion of the new DSBT, the upgrade of DSBT or the renewal of DSBT 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 33, 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 8.2(E) 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 33 or on the first bill date following December 31, 2016, whichever occurs first.

21. Contract Tariffs (Cont'd)

21.3 Contract Tariff Option 33 (Cont'd)

(F) Rates and Charges

The following rates will be applied to a new DSBT, an upgrade of DSBT, or a renewal of DSBT 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 DSBT after the end of the Service Period or Extended Service Period, as applicable, and for any other rate not shown, whether for the DSBT or for a service connected to such DSBT, the rates and charges set forth in other sections of this tariff apply.

(1) Special Access Terminations, each

	Monthly Rates	Nonrecurring Charges
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
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

21. Contract Tariffs (Cont'd)

21.3 Contract Tariff Option 33 (Cont'd)

(F) Rates and Charges (Cont’d)

(2) Special Access Ports*, per Termination

	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
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 33 rates applicable to low speed ports.

21. Contract Tariffs (Cont'd)

21.3 Contract Tariff Option 33 (Cont'd)

(F) Rates and Charges (Cont'd)

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

	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	600.00	3.00
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 33 rates applicable to low speed ports.

21. Contract Tariffs (Cont'd)

21.3 Contract Tariff Option 33 (Cont'd)

(F) Rates and Charges (Cont'd)

(3) Special Access IOF Mileage

	Monthly Rates	Nonrecurring Charges
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		
Basic Month-to-Month	3,600.00	696.00
Basic 3-Year	3,500.00	630.00
Basic 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
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/FPD3-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

21. Contract Tariffs (Cont'd)

21.3 Contract Tariff Option 33 (Cont'd)

(F) Rates and Charges (Cont'd)

(4) Special Access Multiplexing Capability

(a) Per Arrangement

	Monthly Rates	Nonrecurring Charges
OC3 Multiplexer		
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		
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		
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

21. Contract Tariffs (Cont'd)

21.3 Contract Tariff Option 33 (Cont'd)

(F) Rates and Charges (Cont'd)

(4) Special Access Multiplexing Capability

(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
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 33 discount.

21. CONTRACT TARIFFS (Cont'd)

21.4 Contract Tariff Option 39

(A) Scope

(1) Contract Tariff Option 39 (**Option 39**) 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 23.1 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 23.1 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 did not select a new plan under Section 23.1(D)(2) following or extend the expiring commitment period under Section 23.1(I) following; or (ii) that will expire during the subscription period described in (B)(1) following (collectively, **renewal of DSR**).

(2) Option 39 provides discounted monthly rates for a new DSR, an upgrade of DSR, or a renewal of DSR when ordered in accordance with the terms of this Option 39. Switched Access DSR rate elements as set forth in Section 23.1 following are not eligible for the Option 39 rates and charges set forth in (H) following.

(B) Eligibility Requirements

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

(1) A customer must subscribe to Option 39 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 39 rates and charges set forth in (H) following, unless the later service date is designated by the Telephone Company.

21. CONTRACT TARIFFS (Cont'd)

21.4 Contract Tariff Option 39 (Cont'd)

(B) Eligibility Requirements (Cont'd)

(3) A customer must order a new DSR, an upgrade of DSR, or a renewal of DSR, as applicable, in accordance with this Option 39 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, a new DSR does not include a DSR service that was subscribed to under another contract tariff option in this Section 21 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 39 is subject to all of the following requirements.

(a) One (1) or two (2) existing DSRs (**the old DSR(s)**) must be 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 must be 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 must be 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 must be 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 must be 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.

21. CONTRACT TARIFFS (Cont'd)

21.4 Contract Tariff Option 39 (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 39 and are not eligible for the Option 39 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) Serving Area

(1) The serving area of Option 39 consists of the Metropolitan Statistical Areas (**MSAs**) set forth in (C)(1)(a) and (b) following.

(a) In the following MSAs, the Option 39 discount will be applied to all of the eligible rate elements for the service as specified in (E) following.

Charleston WV	MSA #140
Huntington-Ashland WV-KY-OH	MSA #110

(b) In the following MSAs, the Option 39 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.

Wheeling WV-OH	MSA #178

(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 39 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 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.

21. CONTRACT TARIFFS (Cont'd)

21.4 Contract Tariff Option 39 (Cont'd)

(D) Service Period

The Service Periods for DSR that is subscribed to this Option 39 are as follows:

(1) The **Service Period for a new DSR or a renewal of DSR** that is subscribed to this Option 39 is sixty (60) months. The Service Period for a new DSR or a renewal of DSR may be extended under (D)(8) following.

(2) The **Service Period for an upgrade of DSR** that is subscribed to this Option 39 is sixty (60) months. The customer may elect the transitional billing option set forth in (G)(5) following for an upgrade of DSR, in which case the Service Period is extended to sixty-two (62) months. The Service Period for an upgrade of 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 39. 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 23.1 following.

(4) The Service Period for a new DSR under (D)(1) preceding or the replacing DSR for an upgrade of 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 39 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 39 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 39 prior to May 27, 2006 shall commence on May 28, 2006.

(7) During the applicable Service Period, the customer is subject to termination liability under (G)(6) following if service under this Option 39 is discontinued prior to the end of the Service Period or a port purchased under Section 23.1 following is discontinued prior to the end of the Service Period for the associated DSR.

21. CONTRACT TARIFFS (Cont'd)

21.4 Contract Tariff Option 39 (Cont'd)

(D) Service Period (Cont'd)

(8) Node Additions

(a) General

An additional node(s) may be added to a DSR that is subscribed to this Option 39 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 39 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 23.1 following (as determined in accordance with Section 14.3 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.

(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 23.1 following (as determined in accordance with Section 14.3 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.

21. CONTRACT TARIFFS (Cont'd)

21.4 Contract Tariff Option 39 (Cont'd)

(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 39.

(F) Application of Rates and Charges

(1) The rates and charges for this Option 39 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 39.

(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 23.1 following, apply to the DSR services subscribed to under this Option 39.

(1) The Option 39 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 23.1 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 39 and other sections of this tariff. For all other nodes, the rates set forth in Section 23.1(L) following (as determined in accordance with Section 14.3 preceding) are used.

21. CONTRACT TARIFFS (Cont'd)

21.4 Contract Tariff Option 39 (Cont'd)

(G) Terms and Conditions (Cont'd)

(3) Work Activity Ordered on DSR Subscribed to Option 39

(a) With the exception of adding a node under (D)(8) preceding, removing a node of a DSR service subscribed to under this Option 39, or adding or removing ports under (G)(3)(b) following, any replacements, rearrangements, or other physical change to the service subscribed to Option 39 will result in cancellation of the customer's subscription to this Option 39 for that service, in which case the rates and charges set forth in Section 23.1 following (as determined in accordance with Section 14.3 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 39 in accordance with Section 23.1 following, except that such ports will be subject to termination liability under (G)(6) following.

(4) Subscription to Other Contract Tariff Options

(a) A customer subscribing to DSR services under this Option 39 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 39 discount to any other contract tariff, unless subscription of such DSR is explicitly allowed under that contact 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, 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 39 is extended to 62 months and the customer will receive two (2) months of transitional billing credit for an upgrade of 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.

21. CONTRACT TARIFFS (Cont'd)

21.4 Contract Tariff Option 39 (Cont'd)

(G) Terms and Conditions (Cont'd)

(5) Transitional Billing (Cont'd)

(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 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 39) for which the customer orders the transitional billing option. Transitional billing credit is not applicable to ports or to any other rate element associated with the existing DSR or the replacing DSR.

(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 23.1 following.

(b) Termination liability will apply if the DSR subscribed to this Option 39, a portion of the DSR subscribed to this Option 39, or a port purchased under Section 23.1 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 23.1 following (as determined in accordance with Section 14.3 preceding) are used in the calculation.

(c) Termination liability does not apply if the DSR subscribed to this Option 39, a portion of the DSR subscribed to this Option 39, or a port purchased under Section 23.1 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.

21. CONTRACT TARIFFS (Cont'd)

21.4 Contract Tariff Option 39 (Cont'd)

(G) Terms and Conditions (Cont'd)

(7) Shared Use as set forth in Section 5.2.8 preceding is allowed under this Option 39; 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 39, as applicable, the customer subscription to this Option 39 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 23.1 following (as determined in accordance with Section 14.3 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 or upgraded DSR will continue in accordance with (G)(8)(c) preceding.

21. CONTRACT TARIFFS (Cont'd)

21.4 Contract Tariff Option 39 (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 39. 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 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.

	Monthly Rates	Nonrecurring Charges
(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

	Monthly Rates
(3) Ring **Mileage**, per mile	
OC12	$287.20
OC48	450.00
OC192	831.35

21. Contract Tariffs (Cont'd)

21.5 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) as well as other credits as set forth herein.

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., $10M shall mean $10,000,000).

(B) Eligibility

The customer must meet all of the following criteria in order to be eligible to receive the Billing Credits, Fiber to the Cell Credit, and COW & COLT Credit of this Option 49.

(1) The customer must be a commercial mobile radio service provider and all Qualifying Services (as defined in (E)(1) following) must originate or terminate on the customer's wireless network.

(2) During the twelve (12) month period prior to the commencement of the Service Period, the customer, together with all its commercial mobile radio service provider affiliates, must have achieved a minimum of $155M in aggregate monthly billed recurring revenue for all Qualifying Services purchased by the customer from the Telephone Company.

(3) During the Service Period, in order to receive any Billing Credit, Fiber to the Cell (**FTTC**) Credit, or COW & COLT Credit (as defined in (K) following), the customer must:

(a) Meet or exceed the Annual Revenue Commitment (**ARC**)**,** as described in (K) following; and

(b) Satisfy the Annual Grooms Restriction, as described in (N) following.

(4) The customer must concurrently subscribe to National Discount Plan (**NDP**) as set forth in Section 25.3 following and, in order to receive any Billing Credit, FTTC Credit, or COW & COLT Credit hereunder, remain subscribed to NDP throughout the Service Period. The Billing Credits provided herein are in addition to, and do not alter, any of the existing service discounts/term plans available under NDP.

(5) The customer must subscribe to Option 49 by submitting a written authorization in a manner designated by the Telephone Company during the period beginning January 31, 2008 and ending February 29, 2008. Such subscription must include a list of Customer ACNA(s) which the Telephone Company agrees to, in writing, for inclusion in this Option 49.

21. Contract Tariffs (Cont'd)

21.5 Contract Tariff Option 49 (Cont'd)

(B) Eligibility (Cont'd)

(6) Except as described in (B)(4) preceding, 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 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.

(7) The ARC/ARC+, as described in (K) following, for Qualifying Services shall be calculated using the criteria and mechanism set forth in this Option 49. The amount of any Billing Credit or FTTC Credit shall vary depending on the level of actual ARC/ARC+ for Qualifying Services achieved by the customer during each year of the Service Period. The Billing Credits, FTTC Credit, and COW & COLT Credit shall be calculated in accordance with the terms and conditions of this Option 49.

(C) Service Period

The Service Period of this Option 49 shall be for a period of eight (8) years commencing on February 1, 2008, and ending on January 31, 2016.

(D) Serving Area

(1) The Billing Credits, FTTC Credit, and COW & COLT Credit will be provided only in the Metropolitan Statistical Areas (**MSAs**) that have achieved Phase I or Phase II pricing flexibility under this tariff, and Frontier Telephone Companies Tariff F.C.C. No. 5 (**FCC5**). Wire centers for the Phase II MSAs are listed in Section 14.3 preceding of this tariff, and Section 19.1 of FCC5. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 14.3 preceding of this tariff and Section 19.1 of FCC5) that occur during the Service Period of this Option 49 will apply. No Billing Credits, FTTC Credit, or COW & COLT Credit will be provided in the operating territories of Frontier Telephone Companies Tariff F.C.C. No. 6 (**FCC6**).

(This page filed under Transmittal No. 5)
Vice President, Government and Regulatory Affairs
180 S. Clinton Ave., Rochester, NY 14646

21. Contract Tariffs (Cont'd)

21.5 Contract Tariff Option 49 (Cont'd)

(E) Qualifying Services

(1) Description of Qualifying Services

Qualifying Services will be comprised of Special Access DS1 and DS3 Services as set forth in Section 7.2.9 preceding of this tariff, Section 5.3.6 of FCC5, and Section 7.11.1 of FCC6, 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 MetroLAN services (as set forth in FCC5 and FCC6) and Facilities Management Services (FMS as set forth in this tariff) will not be included.

(b) For the Qualifying Services set forth above, the associated rate elements must be billing under one of the following Universal Service Order Codes (USOCs):

1A5LX	1A5ZS	1A8ZS	1HH7S	1HHBS
1HHPS	1J53S	1J54S	1L5LS	1L5RS
1L5XX	1LFMX	1LFSX	1T58S	1U5PS
1YA8S	TRG	FQYU1	FQYU2	FQYU3
FQYU4	FQYU5	FQYU6	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	1CFL3	1CFL5
1CFL7				

21. Contract Tariffs (Cont'd)

21.5 Contract Tariff Option 49 (Cont'd)

(E) Qualifying Services

(1) (Cont'd)

(b) (Cont'd)

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

21. <u>Contract Tariffs</u> (Cont'd)

21.5 <u>Contract Tariff Option 49</u> (Cont'd)

(E) Qualifying Services

(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 this Option 49. If the Telephone Company, subsequent to January 31, 2008, determines that one or more USOC(s) were omitted from the preceding list in error, the Telephone Company shall amend the list to include such USOC(s) for all purposes hereunder. If the Telephone Company replaces or changes any of the USOC(s) listed in (E)(1) preceding, or creates any new USOC(s), in each case that fit within the description of the Qualifying Services set forth in this Section (E), the Telephone Company shall amend the list preceding to include such USOC(s) for all purposes hereunder as of the date of the replacement, changing or creation of such USOC(s), as applicable.

(F) Revenues Included/Not Included in Calculation of ARC/ARC+ for Qualifying Services

(1) Revenues Included in Calculation of ARC/ARC+ for Qualifying Services

The customer's ARC/ARC+ for Qualifying Services shall include <u>only</u> 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, including NDP, if applicable, for the Qualifying Services billed during any year of the Service Period under the USOCs set forth in (E)(1) preceding, and excluding Disputed Charges.

(b) For purposes of this Option 49, **Disputed Charges** shall mean MRCs for the Qualifying Services billed during any year of the Service Period, which amounts are under dispute by the customer <u>and</u> have been paid in full by the customer, as of the thirtieth (30th) calendar day following the end of the applicable quarter or year of the Service Period in accordance with (K) following. Amounts which have not been paid in full (regardless of whether or not such amounts are under dispute by the customer), shall also be excluded in the ARC/ARC+ for Qualifying Services for the applicable year of the Service Period.

(c) For purposes of this Option 49, "paid in full" shall refer to amounts that the customer paid for the Qualifying Services, in accordance with the terms of this tariff, FCC5, or FCC6, as applicable, and shall not include any amounts that are Disputed Charges. In the event that the customer disputes some but not all charges on a bill, the charges that are not disputed shall, upon payment thereof, be considered "paid in full" for purposes of this Option 49.

21. Contract Tariffs (Cont'd)

21.5 Contract Tariff Option 49 (Cont'd)

(F) Revenues Included/Not Included in Calculation of ARC/ARC+ for Qualifying Services (Cont'd)

(2) Examples of Revenues Not Included in Calculation of ARC/ARC+ for Qualifying Services

ARC/ARC+ for Qualifying Services does not include any revenues other than 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 January 31, 2008;
(g) shortfall or overage charges associated with term plan true-ups;
(h) minimum period charges;
(i) any Disputed Charges;
(j) termination liabilities; or
(k) adjustments other than those relating explicitly to MRCs.

21. Contract Tariffs (Cont'd)

21.5 Contract Tariff Option 49 (Cont'd)

(G) Mergers, Acquisitions and Disposition of the Customer Business or Assets

(1) Customer Acquisitions

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 (collectively, a **Customer Acquisition**), unless the Telephone Company and the customer mutually agree otherwise as described in (d) following, the terms and conditions set forth in (a), (b) and (c) following will apply in addition to any other terms and conditions set forth in this tariff, FCC5 and FCC6.

(a) 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 ARC/ARC+ for Qualifying Services.

(b) The customer's ARC/ARC+ for Qualifying Services shall be calculated based on its revenues with the Telephone Company using the customer's ACNAs (as submitted by the customer in its subscription to this Option 49) and approved by the Telephone Company for inclusion in this Option 49, 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.

(c) 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)(1). Termination of this Option 49 shall also result in termination of Option 24 of FCC5.

(d) The customer and the Telephone Company may mutually agree to modify the customer's subscription to this Option 49 to include one or more of the ACNAs and related revenues attributable to expansion of the customer's purchase of Services from the Telephone Company as a result of a Customer Acquisition, with both the Telephone Company and the customer taking into consideration in good faith whether such revenues represent new or existing revenues to the Telephone Company.

21. Contract Tariffs (Cont'd)

21.5 Contract Tariff Option 49 (Cont'd)

(G) Mergers, Acquisitions and Disposition of the Customer Business or Assets (Cont'd)

(2) Customer Sold Business Adjustments

In the event the customer sells, transfers or otherwise disposes of interests in an affiliate or subsidiary (**Customer Sold Business**) that purchases Qualifying Services, to an unaffiliated third party, and the customer does not, through any affiliate or subsidiary, directly or indirectly, purchase the Qualifying Services after such time, then the following terms and conditions shall apply in addition to any other terms and conditions set forth in this tariff, FCC5 and FCC6.

(a) For the year of the Service Period in which the sale occurs, the following adjustments will occur:

(1) each range or tier of the ARC for Qualifying Services set forth in Table 1 of (K)(3) following shall be reduced by the Customer ARC Acquisition Reduction Amount (as defined following); and

(2) all Billing Credits set forth in Tables 1 and 2 of (K)(3) and (K)(4) following, each dollar figure set forth in the Floor and Ceiling columns of Table 2 of (K)(4) following, each Base Annual FTTC Credit set forth in Table 3 of (K)(6) following, and the COW & COLT Credit set forth in (K)(6) following shall be reduced by a percentage which shall be calculated by dividing the Customer ARC Acquisition Reduction Amount by the ARC in effect at the time of the sale.

Calculate the **Customer ARC Acquisition Reduction Amount** for the Qualifying Services as follows:

(i) Calculate the MRCs which have been billed to the Customer Sold Business for Qualifying Services by the Telephone Company during the twelve (12) months prior to the time that the customer ceases to purchase the Service(s);

(ii) calculate the average monthly amount of MRCs which have been billed to the customer by the Telephone Company for Qualifying Services in (i) preceding by dividing the number in (i) preceding by twelve (12); and

(iii) multiply the average monthly amount of MRCs which have been billed to the customer for Qualifying Services calculated in (ii) preceding by the number of months remaining in the year of the Service Period during which the sale occurs.

21. Contract Tariffs (Cont'd)

21.5 Contract Tariff Option 49 (Cont'd)

(G) Mergers, Acquisitions and Disposition of the Customer Business or Assets (Cont'd)

(2) Customer Sold Business Adjustments (Cont'd)

(b) For each year of the Service Period subsequent to the year of the Service Period in which the sale occurs, the following adjustments will occur:

(1) each range or tier of the ARC for Qualifying Services set forth in Table 1 of (K)(3) following shall be reduced by the Subsequent Year Customer ARC Acquisition Reduction Amount (as defined following); and

(2) all Billing Credits set forth in Tables 1 and 2 of (K)(3) and (K)(4) following, each dollar figure set forth in the Floor and Ceiling columns in Table 2 of (K)(4) following, each Base Annual FTTC Credit set forth in Table 3 of (K)(6) following, and the COW & COLT Credit set forth in (K)(6) following shall be reduced by a percentage which shall be calculated by dividing the Subsequent Year Customer ARC Acquisition Reduction Amount by the ARC in effect at the time of the sale.

The **Subsequent Year Customer ARC Acquisition Reduction Amount** shall equal the MRCs which have been billed to the Customer Sold Business for Qualifying Services by the Telephone Company during the twelve (12) months prior to the time that the customer ceases to purchase the Qualifying Services.

The Telephone Company will make the adjustments in accordance with this Section (G)(2) upon receipt by the Telephone Company from the customer of confirmation that such sale, transfer or other disposition has been finalized, together with the information necessary to effect such adjustments, including, the Billing Account Numbers (BANs), circuit IDs, and USOC details associated with the Customer Sold Business.

21. Contract Tariffs (Cont'd)

21.5 Contract Tariff Option 49 (Cont'd)

(H) Sale of an Operating Telephone Company

(1) If some or all of the assets or stock of an Operating Telephone Company of this tariff, FCC5, or FCC6, as applicable, are acquired by an unaffiliated third party (**Acquired Telco**), and the Telephone Company does not provide the Qualifying Services in the operating territory of the Acquired Telco 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, FCC5, or FCC6, as applicable.

(a) For the year of the Service Period in which the sale occurs, the following adjustments will occur:

(1) each range or tier of the ARC for Qualifying Services set forth in Table 1 of (K)(3) following shall be reduced by the ARC Acquisition Reduction Amount (as defined following); and

(2) all Billing Credits set forth in Tables 1 and 2 of (K)(3) and (K)(4) following, each dollar figure set forth in the Floor and Ceiling columns in Table 2 of (K)(4) following, each Base Annual FTTC Credit set forth in Table 3 of (K)(6) following, and the COW & COLT Credit set forth in (K)(6) following shall be reduced by a percentage which shall be calculated by dividing the ARC Acquisition Reduction Amount by the ARC in effect at the time of the sale.

Calculate the **ARC Acquisition Reduction Amount** for the Qualifying Services as follows:

(i) calculate the MRCs which have been paid in full for Qualifying Services purchased by the customer from the Acquired Telco during the twelve (12) months prior to the time that the Telephone Company ceases to provide the Qualifying Service(s);

(ii) calculate the average monthly amount of MRCs which have been paid in full for Qualifying Services purchased by the customer in (i) preceding by dividing the number in (i) preceding by twelve (12); and

(iii) multiply the average monthly amount of MRCs which have been paid in full for Qualifying Services calculated in (ii) preceding by the number of months remaining in the year of the Service Period during which the sale occurs.

21. Contract Tariffs (Cont'd)

21.5 Contract Tariff Option 49 (Cont'd)

(H) Sale of an Operating Telephone Company (Cont'd)

(1) (Cont'd)

(a) (Cont'd)

For Example:

(i) Assume the Telephone Company sells a portion of Frontier West Virginia Inc. during the first year of the Service Period. Sale is finalized with two months remaining in the first year of the Service Period.

(ii) Assume the customer is placed in ARC Level 2 for the first year of Service Period which has an ARC of $225M.

(iii) Assume the customer's MRCs which have been paid in full for Qualifying Services purchased by the customer from the sold portion of Frontier West Virginia Inc. during the previous 12 months are $24M.

(iv) Average monthly amount of MRCs which have been paid in full for Qualifying Services purchased by the customer from the sold portion of Frontier West Virginia Inc. = $2M [$24M/12].

(v) Tiers for ARC for Qualifying Services are reduced by $4M [$2M x 2].

(vi) The Billing Credits, each dollar amount set forth in the Floor and Ceiling columns in Table 2 of (K)(4) following, each Base Annual FTTC Credit set forth in Table 3 of (K)(6) following, and the COW & COLT Credit set forth in (K)(6) following are reduced by 1.78% [$4M/$225M].

21. Contract Tariffs (Cont'd)

21.5 Contract Tariff Option 49 (Cont'd)

(H) Sale of an Operating Telephone Company (Cont'd)

(1) (Cont'd)

(b) For each year of the Service Period subsequent to the year of the Service Period in which the sale occurs, the following adjustments will occur:

(1) each range or tier of the ARC for Qualifying Services set forth in Table 1 of (K)(3) following shall be reduced by the Subsequent Year ARC Acquisition Reduction Amount (as defined following); and

(2) all Billing Credits set forth in Tables 1 and 2 of (K)(3) and (K)(4) following, each dollar figure set forth in the Floor and Ceiling columns in Table 2 of (K)(4) following, each Base Annual FTTC Credit set forth in Table 3 of (K)(6) following, and the COW & COLT Credit set forth in (K)(6) following shall be reduced by a percentage which shall be calculated by dividing the Subsequent Year ARC Acquisition Reduction Amount by the ARC in effect at the time of the sale.

The **Subsequent Year ARC Acquisition Reduction Amount** shall equal the MRCs which have been paid in full for Qualifying Services purchased by the customer from the Acquired Telco during the twelve (12) months prior to the time that the Telephone Company ceases to provide the Qualifying Services.

For example:

(i) Assume the Telephone Company sells a portion of Frontier West Virginia Inc. during the first year of the Service Period. The customer's MRCs which have been paid in full for Qualifying Services purchased by the customer from the sold portion of Frontier West Virginia Inc. during the previous 12 months (i.e., Subsequent Year ARC Reduction Amount) = $24M.

(ii) Tiers for ARC for Qualifying Services are reduced by $24M.

(iii) Assume the customer is placed in ARC Level 2 for the first year of the Service Period which has an ARC of $225M.

(iv) The Billing Credits, each dollar amount set forth in the Floor and Ceiling columns in Table 2 of (K)(4) following, each Base Annual FTTC Credit set forth in Table 3 of (K)(6) following, and the COW & COLT Credit set forth in (K)(6) following are reduced by 10.67% [$24M/$225M].

21. Contract Tariffs (Cont'd)

21.5 Contract Tariff Option 49 (Cont'd)

(I) Detariffing of Qualifying Services

If the Telephone Company detariffs any of the Qualifying Services specified in (E) preceding (**Detariffed Qualifying Services**), then each Floor, Ceiling, ARC Billing Credit and ARC+ Billing Credit for each of the tiers in Tables 1 and 2 of (K)(3) and (K)(4) following, shall be reduced (i) in the year in which such detariffing occurs, by the **Year One Detariffing Percentage** and (ii) in each subsequent year of the Service Period, by the **Annual Detariffing Percentage**, in each case as described following in this Section (I).

(1) The Annual Detariffing Percentage shall be calculated as follows:

(a) calculate the amount of the Detariffed Qualifying Services purchased by the customer from the Telephone Company during the twelve (12) months prior to the date that the Detariffed Qualifying Services are detariffed; and

(b) divide the number calculated in (a) preceding by the ARC (as defined following) then in effect to determine the Annual Detariffing Percentage.

The Year One Detariffing Percentage equals the Annual Detariffing Percentage multiplied by the number of days in the applicable year of the Service Period left after the date of detariffing divided by three hundred sixty five (365).

For Example:

(i) Assume that the Telephone Company detariffs certain Qualifying Services on the three hundredth (300th) day of year one of the Service Period.

(ii) Assume that the customer purchased twenty-two and a half million ($22.5M) of such Qualifying Services during the twelve (12) months prior to the date that the Telephone Company detariffed such Qualifying Services.

(iii) Assume that the customer's ARC for year one of the Service Period was $225M.

(iv) The Annual Detariffing Percentage to be applied to the Floor, Ceiling, ARC Billing Credit and ARC+ Billing Credit in each of the tiers in Tables 1 and 2 of (K)(3) and (K)(4) following would be 10% [$22.5/$225M].

(v) The Year One Detariffing Percentage would be 1.78% (calculated as follows [10%*65/365]).

21. Contract Tariffs (Cont'd)

21.5 Contract Tariff Option 49 (Cont'd)

(J) Price Reductions for Qualifying Service

If the Telephone Company reduces the MRCs for the Qualifying Services purchased by the customer during any year of the Service Period and, solely as a result of such price reduction(s), the customer does not meet its ARC for that year of the Service Period as selected or determined in accordance with (K)(1) following, each Floor, Ceiling, ARC Billing Credit and ARC+ Billing Credit for each of the tiers in Tables 1 and 2 of (K)(3) and (K)(4) following shall automatically be reduced by such percentage reduction (**Price Reduction Percentage**), as calculated following, for each subsequent year of the Service Period, and reduced on a pro rated basis consistent with the methodology set forth in (I) preceding for the year in which such price reduction(s) occurs. Regardless of whether any adjustments to Table 1 and Table 2 of (K)(3) and (K)(4) following are required pursuant to the preceding sentence, a **Price Reduction Percentage** shall be calculated for each year of the Service Period, taking into account all price reductions occurring in such year, as follows.

Step 1 Calculate the MRCs for Qualifying Services purchased by the customer during the month immediately preceding the month in which the price reduction is reflected in the billing.

Step 2 Calculate the MRCs for Qualifying Services purchased by the customer during the month in which the price reduction is reflected in the billing, subtracting any MRCs associated with any additional MRCs for Qualifying Services added and effective with that month, and adding back any MRCs for Qualifying Services disconnected and not billed effective with that month.

Step 3 Subtract the amount calculated in Step 2 from the amount calculated in Step 1.

Step 4 Divide the amount calculated in Step 3 by the amount calculated in Step 1 to get the price reduction percentage for that month.

Step 5 Repeat Steps 1 through 4 in connection with each month during which a price reduction occurs.

Step 6 Add up each of the individual price reduction percentages for the months in which a price reduction occurred to determine the Price Reduction Percentage for each year of the Service Period.

21. Contract Tariffs (Cont'd)

21.5 Contract Tariff Option 49 (Cont'd)

(J) Price Reductions for Qualifying Service (Cont'd)

For Example:

Step 1 The customer's MRCs for Qualifying Services during the month preceding the month in which the price reduction is reflected in the billing are $19M.

Step 2 The customer's MRCs for Qualifying Services during the month following the price reduction equal $18M, including $50,000 of disconnects and $100,000 of new additions effective with that month, resulting in $17.95M in comparable MRCs after such price reduction.

Step 3 The difference between the month preceding the price reduction and the month in which the price reduction is implemented equals $1.05M [calculated as ($19M - $17.95M].

Step 4 The price reduction percentage for that month equals 5.53% [calculated as $1.05M / $19M].

Step 5 Assume that there were no other price reductions during the year of the Service Period.

Step 6 The Price Reduction Percentage would then also equal 5.53%.

In addition to the adjustments that may be required to Tables 1 and 2 of (K)(3) and (K)(4) following as discussed in this Section (J), if, over the course of the Service Period the Telephone Company implements price reductions which in the aggregate, when adding the Price Reduction Percentage calculated in respect of each year of the Service Period in which a price reduction occurs, are greater than eight percent (8%), the customer may terminate its subscription to this Option 49, or the Telephone Company may terminate the customer's subscription to this Option 49, as applicable, upon providing sixty (60) days written notice, in which case neither the Buyout Payment nor Termination Liability (each as defined in (Q) and (R) following) will be due and payable as a result of such a termination. Termination of this Option 49 shall result in termination of Option 24 of FCC5. If neither the customer nor the Telephone Company terminates Option 49, the existing terms and conditions of this Option 49, and Option 24 of FCC5 shall continue to apply.

21. Contract Tariffs (Cont'd)

21.5 Contract Tariff Option 49 (Cont'd)

(K) Calculation of ARC, ARC+ and Billing Credits

At the conclusion of each year of the Service Period, the customer is eligible to receive an **ARC Billing Credit** and an **ARC+ Billing Credit,** depending on the actual ARC/ARC+ for Qualifying Services achieved, and subject to an annual true-up to account for amounts paid as quarterly billing credits (**Quarterly Billing Credits** and together with the ARC Billing Credit and the ARC+ Billing Credit, **Billing Credits**) during such year of the Service Period with respect to the ARC Billing Credit and ARC+ Billing Credit.

(1) Calculation of the ARC Level

(a) For the first year of the Service Period, the Telephone Company shall calculate the total ARC for Qualifying Services and determine the ARC Level as follows:

(1) The Telephone Company will determine the amount of the customer's MRCs which have been paid in full for the Qualifying Services during the last three (3) months immediately prior to the commencement of the Service Period, in accordance with the terms and condition set forth in this Option 49, including (E)(1), (E)(2), (F)(1) and (F)(2) preceding.

(2) The Telephone Company will then multiply that amount by four (4).

(3) The Telephone Company will determine which ARC Level the customer falls into as set forth in Table 1 of (K)(3) following.

(4) The Floor of the ARC Level in which such amount falls will be the **ARC**.

(b) Subject to the right of the customer to terminate Option 49 as set forth in (P) following, in years two (2) through eight (8) of the Service Period, within thirty (30) days after the end of the previous year of the Service Period, the Telephone Company will provide an estimate of the ARC/ARC+ for Qualifying Services achieved by the customer for the previous year of the Service Period. The customer shall select the ARC Level in writing by no later than thirty (30) calendar days after the Telephone Company provides its estimate as set forth preceding, consistent with the following:

(1) The customer shall select either the ARC Level from the previous year of the Service Period; or the customer may increase the ARC Level to a higher ARC Level provided its MRCs which have been paid in full for Qualifying Services for the previous year, or for the last three (3) months of the previous year of the Service Period multiplied by four (4), in each case based upon the estimate provided by the Telephone Company to the customer as set forth in this Section (K)(1)(b), fall within the range of such ARC Level.

(2) The ARC Level selected by the customer may increase from one year of the Service Period to the next; however the ARC Level may not be decreased during the Service Period.

(3) If the customer does not notify the Telephone Company of it choice, the Telephone Company will place the customer in the ARC Level from the previous year of the Service Period.

21. Contract Tariffs (Cont'd)

21.5 Contract Tariff Option 49 (Cont'd)

(K) Calculation of ARC, ARC+ and Billing Credits (Cont'd)

(2) Quarterly Billing Credit Calculation

(a) At the end of the first three quarterly periods during each year of the Service Period, the Telephone Company shall determine the MRCs which have been paid in full by the customer during such quarterly period (**Achieved Quarterly Revenue**). The Telephone Company will also develop a quarterly ARC by dividing the ARC by four (4) (**Prorated Quarterly ARC**). The Telephone Company will then compare the Achieved Quarterly Revenue to the Prorated Quarterly ARC and also determine whether the customer has complied with the Annual Grooms Restriction described in Section (N) following, as prorated for such three month period (i.e., less than three hundred fifteen [315 = 1260/4] total Special Access DS1 and DS3 service grooms of which no more than fifteen [15 = 60/4] were Special Access DS3 services during such three month period). If the Achieved Quarterly Revenue during the three month period is less than the Prorated Quarterly ARC, or if the customer has not complied with the Annual Grooms Restriction, as prorated for such three month period, then the customer will not receive any Quarterly Billing Credits for that particular three month period (without prejudice to the customer's ability to receive such Billing Credits as part of the Annual True-Up Payment if the customer satisfies the Annual Grooms Restriction, for the applicable year of the Service Period). If the customer has complied with the Annual Grooms Restriction, as prorated for such three (3) month period, and has met or achieved the Prorated Quarterly ARC, then the customer will be eligible to receive a Quarterly Billing Credit for that three month period with respect to the ARC Billing Credit equal to one quarter of the ARC Billing Credit for which the customer would be eligible to receive for the applicable year of the Service Period if the Achieved Quarterly Revenue was multiplied by four (4).

21. Contract Tariffs (Cont'd)

21.5 Contract Tariff Option 49 (Cont'd)

(K) Calculation of ARC, ARC+ and Billing Credits (Cont'd)

(2) Quarterly Billing Credit Calculation

(a) (Cont'd)

Illustrative Example:

(i) Assume the customer's MRCs for Qualifying Services during each of the last three full months immediately prior to the commencement of the Service Period equals $20M. The Telephone Company will then multiply the total for that three month period ($60M) by 4 ($60M X 4 = $240M). The customer's ARC Level for year one of the Service Period will be Level 2. If the MRCs which have been paid in full by the customer during year one of the Service Period meet or exceed $225M, subject to this Option 49, the customer will receive the Level 2 credit of $10M.

(ii) Assume the Achieved Quarterly Revenue during each of the first three quarterly periods during year one of the Service Period is $60M, and the customer groomed in aggregate three hundred and eleven (311) Special Access DS1 and DS3 services of which twelve (12) were DS3 services, during each of those three quarterly periods. For each of the first three quarterly periods during year one of the Service Period, the Achieved Quarterly Revenue ($60M) would be greater than the Prorated Quarterly ARC ($56.25M = $225M/4), and the customer would have complied with the Annual Grooms Restriction, as prorated for such three month period (i.e., less than three hundred fifteen (315) total Special Access DS1 and DS3 service grooms of which no more than fifteen (15) were DS3 services during each quarterly period).

(iii) The customer would then have been eligible to receive a Quarterly Billing Credit with respect to the ARC Billing Credit of $2.5M for each of the first three quarterly periods ($2.5M = $10M ARC Billing Credit for ARC Level 2 divided by four (4)) during year one of the Service Period.

21. Contract Tariffs (Cont'd)

21.5 Contract Tariff Option 49 (Cont'd)

(K) Calculation of ARC, ARC+ and Billing Credits (Cont'd)

(2) Quarterly Billing Credit Calculation

(b) Additionally, if the customer is eligible to receive a Quarterly Billing Credit for any three month period with respect to the ARC Billing Credit, the Telephone Company will multiply the Achieved Quarterly Revenue by four (4) to determine what, if any, ARC+ Billing Credit the customer would be entitled to receive on an annualized basis using the methodology set forth in (K)(4) following. If the customer would be eligible to receive an ARC+ Billing Credit on an annualized basis, the customer will be eligible to receive a Quarterly Billing Credit with respect to the ARC+ Billing Credit equal to one quarter of such annualized credit.

Illustrative example which continues the example provided in Section (K)(2)(a) preceding:

(iv) The customer's Achieved Quarterly Revenue multiplied by four (4) equals $240M [$60M*4].

(v) Based upon the customer being in ARC Level 2 for year one of the Service Period, the customer would be eligible to receive an annualized ARC+ Billing Credit based upon the methodology set forth in (K)(4) following calculated as follows: The ARC+ would equal the Achieved Quarterly Revenue multiplied by four (4) minus the ARC [$15M = [($60M*4) - $225M)]].

(vi) $15M would place the customer below the minimum set forth in ARC+ Level 1 of ARC Level 2 necessary to receive any annualized ARC+ Billing Credit, and the customer would therefore not receive any Quarterly Billing Credit with respect to the ARC+ Billing Credit for any of the first three quarterly periods of year one of the Service Period.

21. Contract Tariffs (Cont'd)

21.5 Contract Tariff Option 49 (Cont'd)

(K) Calculation of ARC, ARC+ and Billing Credits (Cont'd)

(3) Calculation of ARC Billing Credit

At the conclusion of each year of the Service Period, subject to an annual true-up to account for amounts paid as Quarterly Billing Credits with respect to the ARC Billing Credit, the customer is eligible to receive an ARC Billing Credit if the MRC amounts which have been paid in full by the customer for the applicable year of the Service Period meet or exceed the ARC (subject to any reductions and adjustments as set forth herein) then in effect.

Table 1: ARC Billing Credit Matrix

ARC Level	Floor	Ceiling	ARC Billing Credit
1	$155,000,000	$224,999,999	$ 3,500,000
2	$225,000,000	$324,999,999	$10,000,000
3	$325,000,000	$424,999,999	$16,500,000
4	$425,000,000	None	$23,000,000

The following illustrative example continues the example provided in (K)(2)(b) preceding:

(vii) Assume the customer's MRCs for Qualifying Services during the last quarter of year one of the Service Period were $90M, resulting in MRC amounts paid in full by the customer during year one of the Service Period of $270M, making the customer eligible to receive the Level 2 ARC Billing Credit of $10M with respect to year one of the Service Period.

(viii) In year two of the Service Period, the customer must notify the Telephone Company in writing and in accordance with this Section (K)(3) as to whether it is going to continue with the Level 2 ARC or change to the Level 3 ARC, based upon multiplying the MRCs paid in full for Qualifying Services for the last three (3) months of the previous year of the Service Period ($90M) by four (4) = $360M. If the customer does not notify the Telephone Company of its choice, the Telephone Company will place the customer in the ARC Level from the previous year of the Service Period (in this example ARC Level 2).

(ix) Assume the MRC amounts which have been paid in full by the customer during year two of the Service Period are $365M. If the customer elected to retain the Level 2 ARC, it will receive the Level 2 ARC Billing Credit of $10M. If the customer elected to select the Level 3 ARC, it will receive the Level 3 ARC Billing Credit of $16.5M.

21. Contract Tariffs (Cont'd)

21.5 Contract Tariff Option 49 (Cont'd)

(K) Calculation of ARC, ARC+ and Billing Credits (Cont'd)

(4) Calculation of the ARC+ Billing Credit

At the conclusion of each year during the Service Period, subject to an annual true-up to account for amounts paid as Quarterly Billing Credits with respect to the ARC+ Billing Credit, the customer is eligible to receive an ARC+ Billing Credit if the MRC amounts which have been paid in full by the customer for the applicable year of the Service Period minus the ARC exceed the Floor of the applicable ARC+ Level (subject to any reductions and adjustments as set forth herein) for the ARC Level then in effect.

(a) The Telephone Company will establish the customer's ARC Level as determined in (K)(1) preceding.

(b) The Telephone Company will determine the MRC amounts which have been paid in full by the customer during the applicable year of the Service Period for Qualifying Services as determined in (K)(1) preceding, and then subtract from such amount the ARC in effect for the applicable year of the Service Period (the resulting amount, the **ARC+**).

(c) The Telephone Company will determine which ARC+ Level of Table 2 following, if any, the customer's ARC+ falls into based upon the applicable ARC Level then in effect.

(d) If the customer's ARC+ exceeds the Floor for the applicable ARC+ Level for the ARC Level then in effect, the customer shall be eligible to receive the applicable ARC+ Billing Credit set forth in Table 2 following.

21. Contract Tariffs (Cont'd)

21.5 Contract Tariff Option 49 (Cont'd)

(K) Calculation of ARC, ARC+ and Billing Credits (Cont'd)

(4) Calculation of the ARC+ Billing Credit (Cont'd)

Table 2: ARC+ Billing Credit Matrix

ARC Level	ARC+ Level	Floor	Ceiling	ARC+ Billing Credit
1	1	$20,000,000	$39,999,999	$ 500,000
	2	$40,000,000	$59,999,999	$1,000,000
	3	$60,000,000	$79,999,999	$1,500,000
	4	$80,000,000	None	$2,000,000
2	1	$20,000,000	$39,999,999	$1,500,000
	2	$40,000,000	$59,999,999	$2,750,000
	3	$60,000,000	$79,999,999	$4,000,000
	4	$80,000,000	None	$5,250,000
3	1	$20,000,000	$39,999,999	$1,500,000
	2	$40,000,000	$59,999,999	$3,000,000
	3	$60,000,000	$79,999,999	$4,500,000
	4	$80,000,000	None	$6,000,000
4	1	$20,000,000	$39,999,999	$2,000,000
	2	$40,000,000	$59,999,999	$4,000,000
	3	$60,000,000	$79,999,999	$6,000,000
	4	$80,000,000	None	$8,000,000

The following illustrative example continues the example provided in (K)(3) preceding.

(x) Assume the MRC amounts which have been paid in full by the customer during year one of the Service Period are $270M and the customer was in ARC Level 2 (ARC of $225M). In addition to the ARC Billing Credit of $10M, the customer will be eligible to receive the ARC+ Billing Credit calculated as follows:

(xi) The ARC+ is $45M ($270M - $225M). The customer's ARC+ will be in ARC+ Level 2 of ARC Level 2.

(xii) The ARC+ Billing Credit = $2.75M

21. Contract Tariffs (Cont'd)

21.5 Contract Tariff Option 49 (Cont'd)

(K) Calculation of ARC, ARC+ and Billing Credits (Cont'd)

(5) Annual True-Up Credit Calculation

Within sixty (60) days after the end of each year of the Service Period, the Telephone Company will perform an annual true-up to determine the ARC/ARC+ for Qualifying Services achieved and whether any additional credits are due to the customer with respect to the ARC Billing Credit and ARC+ Billing Credit, or if the customer is required to refund to the Telephone Company amounts previously paid as Quarterly Billing Credits with respect to the ARC Billing Credit and ARC+ Billing Credit. The Telephone Company will first determine whether the customer has complied with the Annual Grooms Restriction. If the customer has not complied with the Annual Grooms Restriction, then the customer will not be eligible for any additional credits with respect to the ARC Billing Credit and ARC+ Billing Credit for that year of the Service Period and shall be required to refund any amounts paid as Quarterly Billing Credits with respect to the ARC Billing Credit and ARC+ Billing Credit during that year of the Service Period, as described in (M)(3) following. If the customer has complied with the Annual Grooms Restriction, then the customer may be eligible to receive additional credits with respect to the ARC Billing Credit and ARC+ Billing Credit. In order to determine whether any additional credits are due with respect to the ARC Billing Credit and ARC+ Billing Credit, the Telephone Company will first determine the aggregate ARC Billing Credit and ARC+ Billing Credit due with respect to the applicable year of the Service Period. The Telephone Company will then determine what, if any, Quarterly Billing Credits were paid with respect to the first three quarterly periods of the applicable year of the Service Period with respect to the ARC Billing Credit and ARC+ Billing Credit. If the aggregate Quarterly Billing Credits that have been paid with respect to the applicable year of the Service Period are less than the aggregate ARC Billing Credit and ARC+ Billing Credit due to the customer with respect to such year, the Telephone Company shall credit the difference (**Annual True-Up Payment**) as provided in (M)(2) following. If the aggregate Quarterly Billing Credits that have been paid with respect to the applicable year of the Service Period are greater than the aggregate ARC Billing Credit and ARC+ Billing Credit due to the customer with respect to such year, the Telephone Company shall bill the difference as provided in (M)(3) following. Upon completion of the true-up, the Telephone Company will notify the customer in writing of its determination of the ARC/ARC+ for Qualifying Services achieved by the customer.

21. Contract Tariffs (Cont'd)

21.5 Contract Tariff Option 49 (Cont'd)

(K) Calculation of ARC, ARC+ and Billing Credits (Cont'd)

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

The following illustrative example continues the example provided in (K)(4) preceding.

(xiii) Based upon the calculations set forth in (K)(2)(a) and (K)(2)(b) preceding, the customer was paid $7.5M in Quarterly Billing Credits with respect to the ARC Billing Credit and $0M with respect to the ARC+ Billing Credit for year one of the Service Period.

(xiv) The customer is eligible to receive an ARC Billing Credit of $10M (see calculation in (K)(3) preceding) and an ARC+ Billing Credit of $2.75M (see calculation in (K)(4) preceding).

(xv) The aggregate Quarterly Billing Credits paid equal $7.5M ($7.5M + $0M) and the aggregate ARC Billing Credit and ARC+ Billing Credit due to the customer with respect to year one of the Service Period equals $12.75M ($10M + $2.75M).

(xvi) The Telephone Company shall therefore credit the customer an additional $5.25M as an Annual True-Up Payment as provided in (M)(2) following.

21. Contract Tariffs (Cont'd)

21.5 Contract Tariff Option 49 (Cont'd)

(K) Calculation of ARC, ARC+ and Billing Credits (Cont'd)

(6) Calculation of the FTTC Credit and COW & COLT Credit

(a) FTTC Credit

After the conclusion of each three (3) month period during the Service Period, the customer is eligible to receive a **FTTC Credit** in an amount equal to the lesser of (i) any unapplied FTTC Credit the customer is eligible to receive as set forth in Table 3 following (as it may have been increased pursuant to (K)(6)(a)(3) following), and (ii) the aggregate non-standard premises charges (**NSP**) billed with respect to provisioning Special Access DS1 or DS3 services to cell sites in the operating territories of this tariff during the three (3) month period just ended. The Telephone Company will calculate the FTTC Credit as follows:

(1) The Telephone Company or the customer, as applicable, will establish the customer's ARC Level as determined in (K)(1) preceding.

(2) With respect to year one of the Service Period, the customer shall be eligible to receive the Base Annual FTTC Credit as set forth in Table 3 following corresponding to the customer's ARC Level for year one of the Service Period.

(3) With respect to years two (2) through eight (8) of the Service Period, the customer shall be eligible to receive the Base Annual FTTC Credit set forth in Table 3 following for the ARC Level in effect for each such year plus the product of (i) such Base Annual FTTC Credit and (ii) the percentage, if any, by which the MRCs which have been paid in full for Qualifying Services by the customer in respect of the preceding year of the Service Period exceeds the ARC in effect for the previous year of the Service Period.

Within thirty (30) calendar days of the end of each three month period during the Service Period, the Telephone Company, with the customer's input as required, will determine the FTTC Credit earned as a result of the aggregate NSP charges billed to the customer in respect of provisioning Special Access DS1s or DS3s to cell sites during the previous three months. The Telephone Company will apply any FTTC Credit earned to the customer's bill within sixty (60) calendar days after the end of each three month period consistent with this Section (K)(6).

Table 3: FTTC Credit Matrix

ARC Level	Base Annual FTTC Credit
1	$ 250,000
2	$ 500,000
3	$ 750,000
4	$1,000,000

21. Contract Tariffs (Cont'd)

21.5 Contract Tariff Option 49 (Cont'd)

(K) Calculation of ARC, ARC+ and Billing Credits (Cont'd)

(6) Calculation of the FTTC Credit and COW & COLT Credit (Cont'd)

(b) COW & COLT Credit

At the conclusion of each year of the Service Period, the customer is eligible to receive a Cell on Wheels (**COW**) & Cell on Light Truck (**COLT**) Credit (**COW & COLT Credit**) in an amount equal to the lesser of (i) $750,000 or (ii) the aggregate minimum period charges billed as a result of disconnecting Special Access DS1 services directly and solely serving COWs and COLTs purchased out of this tariff, FCC5 and FCC6. Within thirty (30) calendar days of the end of each year of the Service Period, the Telephone Company, with the customer's input as required, will determine the COW & COLT Credit earned as a result of disconnecting COWs and COLTS prior to the twelve (12) month minimum period required under the NDP. The Telephone Company will apply any COW & COLT Credit earned to the customer's bill within sixty (60) calendar days after the end of each year of the Service Period consistent with this Section (K)(6)(b).

(c) In no event will the combined FTTC Credit and COW & COLT Credit provided by the Telephone Company exceed $3M for any year of the Service Period.

Illustrative Example:

(i) Assume the customer's ARC is $225M. This is Level 2 ARC. For year one of the Service Period, the customer shall be eligible to receive an FTTC Credit of up to $500,000 based upon the ARC Level in effect. In addition, the customer shall be eligible to receive a COW & COLT Credit of up to $750,000.

(ii) For year two, the customer exceeds the ARC from the previous year by thirty percent (30%) and remains in ARC Level 2. The Base Annual FTTC Credit is $500,000.

(iii) The customer is eligible to receive an FTTC Credit for year two of the Service Period of up to $500,000 + ($500,000 X .30) = $650,000, based upon the ARC Level in effect and the percentage by which the actual MRCs which have been paid in full for year one of the Service Period exceed the ARC for year one of the Service Period. In addition, the customer shall be eligible to receive a COW & COLT Credit of up to $750,000.

21. Contract Tariffs (Cont'd)

21.5 Contract Tariff Option 49 (Cont'd)

(L) Disputes

In calculating the Billing Credits, FTTC Credit and COW & COLT Credit, all of the following requirements shall apply:

(1) Subject to (L)(4) following, the Telephone Company shall not include in the calculation of the Billing Credits any Disputed Charges remaining as of the thirtieth (30^{th}) calendar day following the end of each quarter or year, as applicable, of the Service Period.

(2) For the purpose of calculating the Billing Credits, the Telephone Company shall not include in MRCs any credits or debits for Service(s) provided during any periods prior to the Service Period (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 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.

(4) One hundred eighty (180) days after the end of each year of the Service Period, the Telephone Company shall do a one-time recalculation of the ARC/ARC+ for Qualifying Services, taking into account additional amounts that may have been paid in full (e.g., amounts that were previously Disputed Charges) in respect of the Qualifying Services for that year of the Service Period in accordance with the terms of this Option 49. If, as a result of this recalculation, the Telephone Company determines, and the customer agrees, that the customer was provided a Billing Credit, FTTC Credit, or COW & COLT Credit it should not have been provided, or is entitled to a different Billing Credit, FTTC Credit, or COW & COLT Credit than the amounts determined in (K)(5) and (K)(6) preceding, the Telephone Company will make the necessary credit or debit on the same BANs to which the applicable Quarterly Billing Credit was provided, or the necessary credit or debit on the same BANs to which the applicable FTTC Credit or COW & COLT Credit was provided, in each case by no later than sixty (60) days after the date of such determination.

(5) Beyond one hundred eighty (180) days after the end of each year during the Service Period, the customer may continue to submit claims to the Telephone Company with regard to MRCs for the Qualifying Services billed by the Telephone Company during each year of the Service Period, and the Telephone Company may continue to bill the customer with regard to MRCs for the Qualifying Services during that year.

(6) After payment of the Billing Credits, FTTC Credit, and COW & COLT Credit, including any adjustment that may occur as set forth in accordance with (L)(4) preceding, the customer and the Telephone Company shall continue to negotiate and resolve all Disputed Charges.

21. Contract Tariffs (Cont'd)

21.5 Contract Tariff Option 49 (Cont'd)

(L) Disputes (Cont'd)

(7) Upon resolution of any such disputes remaining or raised more than one hundred eighty (180) days after the end of each year of the Service Period, 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 Credits, FTTC Credit, COW & COLT Credit, or the ARC/ARC+ for Qualifying Services, and the same shall apply regardless of the outcome of any Disputed Charges, nor shall there be any adjustment to the Billing Credits, FTTC Credit, COW & COLT Credit or the ARC/ARC+ for Qualifying Services as a result of any amounts billed by the Telephone Company to the customer and paid in full more than one hundred eighty (180) days after the end of the applicable year of the Service Period.

(8) The Annual True-Up and final Billing Credits, FTTC Credit, and COW & COLT Credit, as determined by the Telephone Company and agreed to by the customer, are not subject to dispute; provided, however, that the foregoing prohibition against disputing the Billing Credit, FTTC Credit, or COW & COLT Credit shall not be deemed to apply in a situation where the Telephone Company applies a Billing Credit that does not match the mutually agreed upon Billing Credit.

(9) The amount of the Billing Credits, FTTC Credit, and COW & COLT Credit shall in no event be subject to any late payment, interest or penalty as set forth in Section 2.4.1 preceding.

(M) Timing of Payment of Billing Credits, FTTC Credit, and COW & COLT Credit

The Telephone Company shall credit the customer's BANs with the applicable Quarterly Billing Credits, Annual True-Up Payment with respect to the ARC Billing Credit and/or ARC+ Billing Credit, FTTC Credit, and COW & COLT Credit as determined in accordance with the terms of this Option 49. The Quarterly Billing Credits, Annual True-Up Payment with respect to the ARC Billing Credit and/or ARC+ Billing Credit, FTTC Credit, and COW and COLT Credit will be provided only in MSAs that have achieved Phase I and Phase II pricing flexibility under this tariff and FCC5.

(1) If the customer is eligible for a Quarterly Billing Credit with respect to any of the first three quarterly periods of each year of the Service Period, the applicable Quarterly Billing Credit will be credited to the customer's account by no later than sixty (60) days after the end of the applicable quarterly period of the applicable year of the Service Period, subject to the terms of this Option 49.

(2) After the completion of the Annual True-Up, if the customer is eligible for an Annual True-Up Payment with respect to the ARC Billing Credit and/or ARC+ Billing Credit with respect to any year of the Service Period, the Annual True-Up Payment with respect to the ARC Billing Credit and/or ARC+ Billing Credit will be credited to the customer's account no later than sixty (60) days after the completion of the Annual True-Up for the applicable year of the Service Period, subject to the terms of this Option 49.

21. Contract Tariffs (Cont'd)

21.5 Contract Tariff Option 49 (Cont'd)

(M) Timing of Payment of Billing Credits, FTTC Credit, and COW & COLT Credit (Cont'd)

(3) After the completion of the Annual True-Up, if the customer is required to refund any or all of the Quarterly Billing Credits or FTTC Credit paid in respect of any or all of the first three quarterly periods of the applicable year of the Service Period, the Telephone Company will bill such amount to the customer's account on the same BANs to which the applicable Quarterly Billing Credits or FTTC Credit were provided by no later than sixty (60) days after the completion of the Annual True-Up for the applicable year of the Service Period, subject to the terms of this Option 49.

(4) If the customer is eligible for an FTTC Credit, the FTTC Credit will be credited to the customer's account no later than sixty (60) days after the end of the applicable three month period, subject to the terms of this Option 49.

(5) If the customer is eligible for a COW & COLT Credit, the COW & COLT Credit will be credited to the customer's account no later than sixty (60) days after the completion of the Annual True-Up.

(N) Network Grooms Restriction

The customer will not be eligible for any Billing Credits, FTTC Credit, or COW and COLT Credit if the customer grooms more than one- thousand two-hundred and sixty (1260) Special Access DS1 and/or DS3 services that are used for the provisioning of Qualifying Services, of which number may include no more than sixty (60) DS3 services. (**Annual Grooms Restriction**).

(1) For the purposes of this Option 49, a groom shall mean the retermination of a Special Access Service 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 the Billing Credits, FTTC Credit, and COW & COLT Credit in each year of the Service Period so long as during such year of the Service Period, the Annual Grooms Restriction is satisfied based upon aggregating all Special Access Service circuit grooms that are used for the provisioning of Qualifying Services during such year of the Service Period.

(2) The Telephone Company will follow its normal business practices with respect to the number of grooms, process, speed, or completion of any grooms. Grooms of Switched Access Service circuits shall not count towards the Annual Grooms Restriction. The Telephone Company and the customer shall exercise commercially reasonable efforts to determine in advance of a network groom being implemented whether such groom will count towards the Annual Grooms Restriction, in accordance with methods and procedures to be adopted by the Telephone Company and the customer. Additionally, the customer shall identify all circuits which it believes should not be counted towards the Annual Grooms Restriction by no later than thirty (30) calendar days after the end of the applicable quarter and year of the Service Period.

21. Contract Tariffs (Cont'd)

21.5 Contract Tariff Option 49 (Cont'd)

(N) Network Grooms Restriction (Cont'd)

(3) The following types of network grooms shall not count towards the Annual Grooms Restriction 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 customary charges associated with such moves or terminations (i.e., Retermination charges and non-recurring charges) consistent with this tariff, FCC5 and FCC6.

(a) Optimization Grooms

Grooms that are initiated and completed solely on the Telephone Company network for customer's efficient utilization of Telephone Company facilities (e.g., movement from copper-based facilities to fiber-based facilities serving the same cell site, cell site re-homes from one mobile switching center (**MSC**) to another MSC and/or from one multiplexing hub to another multiplexing hub, activities associated with the implementation of a new MSC, and upgrades as described in (O) following or of DS1s and DS3s, in each case solely on the Telephone Company network).

(b) Telephone Company Initiated Grooms

Any groom initiated by the Telephone Company shall not count towards the Annual Grooms Restriction.

(c) Maintenance Grooms

A circuit that is identified as a Maintenance Groom (as defined below) by the customer, and accepted by the Telephone Company as a Maintenance Groom, shall not count towards the Annual Grooms Restriction. A Maintenance Groom shall mean a groom initiated and completed as a direct result of the original circuit experiencing service failures, where the grooming corrects such problems.

(d) Grooms of Less Than a DS1 Level

Any circuit that is at a bandwidth less than a DS1 shall not count towards the Annual Grooms Restriction.

(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).

21. Contract Tariffs (Cont'd)

21.5 Contract Tariff Option 49 (Cont'd)

(O) MRC Credits for Service Upgrades

If the customer upgrades any Qualifying Services, in accordance with the NDP requirements for upgrades as set forth in Section 25.3.7(H)(2) following of this tariff, Section 23.1.7(H)(2) of FCC5, or Section 22.1.7(H)(2) of FCC6, to a Telephone Company provided Dedicated fiber transport with network interface device service, switched Ethernet service, Ethernet Transport and Aggregation (ETAG) Service, Ethernet private line service, dedicated SONET ring service, DWDM ring service, SONET entrance facility service, or point-to-point SONET service, during any year of the Service Period, the Telephone Company will continue to count fifty percent (50%) of the MRC amounts which were billing in the month immediately prior to the upgrade with respect to such Qualifying Services, multiplied by twelve (12), in the calculation of the actual ARC/ARC+ for Qualifying Services achieved by the customer for any year in which the replacement service remains in service for the entire year of the Service Period. For the year in which the Qualifying Service was replaced, the Telephone Company shall count fifty percent (50%) of the MRC amounts which were billing in the month immediately prior to the upgrade in respect of such Qualifying Services, multiplied by the number of billing cycles left in the applicable year of the Service Period, in the calculation of the actual ARC/ARC+ for Qualifying Services achieved by the customer for the applicable year of the Service Period as long as the replacement service remains in service through the end of the applicable year of the Service Period. The customer is responsible for identifying in writing in accordance with the notice provisions in this Option 49 and the upgrade provisions as set forth in Section 25.3.7(H)(2)(g) following of this tariff, Section 23.1.7(H)(2)(g) of FCC5, or Section 22.1.7(H)(2)(g) of FCC6, any upgraded circuits that qualify as set forth preceding in this Section (O).

Illustrative Example:

(i) The customer identifies $6M of MRCs for the month prior to the upgrade of DS1 and DS3 services upgraded to Telephone Company provided DSR Services in year two of the Service Period.

(ii) The DS1 and DS3 Qualifying Services cease billing in month eight (8) of year two of the Service Period.

(iii) The Telephone Company will count $6M X 50% X 4 months remaining = $12M towards the actual ARC/ARC+ for Qualifying Services achieved in year two of the Service Period based upon the upgraded DSR Services remaining in service as of the end of year two of the Service Period.

(iv) The Telephone Company will count $6M X 50% X 12 = $36M for all remaining years of the Service Period, based upon the upgraded DSR Services remaining in service as of the end of the applicable year of the Service Period.

21. Contract Tariffs (Cont'd)

21.5 Contract Tariff Option 49 (Cont'd)

(P) Shortfall Penalty

(1) If the MRC amounts which have been paid in full by the customer during any year of the Service Period are less than the applicable ARC for that year, the customer will at its option, either pay a **Shortfall Penalty,** which will be the difference between the ARC for that year and the actual MRC amounts which have been paid in full by the customer during such year of the Service Period, in which case, subject to the terms and conditions of this Option 49, the customer shall be eligible to receive the Billing Credits associated with the ARC for that year; or (2) terminate its subscription to this Option 49 and Option 24 of FCC5, subject to the payment of **Termination Liability** as set forth in (R) following. For the sole purpose of determining whether a Shortfall Penalty is due and payable, the Telephone Company will count towards the MRC amounts which have been paid in full by the customer during any year of the Service Period one hundred percent (100%), and not fifty percent (50%), of the MRCs associated with any Qualifying Services upgraded in accordance with (O) preceding, so long as such upgraded service(s) remains in service as of the end of the applicable year of the Service Period.

(2) The Telephone Company shall notify the customer that a Shortfall Penalty is due and payable no later than one hundred eighty (180) calendar days after the end of each year of the Service Period. The customer will have thirty (30) calendar days from the date of such notice to decide and notify the Telephone Company as to whether it wants to pay the Shortfall Penalty or terminate its subscription to this Option 49 and Option 24 of FCC5. If the customer notifies the Telephone Company that it intends to pay the Shortfall Penalty, the Telephone Company shall bill the Shortfall Penalty, and the customer shall pay the Shortfall Penalty within thirty (30) days of receipt of the bill.

(Q) Telephone Company Buyout

The Telephone Company has the option, upon completion of the determination of the actual ARC/ARC+ for Qualifying Services achieved by the customer with respect to any year of the Service Period, and upon providing thirty (30) calendar days written notice to the customer in accordance with the notice provision set forth in this Option 49, to terminate the customer's subscription to this Option 49 and Option 24 of FCC5. If the Telephone Company exercises this buyout option, the Telephone Company shall pay to the customer, within sixty (60) calendar days of the date of the notice exercising this option, an amount equal to any Billing Credits due and payable with respect to the year of the Service Period just ended plus $500,000 multiplied by the number of years left in the Service Period (**Buyout Payment**).

Illustrative Example:

(i) Assume the customer is owed $10M in Billing Credits for year 3 of the Service Period.

(ii) Assume five years are remaining in Service Period.

(iii) At the end of year three, the Telephone Company decides to exercise its buyout option.

(iv) The Telephone Company owes the customer a buyout payment equal to $10M + ($500,000 X 5) = $12.5M.

21. Contract Tariffs (Cont'd)

21.5 Contract Tariff Option 49 (Cont'd)

(R) Termination Liability

(1) Subject to the terms set forth in this Section (R), the customer may terminate its subscription to this Option 49 and Option 24 of FCC5 at any time during the Service Period. The customer must provide written notice of termination at least thirty (30) days prior to the requested date of termination of this Option 49 and Option 24 of FCC5. Termination of less than all of the Contract Tariffs (i.e., terminations of the contract option under this tariff or FCC5) shall be deemed to be an automatic termination of all Contract Tariffs. If the customer terminates this Option 49 or Option 24 of FCC5 at any time during the Service Period, the customer will not be entitled to the payment of any Billing Credits, FTTC Credit, or COW & COLT Credit, pro rated or otherwise, after the termination date. All obligations under this tariff, FCC5, and FCC6 with respect to the Qualifying Services shall continue to apply.

(2) In addition, the customer will be liable for payment of **Termination Liability** equal to the product of (a) the **Termination Liability Percentage** applicable to the year of the Service Period in which the termination occurs as set forth in Table 4 following, and (b) the sum of all Billing Credits, FTTC Credits, and COW & COLT Credits paid during the Service Period from January 31, 2008 through and including the date of termination. The Termination Liability payment will be due and payable by the customer to the Telephone Company no later than sixty (60) days after the termination date.

Table 4: Termination Liability Percentage Matrix

Year of Service Period	Termination Liability Percentage
1	100%
2	90%
3	80%
4	60%
5	40%
6	30%
7	20%
8	10%

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56

(A) Scope

Contract Tariff Option 56 (**Option 56**) provides Quarterly Billing Credits on certain Special Access Services if the customer maintains certain billed unit volumes for the Qualifying Services (as defined in (F) following) during each Plan Year. In this Option 56, 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).

(B) Specific Terms

Unless otherwise defined in this Option 56, the following terms are used in this Option 56.

(1) **BANs** shall mean the Billing Account Numbers of the customer.

(2) **Billed DS1 Unit** shall mean, with respect to each month during the Service Period, a DS1 Unit for which a DS1 Channel Termination, DS1 Special Access Line, or DS1 Circuit Termination (as defined collectively in (B)(8) following as a DS1 Channel Termination) was billed as a monthly recurring charge(s), using any of the applicable Universal Service Order Codes (**USOCs**) set forth following, to the customer under the Customer ACNAs (as defined in (B)(7) following) in the monthly recurring charge (**MRC**) section of Telephone Company's Access Service bill to the customer for that month.

1CF21	1CF22	1CF23	1CF25	1CF33	1CF35	1CF3W
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	1CFR8	1CFRJ	1CFS8	1CFSJ	1CFT8	1CFTJ
1CFU8	1CFUJ	1CFV8	1CFVJ	1CKDF	1CKDX	1X7VX
1XCDX	EU4DF	EU4DX	EU7VX	EUU21	EUU22	EUU23
EUU25	EUU33	EUU35	EUU3W	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	EUUR8	EUURJ
EUUS8	EUUSJ	EUUT8	EUUTJ	EUUU8	EUUUJ	EUUV8
EUUVJ	EUW	TMECS	TNJZX	TNT3X	TNT4X	TNT8X
TWTF6	TYF1X					

HCCT4 (N)

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(B) Specific Terms (Cont'd)

(3) **Billed Multiplexed DS3 Unit** shall mean, with respect to each month during the Service Period, a Multiplexed DS3 Unit for which one or more MRCs, using any of the applicable USOCs set forth in (G)(2)(b) following, was billed to the customer under the Customer ACNAs (as defined in (B)(7) following) in the MRC section of Telephone Company's Access Service bill to the customer for that month.

(4) **Billed PTP DS3 Unit** shall mean, with respect to each month during the Service Period, a point-to-point (**PTP**) DS3 Unit for which one or more MRCs, using any of the applicable USOCs set forth in (G)(2)(c) following, was billed to the customer under the Customer ACNAs (as defined in (B)(7) following) in the MRC section of Telephone Company's Access Service bill to the customer for that month.

(5) **Billed Qualifying Service Revenue** shall mean each of Billed DS1 Qualifying Service Revenue, Billed Multiplexed DS3 Qualifying Service Revenue, and Billed PTP DS3 Qualifying Service Revenue as further described in (G) following, subject to the exclusions specified in (G)(2)(d) and (G)(3) following.

(6) **Billed Qualifying Service Unit(s)** shall mean Billed DS1 Units, Billed Multiplexed DS3 Units, and/or Billed PTP DS3 Units, subject to the exclusions set forth in (G)(2)(d) and (G)(3) following.

(7) **Customer ACNA(s)** shall mean the customer's Access Customer Name Abbreviations (ACNAs) that are provided to the Telephone Company by the customer in its subscription to this Option 56 and Option 28 of FCC 5 in accordance with (C)(2) following, which Customer ACNA(s) are agreed to by the Telephone Company in writing for inclusion in this Option 56, and Option 28 of FCC 5.

(8) **DS1 Unit** shall mean DS1 capacity (i.e., 1.544 Mbps) Qualifying Services that include at least one (1) of the following: (i) a DS1 Channel Termination as defined in Section 7.1.2(A) preceding of this tariff, (ii) a DS1 Special Access Line (SAL) as defined in Section 5.1.1(C) of Tariff FCC No. 5 (**FCC 5**), and (iii) a DS1 Circuit Termination as defined in Section 7.2(A) of Tariff FCC No. 6 (**FCC 6**) (collectively, DS1 Channel Terminations). Sub-rate DS1s (e.g., 128 kbps, 256 kbps, 384 kbps, 512 kbps, and 768 kbps) are not counted as DS1 Units.

(9) **Flat Rate** shall mean the flat rate monthly recurring charge that applies per Billed Qualifying Service Unit, per service type (i.e., DS1, Multiplexed DS3, and PTP DS3), for a given Plan Year as calculated in accordance with (I)(1) following.

(10) **Groom(s)** shall mean a change in the connecting facility assignment (**CFA**) or termination point of a DS3 Service, and shall include any of the following types of moves, rearrangements, re-terminations, and disconnection and subsequent reconnection, to the DS3 Service: (i) a change in the CFA or termination point within a single Telephone Company wire center; (ii) 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 facility provided by the Telephone Company or by a collocator under Section 19 preceding).

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(B) Specific Terms (Cont'd)

(11) **Initial Watermark** shall mean the initial quantity of Billed DS1 Units, the initial quantity of Billed Multiplexed DS3 Units, and the initial quantity of Billed PTP DS3 Units used to administer the terms and conditions of this Option 56 as calculated in accordance with (F) following, such quantities being as revised from time-to-time pursuant to (M) following for a third party merger, acquisition, divestiture, and other changes in control of the customer, and (N) following for a sale or acquisition of property of the Telephone Company.

(12) **Plan Year** shall mean each of the following periods during the Service Period: (1) Plan Year 1 shall commence on June 1, 2009 and end on December 31, 2009; (2) Plan Year 2 shall commence on January 1, 2010 and end on December 31, 2010; (3) Plan Year 3 shall commence on January 1, 2011 and end on December 31, 2011; (4) Plan Year 4 shall commence on January 1, 2012 and end on December 31, 2012; and (5) Plan Year 5 shall begin on January 1, 2013 and end on December 31, 2013. In the event of any extension(s) of the Service Period pursuant to Section (E) following, the term Plan Year may also be used to refer to an applicable calendar year (i.e., January 1 through December 31) subsequent to Plan Year 5.

(13) **Multiplexed DS3 Unit** shall mean an individual 44.736 Mbps Qualifying Service that both: (i) has a unique circuit identifier that conforms to the Common Language Circuit Identifier (CLCI) facility format administered by Telcordia (e.g., 967 T3Z PITBPADTHPE PITBPADTK18), and (ii) is billed using one or more of the USOCs specified in (G)(2)(b) following.

DSEF Service associated with a Multiplexed DS3 Unit (i.e. billed under the unique circuit identifier for that Multiplexed DS3 Unit) will not be counted as a unit separate from that Multiplexed DS3 Unit.

For purposes of administering the terms and conditions of this Option 56, all calculations involving Multiplexed DS3 Unit volumes shall exclude any portion of a circuit that is not used for Special Access. Where this calculation results in a fraction of a Multiplexed DS3 Unit, round to the nearest whole Multiplexed DS3 Unit. Thus, for example, if there were two (2) Shared Use Multiplexed DS3, and where one of the facilities is reduced by forty-five percent (45%) and the other facility is reduced by sixty-five percent (65%) in accordance with Section 5.2.8 preceding, then together they would count as only one (1) Multiplexed DS3 Unit (.45 + .65 = 1.10, rounded to the nearest integer, which in this case is one (1) Multiplexed DS3 Unit).

For purposes of administering the terms and conditions of this Option 56: (i) all DS1 FMS Services are converted to Multiplexed DS3 Units by dividing the total number of DS1 FMS Services by twenty-eight (28), and (ii) all DS3 FMS Services are quantified as either Multiplexed DS3 Units or PTP DS3 Units, depending on the format of the circuit identifier and the corresponding USOCs as described in the definitions of Multiplexed DS3 Unit and PTP DS3 Unit.

A Multiplexed DS3 facility that is provided by more than one (1) Exchange Telephone Company under Section 2.4.6 preceding using a single unique circuit identifier will count as one (1) Multiplexed DS3 Unit.

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(B) Specific Terms (Cont'd)

(14) **PTP DS3 Unit** shall mean an individual 44.736 Mbps Qualifying Service that both: (i) has a unique circuit identifier that conforms to the CLCI serial number format administered by Telcordia (e.g., 95.HFGS.634683..NE) and (ii) is billed using one or more of the USOCs specified in (G)(2)(c) following.

DSEF Service associated with a PTP DS3 Unit (i.e. billed under the unique circuit identifier for that PTP DS3 Unit) will not be counted as a unit separate from that PTP DS3 Unit.

For purposes of administering the terms and conditions of this Option 56, all DS3 FMS Services are quantified as either Multiplexed DS3 Units or PTP DS3 Units, depending on the format of the circuit identifier and the corresponding USOCs as described in the definitions of Multiplexed DS3 Unit and PTP DS3 Unit.

A PTP DS3 circuit that is provided by more than one (1) Exchange Telephone Company under Section 2.4.6 preceding using a single unique circuit identifier will count as one (1) PTP DS3 Unit.

(15) **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) calendar days thereafter), except for the initial Quarter of Plan Year 1 which shall commence on June 1, 2009 and end on June 30, 2009; 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.

(16) **Quarterly Billing Credit** shall mean the quarterly credit that is calculated per service type (i.e., DS1, Multiplexed DS3, and PTP DS3) as described in (I) following.

(C) Eligibility

The customer must meet all of the following criteria in order to be eligible to receive the Quarterly Billing Credits as set forth in (I) following and other benefits of this Option 56.

(1) During the twelve (12) month period ending on December 31, 2008, the customer must have achieved a minimum of six hundred fifty million ($650M) in aggregate billed monthly recurring charges for all Qualifying Services purchased by the customer from the Telephone Company.

(2) The customer must subscribe to Option 56 by submitting a written authorization in a manner designated by the Telephone Company during the period that begins May 31, 2009 and ends July 30, 2009. Such subscription must include a list of Customer ACNA(s) as defined in (B)(7) preceding.

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(C) Eligibility (Cont'd)

(3) The customer must concurrently subscribe to this Option 56 and Option 28 of FCC 5.

(4) As of June 1, 2009, the customer must be concurrently subscribed, and must remain concurrently subscribed during the Service Period, to the Commitment Discount Plan (as set forth in Section 25.1 preceding and the Eight-and Ten-Year DS1 Term and Volume Plan (ETTVP) as set forth in Section 5.6.14 of FCC 5), (collectively, **Existing Plans**).

(D) Terms and Conditions

(1) If the customer has met the eligibility criteria set forth in (C) preceding, then to receive the Quarterly Billing Credit in any Plan Year the customer must remain subscribed to the Existing Plans. If the customer fails to achieve the DS1 Initial Watermark, the Multiplexed DS3 Initial Watermark or the PTP DS3 Initial Watermark in any Plan Year other than Plan Year 1, the Telephone Company may terminate the customer's subscription to this Option 56 as set forth in (O)(2) following. Termination of the customer's subscription to this Option 56 is an automatic Termination of the customer's subscription to Option 28 of FCC 5.

(2) If the customer is currently subscribed to a contract tariff option that provides a discount, credit, or other reduction in rates or terms based on achievement of revenue or volume targets/levels by the customer, the customer's subscription to such contract tariff option shall be cancelled coincident with the customer's subscription to this Option 56 and Option 28 of FCC 5, and the Telephone Company will conduct a final true-up of any billing credits the customer was entitled to through the date of cancellation.

(3) Except for the Existing Plans and any FMS Services to which the customer subscribes to as of June 1, 2009, the customer may not concurrently subscribe the Qualifying Services to any Alternative Tariff Arrangement (which shall mean, collectively, any other tariff arrangement, contract tariff option, specialized service or arrangement, or Individual Case Basis (**ICB**) arrangement offered by the Telephone Company under this tariff or FCC 5 and available to the customer either currently or at any time during the Service Period, which 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 any of the Qualifying Services) during the Service Period, unless such Alternate Tariff Arrangement explicitly permits subscription to this Option 56 and Option 28 of FCC 5. Except as set forth in this (D)(3) and (D)(2) preceding, the customer's subscription to any such Alternate Tariff Arrangement as of June 1, 2009 shall be terminated upon subscription to this Option 56 and Option 28 of FCC 5. The Telephone Company shall perform any final review/true-up that it determines to be necessary to reconcile any credits and debits that remain outstanding under such Alternate Tariff Arrangement.

(4) To the extent the customer, as of June 1, 2009 or at any time during the Service Period, is not subscribed to the Existing Plans (i.e., with respect to the applicable Qualifying Services that the Telephone Company offers under the respective Existing Plans), the applicable Qualifying Services shall not be eligible to receive the Flat Rate pricing set forth in (I) following.

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(E) Service Period

(1) Subject to terms and conditions set forth in (E)(2) following and all other applicable terms set forth herein, the **Service Period** of this Option 56 shall commence on June 1, 2009 and end on December 31, 2013 (except that the Service Period shall include any extensions that take effect pursuant to (E)(2) following).

(2) At the expiration of Plan Year 5 of the Service Period, and unless otherwise terminated as set forth herein, the customer may elect to extend the Service Period for one (1) year beyond expiration of the initial five (5) Plan Years of the Service Period at the Flat Rates for Plan Year 5. Two (2) of such one (1) year extensions are permitted. The customer must notify the Telephone Company in writing of its election to extend the Service Period at least thirty (30) calendar days prior to the expiration date of Plan Year 5 or the end of first one (1) year extension period, as applicable.

(F) Establishment of Initial Watermarks and Initial Watermark Adjustments

(1) Upon subscription to this Option 56, the Telephone Company will establish the annual quantities (Initial Watermarks) used to administer the terms and conditions of this Option 56 as follows:

(a) The Telephone Company will develop the DS1 Initial Watermark by summing the total number of DS1 Units (i.e., Channel Terminations) for which the customer was billed by the Telephone Company under this tariff, FCC 5 and FCC 6 for the months of August 2008, September 2008, and October 2008, and multiplying the result by four (4).

(b) The Telephone Company will develop the Multiplexed DS3 Initial Watermark by summing the total number of Multiplexed DS3 Units for which the customer was billed by the Telephone Company under this tariff, FCC 5 and FCC 6 for the months of August 2008, September 2008, and October 2008, and multiplying the result by four (4).

(c) The Telephone Company will develop the PTP DS3 Initial Watermark by summing the total number of PTP DS3 Units for which the customer was billed by the Telephone Company under this tariff, FCC 5 and FCC 6 for the months of August 2008, September 2008, and October 2008, and multiplying the result by four (4).

(2) The Initial Watermark(s) may be adjusted as further described in (M) and (N) following.

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(G) Qualifying Services

(1) Qualifying Services will be comprised of the following:

(a) Special Access 1.544 Mbps Services as set forth in Section 7.2.9 preceding of this tariff, Section 5.3.6 of FCC 5, and Section 7.11.1 of FCC 6, in each case as the same may be amended from time to time (collectively, **DS1 Services**); and

(b) Special Access 44.736 Mbps Services as set forth in Section 7.2.9 preceding of this tariff, Section 5.3.6 of FCC 5, and Section 7.11.1 of FCC 6, in each case as the same may be amended from time to time (collectively, **DS3 Services**); and

(c) Special Access 1.544 Mbps and 44.736 Mbps Facilities Management Services, as described in Section 7.2.13 preceding of this tariff as the same may be amended from time to time (collectively, **FMS Services**).

(d) Special Access Dedicated SONET Entrance Facilities Service with a 44.736 Mbps electrical interface, as described in section 7.2.15 preceding, Section 20.4 of FCC 5, Section 20.4 of FCC 6, in each case as the same may be amended from time to time (collectively, **DSEF Services**).

Any services other than the services explicitly listed in this (G)(1) (including any Telephone Company provided SONET entrance facility service) are not included herein as a Qualifying Service. Additionally, Qualifying Services do not include any Switched Access Services.

For purposes of this Option 56: (i) all Qualifying Service volumes and revenues are quantified according to three categories (DS1 Units, Multiplexed DS3 Units, and PTP DS3 Units) as described further in (G)(2) following; and (ii) subject to (G)(2)(d) and (G)(4) following, the USOCs set forth in (G)(2) following reflect the entire list of USOCs included in the definition of Qualifying Services and counted as contributory toward Billed Qualifying Service Revenue.

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(G) Qualifying Services (Cont'd)

(2) Revenues Included in Calculation of Billed Qualifying Service Revenue

Subject to the exceptions and requirements set forth in this Section (G), Billed Qualifying Service Revenue includes monthly recurring charges billed to the customer under the Customer ACNAs for Billed Qualifying Service Units in the operating territories of this tariff, FCC 5 and FCC 6. **Billed DS1 Qualifying Service Revenue** is described in (G)(2)(a) following, subject to (G)(2)(d) and (G)(3) following. **Billed Multiplexed DS3 Qualifying Service Revenue** is described in (G)(2)(b) following, subject to (G)(2)(d) and (G)(3) following. **Billed PTP DS3 Qualifying Service Revenue** is described in (G)(2)(c) following, subject to (G)(2)(d) and (G)(3) following.

(a) Billed DS1 Units

With respect to Billed DS1 Units, Billed Qualifying Service Revenue includes only MRCs billed under rate elements using one or more of the following USOCs:

1A4YS	1A5ZS	1CF21	1CF22	1CF23	1CF25	1CF33
1CF35	1CF3W	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	1CFR8	1CFRJ	1CFS8	1CFSJ
1CFT8	1CFTJ	1CFU8	1CFUJ	1CFV8	1CFVJ	1CKDF
1CKDX	1J53S	1J54S	1L5LS	1L5XX	1LFMX	1LFSX
1OX1X	1OX2X	1OX3X	1OX5X	1OXTX	1T58S	1X7VX
1XCDX	1Y3AC	1YWPS	A1VA1	A1VXZ	AVY	C2X9A
C6H6X	C6H7X	CCO	CTG	DVA	EU4DF	EU4DX
EU7VX	EUU21	EUU22	EUU23	EUU25	EUU33	EUU35
EUU3W	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	EUUR8	EUURJ	EUUS8	EUUSJ	EUUT8
EUUTJ	EUUU8	EUUUJ	EUUV8	EUUVJ	EUW	HGV1X
HGVTX	MQ1	MQK	MXN12	MXN13	MXN15	MXN17
PR9PX	PR9SX	QMU	TJ4DX	TJ4DY	TJ4DZ	TMECS
TNJZX	TNT3X	TNT4X	TNT8X	TQ2KM	TRG	TSP
TWTF6	TYF1X	TZGHX	VPQSP			
HCCMF	HCCT4					

(N)

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(G) Qualifying Services (Cont'd)

(2) Revenues Included in Calculation of Billed Qualifying Service Revenue (Cont'd)

(b) Billed Multiplexed DS3 Units

With respect to Billed Multiplexed DS3 Units, Billed Qualifying Service Revenue includes only MRCs billed under rate elements using one or more of the following USOCs:

1A4ZS	1A59S	1A5LX	1A5YS	1A87S	1A88S	1A89S
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	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	1CFL3	1CFL5	1CFL7	1CFM1
1CFM3	1CFM5	1CFM7	1CFN1	1CFN3	1CFN5	1CFN7
1CKMF	1CKNX	1CKPF	1CKSX	1L5LS	1L5RS	1L5XX
1LFSX	1U5PS	1Y3AD	1YA8S	1YAMS	1YWQS	A1VXG
ABVBA	B2CDP	B2CDV	B2CEP	B2CEV	B2CFP	BXCQX
C2X8A	CCO	DVA	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	EU4MF	EU4NX
EU4PF	EU4SX	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
FQYU1	FQYU2	FQYU3	FQYU4	FQYU5	FQYU6	GMGX3
HKTJS	HKTJX	HKTLS	MKM	MQ3	MQ6	MXNF3
MXNF5	MXNFX	MXNM3	MXNM5	MXNMX	MXNRX	N2M
P8T33	P8T35	PR9SX	SLHA1	SLHA3	SLHA5	SLHA7
SLHB1	SLHB3	SLHB5	SLHB7	SLHC1	SLHC3	SLHC5
SLHC7	SLHD1	SLHD3	SLHD5	SLHD7	SLHE1	SLHE3
SLHE5	SLHE7	T8XJ5	TJ4EX	TJ4EY	TJ4EZ	TJ59X
TKTPX	TNW3X	TNW5X	TNWZX	TQ2LM	TRG	TSP
TUTPX	TWBNX	TWBPX	TWTF7	TYF3S	TYF3X	TYF8S
TYF8X	TYFLS	TYFLX	TYFMS	TYFMX	TYFNX	TYFOX
TYFPX	TYFQX	TYFRX	TYFSX	TYFTX	TYFUX	TYFVS
TYFVX	TYFWS	TYFWX				

HFCMF HFCT4 HFCTA HFOT4 NDPCM (N)

DSEF USOCs mapped to Billed Multiplexed DS3 Units will be included in the Billed Qualifying Service Revenue for those Units.

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(G) Qualifying Services (Cont'd)

(2) Revenues Included in Calculation of Billed Qualifying Service Revenue (Cont'd)

(c) Billed PTP DS3 Units

With respect to Billed PTP DS3 Units, Billed Qualifying Service Revenue includes only MRCs billed under rate elements using one or more of the following USOCs:

1A4ZS	1A5LX	1A87S	1A88S	1A89S	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
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	1CFL3	1CFL5	1CFL7	1CFM1	1CFM3	1CFM5
1CFM7	1CFN1	1CFN3	1CFN5	1CFN7	1CKMF	1CKNX
1CKPF	1CKSX	1L5LS	1L5RS	1L5XX	1LFSX	1U5PS
1Y3AD	1YA8S	1YAMS	1YWQS	A1VXG	ABVBA	B2CDP
B2CDV	B2CEP	B2CEV	B2CFP	BXCQX	C2X8A	CCO
DVA	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	EU4MF	EU4NX	EU4PF	EU4SX
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	FQYU1	FQYU2
FQYU3	FQYU4	FQYU5	FQYU6	GMGX3	HKTJS	HKTJX
HKTLS	N2M	P8T33	P8T35	PR9SX	SLHA1	SLHA3
SLHA5	SLHA7	SLHB1	SLHB3	SLHB5	SLHB7	SLHC1
SLHC3	SLHC5	SLHC7	SLHD1	SLHD3	SLHD5	SLHD7
SLHE1	SLHE3	SLHE5	SLHE7	T8XJ5	TJ4EX	TJ4EY
TJ4EZ	TJ59X	TKTPX	TNW3X	TNW5X	TNWZX	TQ2LM
TRG	TSP	TUTPX	TWBNX	TWBPX	TWTF7	TYF3S
TYF3X	TYF8S	TYF8X	TYFLS	TYFLX	TYFMS	TYFMX
TYFNX	TYFOX	TYFPX	TYFQX	TYFRX	TYFSX	TYFTX
TYFUX	TYFVS	TYFVX	TYFWS	TYFWX		
HFCMF	HFCT4	HFCTA	HFOT4	NDPCM		(N)

DSEF USOCs mapped to Billed PTP DS3 Units will be included in the Billed Qualifying Service Revenue for those Units.

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(G) Qualifying Services (Cont'd)

(2) Revenues Included in Calculation of Billed Qualifying Service Revenue (Cont'd)

(d) If any of the USOCs listed in (G)(2)(a) through (G)(2)(c) preceding bill both MRCs and other charges (e.g., NRCs), then only the MRC amounts (i.e., only those amounts appearing in the MRC section of the customer's bill from the Telephone Company) of such USOCs shall be counted towards the calculation of Billed Qualifying Service Revenue.

(3) Examples of Revenues Not Included in Calculation of Billed Qualifying Service Revenue

Billed Qualifying Service Revenue does not include (the following list being illustrative only) any of the following:

(a) 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;

(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 amount that appears in the Other Charges and Credits section of the Telephone Company's bill to the customer (e.g., prorated charges);

(e) any other charges that are not applied on a monthly recurring basis and/or do not appear in the MRC section (typically labeled "Monthly Access Charges") of the Telephone Company's bill to the customer;

(f) any amount for which payment is being withheld by the customer;

(g) any amount billed under a particular bill for services provided outside of the service period that is ordinarily covered by such bill;

(h) shortfall or overage charges associated with Existing Plan scheduled reviews/true-ups (e.g., for failure to satisfy commitment levels pursuant to a CDP);

(i) billed amounts associated with any service (or any portion of a service) that is not a Qualifying Service;

(j) any Quarterly Billing Credits or other Credits that the customer receives in connection with (I), (J) or (Q) following.

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(G) Qualifying Services (Cont'd)

(4) USOC Updates

If, during the Service Period, the Telephone Company revises Section 7 preceding of this tariff, Section 5 of FCC 5, or Section 7 of FCC 6 to (i) replace or substitute a USOC for a rate element of a Qualifying Service as set forth in (G)(2) preceding; or (ii) add a USOC for a rate element of a Qualifying Service as used herein that was inadvertently omitted from this tariff, then (effective as of the date on which such revision becomes effective) such new USOC shall be included in the definition of the applicable Qualifying Service(s) and such new USOC, provided it otherwise qualifies to be contributory under (G)(2) and (G)(3) preceding and all other terms set forth herein, will be counted as contributory towards Billed Qualifying Service Revenue.

(H) Serving Area

Notwithstanding any other provision set forth herein, any Quarterly Billing Credits or other credits will be provided only in the MSAs that have achieved Phase I or Phase II pricing flexibility under Section 14.3 preceding, and Section 19.1 of FCC 5. Wire centers for the Phase II MSAs are listed in Section 14.3 preceding and Section 19.1 of FCC 5. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 14.3 preceding and Section 19.1 of FCC 5) that occur during the Service Period will apply. No Quarterly Billing Credits or other credits will be provided in the operating territories of FCC 6.

(I) Calculation and Payment of Quarterly Billing Credits

The customer may receive Quarterly Billing Credits for DS1 Qualifying Service, PTP DS3 Qualifying Service and Multiplexed DS3 Qualifying Service based on the difference between the applicable Billed Qualifying Service Revenues and the applicable revenues derived from Flat Rate pricing described in (I)(1) following.

(1) Rate Calculation Methodology for Flat Rate Pricing

The Flat Rate pricing for Qualifying Services under this Option 56 shall be achieved by applying a discount to the average revenue per Billed DS1 Unit, per Billed Multiplexed DS3 Unit, and per Billed PTP DS3 Unit using the calculation [average revenue per Billed Qualifying Service Unit x (1 – discount)] as follows:

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(l) Calculation and Payment of Quarterly Billing Credits (Cont'd)

(1) Rate Calculation Methodology for Flat Rate Pricing (Cont'd)

(a) DS1 Flat Rate Pricing

(Step 1) Calculate the average revenue per DS1 Unit (**DS1 ARPU**) by summing (i) the total MRC associated with the customer's Qualifying DS1 Services for which the customer was billed by the Telephone Company under this tariff, FCC 5 and FCC 6 for the months of August 2008, September 2008, and October 2008; and dividing by (ii) the total number of the DS1 Units for such DS1 Qualifying Services during the same period of time.

The DS1 ARPU calculated in this Step 1 is used to determine the Flat Rate per DS1 Unit for each Plan Year of the Service Period.

(Step 2) To determine the Flat Rate per Billed DS1 Unit, multiply (i) the DS1 ARPU determined in Step 1; by (ii) 1 minus the discount for the applicable Plan Year from Table 1 below.

Table 1

Plan Year	Discount
1	10.4264%
2	15.0041%
3	19.5311%
4	24.0126%
5	28.2510%

Illustrative Example:

(i) Assume the total Billed DS1 Qualifying Service Revenue is $9,075,000 ($2,750,000 for August 2008 + $3,025,000 for September 2008 + $3,300,000 for October 2008).
(ii) Assume the total Billed Qualifying DS1 Units is 33,000 (10,000 for August 2008 + 11,000 for September 2008 + 12,000 for October 2008).
(iii) The DS1 ARPU for Plan Year 1 is $275.00 ($9,075,000 / 33,000).
(iv) The Flat Rate per Billed DS1 Unit for Plan Year 1 is $246.33 [$275 x (1 – .104264)].

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(I) Calculation and Payment of Quarterly Billing Credits (Cont'd)

(1) Rate Calculation Methodology for Flat Rate Pricing (Cont'd)

(b) PTP DS3 Flat Rate Pricing

The Flat Rate per PTP DS3 Unit will be calculated as follows:

(Step 1) Calculate the total revenue for Non-DSEF PTP DS3 Qualifying Services (including any PTP FMS DS3 Services) for which the customer was billed by the Telephone Company under this tariff, FCC 5 and FCC 6 for the months of August 2008, September 2008, and October 2008 by summing the total billed MRC associated with each of such services during this time period (**PTP Non-DSEF Revenue**).

(Step 2) Calculate the total revenue for Non-DSEF Multiplexed DS3 Qualifying Services (including any Multiplexed FMS DS3 Services) for which the customer was billed by the Telephone Company under this tariff, FCC 5 and FCC 6 for the months of August 2008, September 2008, and October 2008 by summing the total billed MRC associated with each of such services during this time period (**Multiplexed Non-DSEF Revenue**).

(Step 3) Determine the total revenue for Non-DSEF DS3 Qualifying Services (excluding any DSEF DS3 Services) by summing (i) the PTP Non-DSEF Revenue in Step 1; and (ii) the Multiplexed Non-DSEF Revenue in Step 2 (**Non-DSEF DS3 Revenue**).

(Step 4) Determine the percentage of Non-DSEF DS3 Revenue that is associated with Non-DSEF PTP DS3 Services by dividing (i) the PTP Non-DSEF Revenue determined in Step 1; by (ii) the Non-DSEF DS3 Revenue determined in Step 3 (**% of Non-DSEF DS3 Revenue that is PTP Non-DSEF Revenue**).

(Step 5) Calculate the total revenue for DSEF DS3 Qualifying Service units by summing the total MRC associated with the customer's Qualifying DSEF Services using DS3 interfaces for which the customer was billed by the Telephone Company under this tariff, FCC 5 and FCC 6 for the months of August 2008, September 2008, and October 2008 (**DSEF DS3 Revenue**).

(Step 6) Determine the portion of DSEF DS3 Revenue that is associated with DSEF PTP DS3 Services by multiplying (i) the DSEF DS3 Revenue calculated in Step 5; by (ii) the % of Non-DSEF DS3 Revenue that is PTP Non-DSEF Revenue calculated in Step 4 (**PTP DSEF Revenue**).

(Step 7) Determine the total PTP DS3 revenue by summing (i) the PTP DSEF Revenue calculated in Step 6; and (ii) the PTP Non-DSEF Revenue calculated in Step 1 (**PTP DS3 Revenue**).

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(I) Calculation and Payment of Quarterly Billing Credits (Cont'd)

(1) Rate Calculation Methodology for Flat Rate Pricing (Cont'd)

(b) PTP DS3 Flat Rate Pricing (Cont'd)

(Step 8) Calculate the total number of PTP DS3 Qualifying Service units (including any PTP DS3 FMS Services) for which the customer was billed by the Telephone Company under this tariff, FCC 5 and FCC 6 for the months of August 2008, September 2008, and October 2008 (**PTP DS3 Units**).

(Step 9) Calculate the average revenue per PTP DS3 unit (**PTP DS3 ARPU**) by dividing (i) the PTP DS3 Revenue determined in Step 7 by the PTP DS3 Units determined in Step 8 (**PTP DS3 ARPU**).

The PTP DS3 ARPU calculated in this Step 9 is used to determine the Flat Rate per Billed PTP DS3 Unit for each Plan Year of the Service Period.

(Step 10) To determine the Flat Rate per Billed PTP DS3 Unit, multiply (i) the PTP DS3 ARPU calculated in Step 9; by (ii) one (1) minus the discount for the applicable Plan Year from Table 2 below [PTP DS3 ARPU x (1 – discount)].

Table 2

Plan Year	Discount
1	23.3169%
2	24.9144%
3	26.5144%
4	28.2266%
5	30.2200%

Illustrative Example:

(i) Assume the PTP Non-DSEF Revenue is $4,888,921 ($1,551,860 for August 2008 + $1,628,990 for September 2008 + $1,708,071 for October 2008); and

(ii) Assume the Multiplexed Non-DSEF Revenue is $4,856,579 ($1,548,140 for August 2008 + $1,616,010 for September 2008 + $1,692,429 for October 2008); and

(iii) Assume the DSEF DS3 Revenue is $168,350 ($55,000 for August 2008 + $56,000 for September 2008 + $57,350 for October 2008); and

(iv) Assume the PTP DS3 Units are 1,575 (500 for August 2008 + 525 for September 2008 + 550 for October 2008).

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(l) Calculation and Payment of Quarterly Billing Credits (Cont'd)

(1) Rate Calculation Methodology for Flat Rate Pricing (Cont'd)

(b) PTP DS3 Flat Rate Pricing (Cont'd)

Illustrative Example (Cont'd):

Step 1 The PTP Non-DSEF Revenue is $4,888,921.

Step 2 The Multiplexed Non-DSEF Revenue is $4,856,579.

Step 3 The Non-DSEF DS3 Revenue is $9,745,500 ($4,888,921 + $4,856,579).

Step 4 The % of Non-DSEF DS3 Revenue that is PTP Non-DSEF Revenue is 50.17% ($4,888,921 / $9,745,500).

Step 5 The DSEF DS3 Revenue is $168,350.

Step 6 The PTP DSEF Revenue $84,461 ($168,350 x 50.17%).

Step 7 The PTP DS3 Revenue is $4,973,382 ($4,888,921 + $84,461).

Step 8 The PTP DS3 Units are 1,575.

Step 9 The PTP DS3 ARPU is $3,157.70 ($4,973,382 / 1,575).

Step 10 For Plan Year 1, the Flat Rate per Billed PTP DS3 Unit is $2,421.42 [$3,157.70 x (1 - .233169)]. The Flat Rate per Billed PTP DS3 Unit in Plan Years 2-5 is calculated using the applicable discount from Table 2 preceding.

(c) Multiplexed DS3 Flat Rate Pricing

The Flat Rate per Multiplexed DS3 Unit will be calculated as follows:

(Step 1) Calculate the total revenue for Multiplexed Non-DSEF DS3 Qualifying Services (including any Multiplexed FMS DS3 Services) for which the customer was billed by the Telephone Company under this tariff, FCC 5 and FCC 6 for the months of August 2008, September 2008, and October 2008 by summing the total MRC associated with each of such services during this time period (**Multiplexed Non-DSEF Revenue**).

(Step 2) Calculate the total revenue for PTP Non-DSEF DS3 Qualifying Services (including any PTP FMS DS3 Services) for which the customer was billed by the Telephone Company under this tariff, FCC 5 and FCC 6 for the months of August 2008, September 2008, and October 2008 by summing the total MRC associated with each of such services during this time period (**PTP Non-DSEF Revenue**).

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(I) Calculation and Payment of Quarterly Billing Credits (Cont'd)

(1) Rate Calculation Methodology for Flat Rate Pricing (Cont'd)

(c) Multiplexed DS3 Flat Rate Pricing (Cont'd)

(Step 3) Determine the total revenue for Non-DSEF DS3 Qualifying Services by summing (i) the Multiplexed Non-DSEF Revenue in Step 1; and (ii) the PTP Non-DSEF Revenue in Step 2 (**Non-DSEF DS3 Revenue**).

(Step 4) Determine the percentage of Non-DSEF DS3 Revenue that is associated with Non-DSEF Multiplexed DS3 Services by dividing (i) the Multiplexed Non-DSEF Revenue determined in Step 1; by (ii) the Non-DSEF DS3 Revenue determined in Step 3 (**% of Non-DSEF DS3 Revenue that is Multiplexed Non-DSEF Revenue**).

(Step 5) Calculate the total revenue for DSEF DS3 Qualifying Services by summing the total MRC associated with the customer's Qualifying DSEF Services using DS3 interfaces for which the customer was billed by the Telephone Company under this tariff, FCC 5 and FCC 6 for the months of August 2008, September 2008, and October 2008 (**DSEF DS3 Revenue**).

(Step 6) Determine the portion of the DSEF DS3 Revenue that is associated with DSEF Multiplexed DS3 Services by first multiplying (i) the DS3 DSEF Revenue calculated in Step 5; by (ii) the % of Non-DSEF DS3 Revenue that is Multiplexed Non-DSEF Revenue determined in Step 4 (**Multiplexed DSEF DS3 Revenue**).

(Step 7) Calculate the total revenue for FMS DS1 Qualifying Services by summing the total MRC associated with the customer's FMS DS1 Qualifying Services for which the customer was billed by the Telephone Company under this tariff, FCC 5 and FCC 6 for the months of August 2008, September 2008, and October 2008 (**FMS DS1 Revenue**).

(Step 8) Calculate the total multiplexed DS3 revenue by summing the Multiplexed Non-DSEF Revenue determined in Step 1; (ii) the Multiplexed DSEF DS3 Revenue determined in Step 6; and (iii) the FMS DS1 Revenue determined in Step 7 (**Multiplexed DS3 Revenue**).

(Step 9) Calculate the total number of Multiplexed DS3 Units for which the customer was billed by the Telephone Company under this tariff, FCC 5 and FCC 6 for the months of August 2008, September 2008, and October 2008 (**Multiplexed DS3 Units**).

(Step 10) Calculate the total number of FMS DS1 Units by summing the total number of the customer's FMS DS1 Units for which the customer was billed by the Telephone Company under this tariff, FCC 5 and FCC 6 for the months of August 2008, September 2008, and October 2008 (**FMS DS1 Units**).

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(l) Calculation and Payment of Quarterly Billing Credits (Cont'd)

(1) Rate Calculation Methodology for Flat Rate Pricing (Cont'd)

(c) Multiplexed DS3 Flat Rate Pricing (Cont'd)

(Step 11) Convert the FMS DS1 Units determined in Step 10 to equivalent Multiplexed DS3 Units by dividing the result of Step 10 by twenty-eight (28) (**DS1s Converted to Multiplexed DS3 Units**).

(Step 12) Calculate the total number of Multiplexed DS3 Units by summing (i) the Multiplexed DS3 Units determined in Step 9; and (ii) the DS1s Converted to Multiplexed DS3 Units in Step 11 (**Total Multiplexed DS3 Units**).

(Step 13) Calculate the average revenue per Multiplexed DS3 Unit (**Multiplexed DS3 ARPU**) by dividing the Multiplexed DS3 Revenue determined in Step 8 by the Total Multiplexed DS3 Units determined in Step 12.

The Multiplexed DS3 ARPU calculated in this Step 13 is used to determine the Flat Rate per Billed Multiplexed DS3 Unit for each Plan Year of the Service Period.

(Step 14) To determine the Flat Rate per Billed Multiplexed DS3 Unit, multiply (i) the Multiplexed DS3 ARPU calculated in Step 13 by; (ii) one (1) minus the discount for the applicable Plan Year from the Table 3 below [Multiplexed DS3 ARPU x (1 – discount)]

Table 3

Plan Year	Discount
1	12.9005%
2	14.1864%
3	15.4526%
4	16.7016%
5	17.9302%

Illustrative Example:

(i) Assume the Multiplexed Non-DSEF Revenue is $4,856,579 ($1,548,140 for August 2008 + $1,616,010 for September 2008 + $1,692,429 for October 2008); and

(ii) Assume the PTP Non-DSEF Revenue is $4,888,921 ($1,551,860 for August 2008 + $1,628,990 for September 2008 + $1,708,071 for October 2008); and

(iii) Assume the DSEF DS3 Revenue is $168,350 ($55,000 for August 2008 + $56,000 for September 2008 + $57,350 for October 2008); and

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(l) Calculation and Payment of Quarterly Billing Credits (Cont'd)

(1) Rate Calculation Methodology for Flat Rate Pricing (Cont'd)

(c) Multiplexed DS3 Flat Rate Pricing (Cont'd)

Illustrative Example (Cont'd):

(iv) Assume the FMS DS1 Revenues are: $4,969,500 ($1,500,500 for August 2008 + $1,660,000 for September 2008 + $1,809,000 for October 2008); and

(v) Assume the FMS DS1 Services are 18,900 (5,600 for August 2008 + 6,300 for September 2008 + 7,000 for October 2008); and

(vi) Assume the Multiplexed DS3 Units are 4,800 (1,500 for August 2008 + 1,600 for September 2008 + 1,700 for October 2008).

Step 1 The Multiplexed Non-DSEF Revenue is $4,856,579.

Step 2 The PTP Non-DSEF Revenue is $4,888,921.

Step 3 The Non-DSEF DS3 Revenue is $9,745,500 ($4,888,921 + $4,856,579).

Step 4 The % of Non-DSEF DS3 Revenue that is Multiplexed Non-DSEF Revenue is 49.83% ($4,856,579 / $9,745,500).

Step 5 The DSEF DS3 Revenue is $168,350.

Step 6 The Multiplexed DSEF DS3 Revenue is $83,889 ($168,350 x 49.83%).

Step 7 The FMS DS1 Revenue is $4,969,500.

Step 8 The Multiplexed DS3 Revenue is $9,909,968 ($4,856,579 + $83,889 + $4,969,500).

Step 9 The total number of Multiplexed DS3 Units is 4,800.

Step 10 The total number of FMS DS1 Services is 18,900.

Step 11 The DS1s Converted to Multiplexed DS3 Units is 675 (18,900 / 28).

Step 12 The total number of Multiplexed DS3 Units is 5,475 (4,800 + 675).

Step 13 The Multiplexed DS3 ARPU is $1,810.04 ($9,909,968 / 5,475).

Step 14 For Plan Year 1, the Flat Rate per Billed Multiplexed DS3 Unit is $1,576.54 [$1,810.04 x (1 - .129005)]. The Flat Rate per Multiplexed DS3 Unit in Plan Years 2-5 is calculated using the applicable discount from Table 3 preceding.

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(I) Calculation and Payment of Quarterly Billing Credits (Cont'd)

(2) Calculation of Quarterly Billing Credit

To calculate the Quarterly Billing Credit:

Step 1 Determine the total number of Billed DS1 Units, Billed Multiplexed DS3 Units, and Billed PTP DS3 Units for the Quarter in accordance with (I)(1) preceding.

Step 2 Determine the Billed Qualifying Service Revenue for the Quarter for each Qualifying Service type (i.e., based on Billed DS1 Units, Billed Multiplexed DS3 Units, and Billed PTP DS3 Units) in accordance with (I)(1) preceding.

Step 3 Calculate the Flat Rate for each Qualifying Service type (DS1, Multiplexed DS3, and PTP DS3) in accordance with (I)(1) preceding.

Step 4 Calculate the Quarterly Billing Credit for each Qualifying Service type (DS1, Multiplexed DS3, and PTP DS3) by multiplying (i) the total number of the applicable Billed Qualifying Service Units determined in Step 1; by (ii) the applicable Flat Rate calculated in Step 3; and subtracting the result from (iii) the total of the applicable Billed Qualifying Service Revenue for the Quarter determined in Step 2.

Illustrative Example (using only Billed DS1 Units for illustrative purposes):

(i) Assume the customer's monthly Billed DS1 Units in the first Quarter of Plan Year 2 are 303,000.

(ii) Assume the total Billed Qualifying Service Revenue for DS1 Units in the first Quarter of Plan Year 2 is $83,325,000.

(iii) Assume the Flat Rate for DS1s calculated in accordance with (I)(1)(a) preceding is $246.33.

Based on the above assumptions:

Step 1 The total Billed DS1 Units for the first Quarter of Plan Year 2 are 303,000.

Step 2 The Billed Qualifying Service Revenue for DS1 Units is $83,325,000.

Step 3 The Flat Rate is $246.33.

Step 4 The Quarterly Billing Credit for Quarter 1 of Plan Year 2 is $8,687,010 [$83,325,000 - (303,000 x $246.33)].

(3) Payment of the Quarterly Billing Credits

The Telephone Company will provide the Quarterly Billing Credits on the customer's bills within one hundred twenty (120) calendar days after the end of the applicable Quarter.

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(J) One-Time Revenue Performance Credit

If, as of June 1, 2009, the customer satisfies the eligibility criteria set forth in (C)(1) through (C)(3) preceding, then the customer shall be eligible for a One-Time Revenue Performance Credit in the amount of twenty million dollars ($20M). If the customer satisfies such eligibility criteria, then the Telephone Company shall apply such credits to the customer's applicable account(s) within ninety (90) calendar days after June 1, 2009. The Revenue Performance Credit is available only on a one-time basis for the period specified above, and no further Revenue Performance Credit shall be available to the customer in conjunction with its subscription to this Option 56 and Option 28 of FCC 5. The single One-Time Revenue Performance Credit is provided for the customer's collective subscription to this Option 56 and Option 28 of FCC 5 (i.e., the total One-Time Revenue Performance Credit is $20M per customer).

(K) Limitation on Grooms

(1) Maximum Annual Grooms

During each Plan Year, if the customer orders more than four hundred (400) Grooms of DS3 Services per Plan Year (**Maximum Annual Grooms**), then the Telephone Company may terminate the customer's subscription to this Option 56 and Option 28 of FCC 5. The Maximum Annual Grooms for Plan Year 1 shall apply on a pro-rated basis for the seven (7) month period of Plan Year 1 beginning June 1, 2009 and ending December 31, 2009 [(400 x (7 / 12) = 233]. The Telephone Company shall provide the customer with notice of any such termination within sixty (60) calendar days of the end of the subject Plan Year, and such termination shall be deemed effective as of the end of such Plan Year. Termination of this Option 56 shall be an automatic termination of Option 28 of FCC 5.

(2) Customer ACNAs Subject to Limitation on Grooms

The Maximum Annual Grooms limitation set forth in (K)(1) preceding shall apply to all Customer ACNAs. When determining the Maximum Annual Grooms limitation, the Telephone Company shall count all Grooms ordered during the Plan Year in all of the operating territories of this tariff, FCC 5 and FCC 6 for such Customer ACNAs.

(3) 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) Any Groom initiated by the Telephone Company and not requested by the customer;

(b) 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);

(c) 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.

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(K) Limitation on Grooms (Cont'd)

(4) Other than as set forth herein, all Grooms shall remain subject to the terms set forth in this tariff, FCC 5 and FCC 6, as applicable. Upon termination of the customer's subscription to this Option 56 as set forth in this Section (K), the Telephone Company shall not owe any credits under this Option 56 and Option 28 of FCC 5 for any period after the termination date described in (K)(1) preceding. Termination of this Option 56 shall be an automatic termination of Option 28 of FCC 5.

(L) Suspension of True-ups and Extension of Existing Plans During Service Period

During the Service Period, the customer's Existing Plans as defined in (C)(4) preceding, shall be subject to the following provisions (both as to Qualifying Services as well as all other services covered by such Existing Plans):

(1) Suspension of True-ups

The scheduled review/true-up requirements for the customer's Existing Plans, and FMS Plans, if applicable, including any shortfall payments or penalties that would otherwise result for failure to maintain volume commitments, shall be suspended during the Service Period. Upon termination of the customer's subscription to this Option 56 or Option 28 of FCC 5 for any reason, the review/true-up requirements shall be re-activated for the Existing Plans and new commitments shall be established in accordance with the regulations for the type of Existing Plan or FMS Plan involved. For Existing Plans, Time-In-Service-Credits (**TISC**), when applicable, will be granted based on credit already earned as of June 1, 2009 plus any additional credit earned during the customer's subscription to this Option 56 or Option 28 of FCC 5, which collectively shall not be greater than the TISC available under the terms of the applicable Existing Plan.

(2) Extension of Existing Plans

Subject to any early termination of the customer's subscription to this Option 56 or Option 28 of FCC 5, the Existing Plans are deemed extended as necessary to be coterminous with the Service Period. Upon expiration of the Service Period, the Existing Plans will be subject to the regulations for the type of Existing Plan involved that ordinarily apply upon expiration of the respective Existing Plans (including establishment of new commitments). TISC will be granted based on credit already earned as of June 1, 2009 plus any additional credit earned during the customer's subscription to this Option 56 or Option 28 of FCC 5, which collectively shall not be greater than the TISC available under the terms of the applicable Existing Plan.

(3) Other Tariff Provisions

All other terms and conditions applicable to the Existing Plans (including discounts and minimum period requirements) remain unchanged by this Section (L).

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(M) Mergers, Acquisitions, Divestitures, and Other Changes in Control of Customer

(1) Sale or Other Transfer of Ownership From the Customer to an Unaffiliated Third Party

If the customer sells to an unaffiliated third party, or otherwise transfers to an unaffiliated third party its ownership of (collectively, a **Third Party Sale**), one or more Customer ACNA(s), or a line of business, division, affiliate, or license to operate in a particular geographic area (e.g., a Commercial Mobile Radio Service (CMRS) license) (collectively, **Sold Properties**), then the terms and conditions set forth in this Section (M) shall apply to account for the effect of such Third Party Sale on this Option 56:

(a) No later than sixty (60) calendar days prior to closure of the Third Party Sale, the customer shall notify the Telephone Company of such Third Party Sale via a written notice that includes the following information:

(1) the date on which the Third Party Sale is expected to close; and

(2) the affected Customer ACNA(s); and

(3) the affected state(s) or other relevant geographic area(s); and

(4) Information sufficient to begin the identification process of the volumes and circuit identifiers of all DS1 Units, Multiplexed DS3 Units, and PTP DS3 Units associated with the Sold Properties that the customer will no longer obtain from the Telephone Company as a result of the Third Party Sale (**Sold Qualifying Units**). After sending this notification, the customer will work cooperatively with the Telephone Company (and the third-party carrier, if necessary) to complete the exchange of information that may be reasonably required to determine an adjustment to the applicable Initial Watermark(s).

(b) If the customer provides notice as described in (M)(1)(a) preceding, then effective upon closure of the Third Party Sale if such closure occurs on the first day of a calendar month (or effective upon the first day of the calendar month following closure of the Third Party Sale if such closure occurs on a day other than the first day of a calendar month): (i) all Sold Qualifying Units shall not be counted as Billed Qualifying Service Units, shall not be eligible for the Quarterly Billing Credits, and shall cease to be covered by this Option 56 for all other purposes, and (ii) the Initial Watermarks shall be adjusted as set forth in (M)(1)(c) following.

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(M) Mergers, Acquisitions, Divestitures, and Other Changes in Control of Customer (Cont'd)

(1) Sale or Other Transfer of Ownership From the Customer to an Unaffiliated Third Party (Cont'd)

(c) Initial Watermark Adjustment

Where required under (M)(1)(b) preceding, the Telephone Company shall adjust the Initial Watermarks set forth in (F) preceding as follows:

(1) For the Plan Year in which the Third Party Sale occurred:

(Step 1) Determine the volumes of Billed Qualifying Service Units per service type (i.e., DS1, Multiplexed DS3, and PTP DS3) generated by the Sold Properties for the three (3) full calendar months prior to the date of the closing of the Third Party Sale.

(Step 2) Divide the quarterly volumes determined in Step 1 by three (3) to arrive at an average monthly volume.

(Step 3) Multiply the amount determined in Step 2 by the number of full months remaining in the Plan Year (i.e., the Plan Year in which the Third Party Sale occurred) as of the closing date of the Third Party Sale.

(Step 4) Subtract the amount resulting from Step 3 above from the Initial Watermark to arrive at an adjusted Initial Watermark for the Plan Year in which the Third Party Sale occurred.

(2) For subsequent Plan Years:

(Step 1) Multiply the quarterly volume determined in Step 1 of (c)(1) preceding by four (4) to arrive at an annualized amount.

(Step 2) Subtract the amount resulting from Step 1 of this (c)(2) from the Initial Watermark. The result of such subtraction is the adjusted Initial Watermark for all Plan Years after the Plan Year in which the Third Party Sale occurred.

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(M) Mergers, Acquisitions, Divestitures, and Other Changes in Control of Customer (Cont'd)

(2) Mergers and Acquisitions of the Customer

(a) In the event the customer merges with another company or acquires a company or a portion of the business of another company (including any ACNA(s) that are not Customer ACNAs) (the company with which the customer merges and the company or portion of the business thereof that the customer acquires (including an ACNA(s) that is not a Customer ACNA(s)) may be referred to collectively as the **Customer Acquired Properties** and such merger or acquisition may be referred to in either case as an **Acquisition**), and the Telephone Company provides any Qualifying Services in connection with such Customer Acquired Properties, then the customer shall notify the Telephone Company prior to the closing of the Acquisition and the Parties shall determine whether the Customer Acquired Properties shall be included in or excluded from the terms and conditions (including the calculation of Quarterly Billing Credits) of this Option 56 and Option 28 of FCC 5 in accordance with (M)(2)(c) following.

The Parties shall determine the Acquired Customer DS1 Unit Percentage in accordance with (b) following.

(1) For an Acquisition where the Acquired Customer DS1 Unit Percentage is no more than two percent (2%), the Parties shall automatically include the Customer Acquired Properties in the terms and conditions (including the calculation of Quarterly Billing Credits) of this Option 56 and Option 28 of FCC 5 in accordance with (M)(2)(c)(1) following.

(2) For an Acquisition where the Acquired Customer DS1 Unit Percentage is greater than two percent (2%), the Parties may, but shall have no obligation to, include the Customer Acquired Properties in the terms and conditions (including the calculation of Quarterly Billing Credits) of this Option 56 and Option 28 of FCC 5 in accordance with (M)(2)(c)(2) following.

(b) Determination of Acquired Customer DS1 Unit Percentage

Upon the Telephone Company's receipt of the customer's notice under (a) preceding, the Telephone Company and the customer will work cooperatively to determine whether the number of DS1 Units generated by the Customer Acquired Properties is no more than or greater than two percent (2%) of the Existing Customer DS1 Unit Quantity (as defined in Step 1 below) using the steps shown below:

(Step 1) Determine the total volume of Billed DS1 Units that the customer purchased from the Telephone Company during the three (3) full calendar months prior to the date of the closing of the Acquisition. Divide such total by three (3) to arrive at an average monthly volume (such average monthly volume is the **Existing Customer DS1 Unit Quantity**).

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(M) Mergers, Acquisitions, Divestitures, and Other Changes in Control of Customer (Cont'd)

(2) Mergers and Acquisitions of the Customer (Cont'd)

(b) Determination of Acquired Customer DS1 Unit Percentage (Cont'd)

(Step 2) Determine the total volume of Billed DS1 Units (purchased from the Telephone Company) that the Customer Acquired Properties generated during the three (3) full calendar months prior to the date of the closing of the Acquisition. Divide such total by three (3) to arrive at an average monthly volume (such average monthly volume is the **Existing Acquired DS1 Unit Quantity**).

(Step 3) Divide the Existing Acquired DS1 Unit Quantity determined in Step 2 by the Existing Customer DS1 Unit Quantity determined in Step 1. The resulting percentage is the **Acquired Customer DS1 Unit Percentage**.

Illustrative Example:

Assume the following:

(i) the Acquisition closed on September 15; and

(ii) during the period of three (3) full calendar months prior to the date of the closing of the Acquisition (i.e., June, July and August), the Customer Acquired Properties purchased a total of 3,000 Billed DS1 Units from the Telephone Company; and

(iii) during that same period of three (3) full calendar months, the customer purchased a total of 600,000 Billed DS1 Units from the Telephone Company.

Based on the above assumptions, the Acquired Customer DS1 Unit Percentage would be one-half of one percent (0.5%) as follows: (3,000 ÷ 3 = 1,000) ÷ (600,000 ÷ 3 = 200,000) = .5%.

(c) Inclusion or Exclusion of the Customer Acquired Properties

(1) If, under (M)(2)(b) preceding, the Acquired Customer DS1 Unit Percentage is determined to be no more than two percent (2%), then the Telephone Company shall make a pro-rata increase to customer's applicable Initial Watermark(s) and such increase, and application of the applicable Flat Rates, will be effective as of the later of (a) the closing of the Acquisition if such closure occurs on the first day of a calendar month (or the first day of the calendar month following closure of the Acquisition if such closure occurs on a day other than the first day of a calendar month) and (b) the date specified by the Telephone Company, which shall be no later than the first day of the third calendar month after the date on which the Acquisition closes. The Telephone Company shall calculate such increase in the Initial Watermark(s) using the steps set forth in (M)(2)(d) following.

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(M) Mergers, Acquisitions, Divestitures, and Other Changes in Control of Customer (Cont'd)

(2) Mergers and Acquisitions of the Customer (Cont'd)

(c) Inclusion or Exclusion of the Customer Acquired Properties (Cont'd)

(2) If the Acquired Customer DS1 Unit Percentage is greater than two percent (2%), the customer may notify the Telephone Company in writing if, in its sole discretion, it seeks to include the Customer Acquired Properties in the terms and conditions (including the calculation of Quarterly Billing Credits) of this Option 56 and Option 28 of FCC 5. The Telephone Company may, in its sole discretion, agree in writing to such inclusion based upon a number of interrelated factors, including but not limited to (i) the amount by which the Acquired Customer DS1 Unit Percentage exceeds 2%; (ii) the amount of additional Quarterly Billing Credits that would result from such inclusion; and (iii) the impact on the Initial Watermarks. If the Telephone Company agrees in writing to such inclusion, then the Telephone Company shall increase the customer's applicable Initial Watermark(s) and such increase will be effective as of a mutually-agreed date no earlier than the first day of the first full month after the closing of the Acquisition. Effective as of such date, the Telephone Company will also begin application of the applicable Flat Rates. The Telephone Company shall calculate such increase in the Initial Watermark(s) using the steps set forth in (M)(2)(d) following.

(3) The effective date upon which the Telephone Company is to adjust the Initial Watermark(s) and implement the Flat Rates as described in (M)(2)(c)(1) preceding for an Acquisition where the Customer DS1 Unit Percentage is no more than two percent (2%), or as described in (M)(2)(c)(2) preceding for an Acquisition where the Acquired Customer DS1 Unit Percentage is greater than two percent (2%) and the Parties have agreed in writing to include the Customer Acquired Properties in the terms and conditions (including the calculation of Quarterly Billing Credits) of this Option 56, and Option 28 of FCC 5, shall be referred to herein as the **Property Adjustment Date**.

(4) In the absence of the Parties' mutual written agreement to include the Customer Acquired Properties with an Acquired Customer DS1 Unit Percentage that is greater than two percent (2%) in the terms and conditions (including the calculation of Quarterly Billing Credits) of this Option 56, and Option 28 of FCC 5 as set forth in (M)(2)(c)(2) preceding, the following apply:

(i) The Initial Watermarks shall remain unchanged.

(ii) The Flat Rates shall not apply to any Qualifying Service purchases attributable to the Customer Acquired Properties. The Customer Acquired Properties shall not otherwise receive the Flat Rates and shall not gain any other benefit of this Option 56 and Option 28 of FCC 5.

(iii) The customer may not combine or include any Qualifying Services (or revenues associated therewith) from the Customer Acquired Properties for the purposes of this Option 56 and Option 28 of FCC 5.

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(M) Mergers, Acquisitions, Divestitures, and Other Changes in Control of Customer (Cont'd)

(2) Mergers and Acquisitions of the Customer (Cont'd)

(c) Inclusion or Exclusion of the Customer Acquired Properties (Cont'd)

(4) (Cont'd)

(iv) The customer's Billed Qualifying Service Units and Billed Qualifying Service Revenue shall be determined using the customer's business with the Telephone Company using the Customer ACNAs, without adding the services and/or ACNAs attributable to expansion of the customer's purchase of services from the Telephone Company through the Acquisition.

(v) Without limiting any other right of the Telephone Company to terminate the customer's subscription to this Option 56 and Option 28 of FCC 5, if the Telephone Company determines that the customer has failed to comply with any of the provisions of this section (M)(2)(c)(4), then the Telephone Company, pursuant to mutually agreed dispute resolution provisions, may pursue all remedies available to it at law, in equity, or otherwise, including termination of the customer's subscription to this Option 56 and Option 28 of FCC 5.

(d) Initial Watermark Adjustment

In the event the Customer Acquired Properties are included in this Option 56 and Option 28 of FCC 5 pursuant to (M)(2)(c)(1) and (M)(2)(c)(2) preceding, the Telephone Company shall adjust the Initial Watermarks set forth in (F) preceding as follows:

(1) For the Plan Year in which the Property Adjustment Date is to occur:

(Step 1) Determine the volumes of Billed Qualifying Service Units (per service type (i.e., DS1, Multiplexed DS3, and PTP DS3)) generated by the Customer Acquired Properties during the three (3) full calendar months prior to the date of the closing of the Acquisition.

(Step 2) Divide the quarterly volumes determined in Step 1 by three (3) to arrive at an average monthly volume.

(Step 3) Multiply the amount determined in Step 2 by the number of full months remaining in the Plan Year in which the Property Adjustment Date is to occur.

(Step 4) Add the amount resulting from Step 3 to the Initial Watermark for the subject Plan Year to arrive at an adjusted Initial Watermark for that Plan Year.

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(M) Mergers, Acquisitions, Divestitures, and Other Changes in Control of Customer (Cont'd)

(2) Mergers and Acquisitions of the Customer (Cont'd)

(d) Initial Watermark Adjustment (Cont'd)

(2) For Subsequent Plan Years:

(Step 1) Multiply the quarterly volume determined in Step 1 of (d)(1) preceding by four (4) to arrive at an annualized amount.

(Step 2) Add the amount resulting from Step 1 of this (d)(2) to the Initial Watermark. The result of such addition is the adjusted Initial Watermark for all Plan Years after the Plan Year in which the Property Adjustment Date occurred.

(e) In the event the Customer Acquired Properties are included in this Option 56 and Option 28 of FCC 5 pursuant to (M)(2)(c)(1) and (M)(2)(c)(2) preceding, the customer shall, no later than ninety (90) calendar days after the date of closure of the subject Acquisition, complete such steps as are necessary to enroll the applicable Customer Acquired Properties into the customer's Existing Plans (as defined in (C)(4) preceding) and, upon such enrollment, the rates, terms, and conditions (including suspension of scheduled review/true-up, etc. under (L) preceding) shall apply to such enrolled Customer Acquired Properties. If the customer fails to complete such steps within the above-referenced ninety (90) day period, then the customer agrees that it shall be deemed to have authorized the Telephone Company to complete such steps on the customer's behalf. The enrollment requirement set forth in this (M)(2)(e) does not affect the Telephone Company's obligation to adjust the Initial Watermark(s) and implement the Flat Rates in accordance with the time periods described in (M)(2)(c)(1) and (M)(2)(c)(2) preceding.

(3) The Parties shall work cooperatively and in good faith with each other to take such action as may be necessary to achieve the intent of this Section (M), and neither Party shall unreasonably withhold from the other Party any data that is necessary or reasonably required to achieve such intent.

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(N) Sale or Acquisition of Properties by the Telephone Company

(1) Sale of an Operating Telephone Company

(a) In the event that the Telephone Company sells all or part of one (1) of its operating telephone companies (a **Sold Operating Company**) that provides Qualifying Services under this tariff, FCC 5 or FCC 6 during the Service Period (a **Property Sale**), the terms and conditions set forth in this Section (N) shall apply.

(b) Prior to closure of the Property Sale or as expeditiously as practical after such closure, the Telephone Company shall notify the customer of such Property Sale via a written notice, which shall include the date on which the Property Sale is expected to close (or has closed) and the affected state(s) or other relevant geographic area(s).

(c) Effective upon closure of the Property Sale if such closure occurs on the first day of a calendar month (or effective upon the first day of the calendar month following closure of the Property Sale if such closure occurs on a day other than the first day of a calendar month), all DS1 Units, Multiplexed DS3 Units, and PTP DS3 Units associated with the Sold Operating Company shall not be counted as Billed Qualifying Service Units, shall not be eligible for the Flat Rates, and shall cease to be covered by this Option 56 and Option 28 of FCC 5 for all other purposes, and the Initial Watermarks shall be adjusted as set forth in (d) following.

(d) Initial Watermark Adjustment

The Telephone Company shall adjust the Initial Watermarks set forth in (F) preceding as follows:

(1) For the Plan Year in which the Property Sale occurred:

(Step 1) Determine the volumes of Billed Qualifying Service Units (per service type) generated by the Sold Operating Company during the three (3) full calendar months prior to the date of the closing of the Property Sale.

(Step 2) Divide the quarterly volumes determined in Step 1 by three (3) to arrive at an average monthly volume.

(Step 3) Multiply the amount determined in Step 2 by the number of full months remaining in the Plan Year (i.e., the Plan Year in which the Property Sale occurred) as of the closing date of the Property Sale.

(Step 4) Subtract the amount resulting from Step 3 from the Initial Watermark to arrive at an adjusted Initial Watermark for the Plan Year in which the Property Sale occurred.

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(N) Sale or Acquisition of Properties by the Telephone Company (Cont'd)

(1) Sale of an Operating Telephone Company (Cont'd)

(d) Initial Watermark Adjustment (Cont'd)

(2) For Subsequent Plan Years:

(Step 1) Multiply the quarterly volume determined in Step 1 of (d)(1) preceding by four (4) to arrive at an annualized amount.

(Step 2) Subtract the amount resulting from Step 1 of this (d)(2) from the original Initial Watermark. The result of such subtraction is the adjusted Initial Watermark for all Plan Years after the Plan Year in which the Property Sale occurred.

Illustrative Example:

Assume the following information for the third quarter of Plan Year 2:

(i) The Initial Watermark is 600,000 Billed DS1 Units.

(ii) The Telephone Company sells a part of Frontier West Virginia Inc. (**Sold WV Property**) to a third party at the end of month eight (8) of Plan Year 2.

(iii) During the three (3) full calendar months prior to the date of the closing of the Property Sale, Sold WV Property accounted for 15,000 of the customer's Billed DS1 Units.

Based on the above assumptions:
(Step 1) The average monthly Billed DS1 Units for Sold WV Property is 5,000 (15,000/3).

(Step 2) The number of months remaining in Plan Year 2 is four (4) months (12-month Plan Year minus 8 months).

(Step 3) The Initial Watermark for Billed DS1 Units for the remainder of the Plan Year 2 is reduced by 20,000 (5,000 x 4).

(Step 4) The adjusted Watermark for Plan Year 2 is 580,000 (600,000 – 20,000).

(Step 5) The Initial Watermark for all Plan Years subsequent to Plan Year 2 will be adjusted downward by 60,000 (4 x 15,000). The adjusted Initial Watermark for all Plan Years subsequent to Plan Year 2 is 540,000 (600,000 – 60,000).

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(N) Sale or Acquisition of Properties by the Telephone Company (Cont'd)

(2) Mergers and Acquisitions of the Telephone Company

In the event the Telephone Company 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 company with which the Telephone Company merges, the company or portion of the business thereof that the Telephone Company acquires, and the company that acquires the Telephone Company in whole or in part may be referred to collectively as the **Acquired Properties** and such merger or acquisition may be referred to in either case as a **Telco Acquisition**), the Telephone Company shall determine whether such Acquired Properties shall be included in or excluded from the terms and conditions (including the calculation of Quarterly Billing Credits) of this Option 56 and Option 28 of FCC 5 in accordance with (a) and (b) following.

(a) The Telephone Company will determine whether it wishes to include the Acquired Properties in the terms and conditions (including the calculation of Quarterly Billing Credits) of this Option 56 and Option 28 of FCC 5 based upon factors such as those specified in Sections (N)(2)(b) and (N)(2)(c) following. If the Telephone Company is interested in doing so, then it will determine whether the number of DS1 Units (i.e., as defined in (B)(8) preceding, or the Acquired Property's equivalent 1.544 Mbps services using time division multiplexing technology) that the customer purchases from the Acquired Properties is greater than two percent (2%) of the Existing DS1 Unit Quantity Purchased from the Telephone Company (as defined below) using the steps shown below:

(Step 1) Determine the total volume of DS1 Units that the customer purchased from the Acquired Properties during the three (3) full calendar months prior to the date of the closing of the Telco Acquisition. Divide such total by three (3) to result in an average monthly volume (such average monthly volume, the **Existing DS1 Unit Quantity Purchased From Acquired Properties**).

(Step 2) Determine the total volume of Billed DS1 Units that the customer purchased from the Telephone Company during the three (3) full calendar months prior to the date of the closing of the Telco Acquisition. Divide such total by three (3) to result in an average monthly volume (such average monthly volume, the **Existing DS1 Unit Quantity Purchased from the Telephone Company**).

(Step 3) Divide the Existing DS1 Unit Quantity Purchased From Acquired Properties determined in Step 1 by the Existing DS1 Unit Quantity Purchased from the Telephone Company determined in Step 2. The resulting percentage is the **Acquired Property DS1 Unit Percentage**.

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(N) Sale or Acquisition of Properties by the Telephone Company (Cont'd)

(2) Mergers and Acquisitions of the Telephone Company (Cont'd)

(a) (Cont'd)

Illustrative Example:

Assume the following:

(i) The Telco Acquisition closed on September 15 of a particular Plan Year.

(ii) During the period of three (3) full calendar months prior to the date of the closing of the Telco Acquisition, the customer purchased a total of 3,000 Billed DS1 Units from the Acquired Properties.

(iii) During that same period of three (3) full calendar months prior to the date of the closing of the Telco Acquisition, the customer purchased a total of 600,000 DS1 Units from the Telephone Company.

Based on the above assumptions:

The Acquired Property DS1 Unit Percentage would be one-half of one percent (0.5%) as follows: (3,000 ÷ 3 = 1,000) ÷ (600,000 ÷ 3 = 200,000) = .5%.

(b) If the Acquired Property DS1 Unit Percentage is no more than two percent (2%), then the Telephone Company may elect, in its sole discretion, to include the Acquired Properties in the terms and conditions (including the calculation of Quarterly Billing Credits) of this Option 56 and Option 28 of FCC 5. The Telephone Company may exercise such discretion based upon a number of interrelated factors, including but not limited to (i) the availability of pricing flexibility for the Acquired Properties; (ii) the likelihood of additional regulatory filing requirements; (iii) the cost structure of the Acquired Properties; (iv) the impact on the Initial Watermarks; and (v) the impact on the Quarterly Billing Credits. If the Telephone Company so elects, the Telephone Company shall provide the customer written notice of such inclusion. If the Acquired Properties are to be included, the Telephone Company shall make a pro-rata increase to the customer's applicable Initial Watermark(s) and such increase, and application of the applicable Flat Rates to Qualifying Services (or equivalent 1.544 Mbps and 44.736 Mbps services provided by the Acquired Properties using time division multiplexing technology) that the customer purchases from the Acquired Properties, will be effective as of the date specified in the Telephone Company's notice as determined by the Telephone Company, which date may not be earlier than the closing date of the Telco Acquisition if such closure occurs on the first day of a calendar month (or the first day of the calendar month following closure of the Telco Acquisition if such closure occurs on a day other than the first day of a calendar month). Effective as of such date specified in the Telephone Company's notice, the applicable Flat Rates shall apply to Qualifying Services (or the equivalent 1.544 Mbps or 44.736 Mbps services provided by the Acquired Properties using time division multiplexing technology) that the customer purchases from the Acquired Properties. The Telephone Company shall calculate such increase in the Initial Watermark(s) using the steps set forth in (N)(2)(e) following.

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(N) Sale or Acquisition of Properties by the Telephone Company (Cont'd)

(2) Mergers and Acquisitions of the Telephone Company (Cont'd)

(c) If the Acquired Property DS1 Unit Percentage is greater than two percent (2%), then the Telephone Company may notify the customer if the Telephone Company in its sole discretion wishes to request to include the Acquired Properties in this Option 56, and Option 28 of FCC 5. The Telephone Company may exercise such discretion based upon a number of interrelated factors, including but not limited to (i) the availability of pricing flexibility for the Acquired Properties; (ii) the likelihood of additional regulatory filing requirements; (iii) the cost structure of the Acquired Properties; (iv) the impact on the Initial Watermarks; and (v) the impact on the Quarterly Billing Credits. The customer may, in its sole discretion, agree in writing to such inclusion.

If the customer agrees in writing to such inclusion, then the Telephone Company shall increase the customer's applicable Initial Watermark(s) and such increase will be effective as of a mutually-agreed date no earlier than the first day of the first full month following the date of closing of the Telco Acquisition. Effective as of such date, the applicable Flat Rates shall apply to Qualifying Services (or the equivalent 1.544 Mbps or 44.736 Mbps services provided by the Acquired Properties using time division multiplexing technology) that the customer purchases from the Acquired Properties. The Telephone Company shall calculate such increase in the Initial Watermark(s) using the steps set forth in (e) following.

(d) The effective dates upon which the Telephone Company is to adjust the Initial Watermark(s) and implement the Flat Rates as described in (b) and (c) preceding shall be referred to herein as the (**Acquisition Property Adjustment Date**).

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(N) Sale or Acquisition of Properties by the Telephone Company (Cont'd)

(2) Mergers and Acquisitions of the Telephone Company (Cont'd)

(e) Initial Watermark Adjustment

If the Acquired Properties are included in the terms and conditions (including the calculation of Quarterly Billing Credits) of this Option 56 and Option 28 of FCC 5 as described in (b) and (c) preceding, then the Telephone Company shall adjust the Initial Watermarks set forth in (F) preceding as follows:

(1) For the Plan Year in which the Acquired Property Adjustment Date is to occur:

(Step 1) Determine the volumes of Billed Qualifying Service Units (which, for purposes of this Section (N)(2), shall be deemed to have the meaning set forth in (B)(6) preceding or, as applicable, the equivalent 1.544 Mbps or 44.736 Mbps service of the Acquired Properties using time division multiplexing technology) (per service type (i.e., DS1, Multiplexed DS3, and PTP DS3)) that the customer purchased from the Verizon Acquired Properties during the three (3) full calendar months prior to the date of the closing of the Telco Acquisition.

(Step 2) Divide the quarterly volumes determined in Step 1 by three (3) to arrive at an average monthly volume.

(Step 3) Multiply the amount determined in Step 2 by the number of full months remaining in the Plan Year in which the Acquisition Property Adjustment Date is to occur.

(Step 4) Add the amount resulting from Step 3 to the Initial Watermark for the subject Plan Year to arrive at an adjusted Initial Watermark for that Plan Year.

(2) For subsequent Plan Years:

(Step 1) Multiply the quarterly volume determined in Step 1 of (e)(1) preceding by four (4) to arrive at an annualized amount.

(Step 2) Add the amount resulting from Step 1 of this (e)(2) to the Initial Watermark. The result of such addition is the adjusted Initial Watermark for all Plan Years after the Plan Year in which the Acquisition Property Adjustment Date occurred.

(3) The Parties shall work cooperatively and in good faith and take such action as may be necessary to achieve the intent of this Section (N), and neither Party shall unreasonably withhold from the other Party any data that is necessary or reasonably required to achieve such intent.

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(O) Termination

(1) Mutual Agreement

The Parties, by mutual written agreement in their sole discretion, may terminate the customer's subscription to this Option 56. Except as otherwise mutually agreed in writing by the Parties, any termination under this Section (O)(1) shall be effective as of the end of the Plan Year preceding the termination. Termination of the customer's subscription to this Option 56 shall be an automatic termination of the customer's subscription to Option 28 of FCC 5. Upon any such termination, the customer shall be entitled to all Quarterly Billing Credits for the Plan Year preceding the termination, but shall not be eligible for any Quarterly Billing Credits for any period of time after the end of such Plan Year.

(2) Termination by the Telephone Company for Failure to Achieve Any Initial Watermark, or Failure to Comply with the Maximum Grooms Limitation

If the Telephone Company wishes to terminate the customer's subscription to this Option 56 for the customer's failure to achieve the Initial Watermark as to any service type (DS1, Multiplexed DS3, or PTP DS3) by the end of any Plan Year, or for failure to comply with the Maximum Grooms Limitation in any Plan Year, then the Telephone Company shall provide notice of termination of the customer's subscription to this Option 56 by no later than ninety (90) calendar days after the end of the applicable Plan Year. Termination of the customer's subscription to this Option 56 shall be an automatic termination of the customer's subscription to Option 28 of FCC 5. Upon such termination, the customer shall be entitled to all Quarterly Billing Credits for such just-concluded Plan Year, but shall not be eligible for any Quarterly Billing Credits for any period of time after the end of such Plan Year.

(P) Expiration of the Service Period

Upon expiration of Service Period (including any extensions permitted under (E)(2) preceding), the customer has the following options:

(1) continue with the services under the Existing Plans, in which case the review/true-up requirements shall be re-activated in accordance with (L)(1) preceding; or

(2) Subject to the re-activation of Existing Plans as set forth in (L) preceding, disconnect the services without the application of termination liability under this Option 56. In accordance with termination requirements set forth in the Existing Plans which the services are subscribed to, termination charges may apply under such Existing Plans upon any such disconnection.

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 56 (Cont'd)

(Q) Order Performance Credits

(1) Upon the customer's request at the end of each Quarter of a Plan Year, the Parties shall work cooperatively to determine the extent to which the customer's orders for installation or disconnection of DS1 Services and DS3 Services (in each case excluding FMS Services and DSEF Services) did not post to the Telephone Company's billing system (and thus were not billed to the customer) until more than thirty one (31) calendar days after the "from" date (i.e., the date on which the customer began (in the case of an installation) or ceased (in the case of a disconnection) to incur monthly recurring charges for the subject service). Such orders may be referred to collectively as **Adjustable Late Posted Orders** and (i) an Adjustable Late Posted Order for installation of a DS1 Service may be referred to as an **Adjustable DS1 Late Posted Add Order**, (ii) an Adjustable Late Posted Order for disconnection of a DS1 Service may be referred to as an **Adjustable DS1 Late Posted Disconnect Order**, (iii) an Adjustable Late Posted Order for installation of a DS3 Service may be referred to as an **Adjustable DS3 Late Posted Add Order**, and (iv) an Adjustable Late Posted Order for disconnection of a DS3 Service may be referred to as an **Adjustable DS3 Late Posted Disconnect Order**.

(2) If the volume of Adjustable DS1 Late Posted Add Orders in a particular Quarter exceeds the volume of Adjustable DS1 Late Posted Disconnect Orders in that Quarter, then the Parties shall determine by mutual agreement the volume of such excess Adjustable DS1 Late Posted Add Orders for which the customer shall receive a **DS1 Order Performance Credit** for that Quarter. Such DS1 Order Performance Credit shall be equal to the agreed volume of excess Adjustable DS1 Late Posted Add Orders multiplied by thirty-eight dollars and 57/100 ($38.57).

(3) If the volume of Adjustable DS3 Late Posted Add Orders in a particular Quarter exceeds the volume of Adjustable DS3 Late Posted Disconnect Orders in that Quarter, then the Parties shall determine by mutual agreement the volume of such excess Adjustable DS3 Late Posted Add Orders for which the customer shall receive a **DS3 Order Performance Credit** for that Quarter. Such DS3 Order Performance Credit shall be equal to the amount resulting from the following calculations: (i) where the Parties agree that the excess Adjustable DS3 Late Posted Add Orders are associated with Multiplexed DS3 Units, the DS3 Order Performance Credit is equal to the agreed volume of such Orders multiplied by one hundred eighty-eight dollars and 67/100 ($188.67), (ii) where the Parties agree that the excess Adjustable DS3 Late Posted Add Orders are associated with PTP DS3 Units, the DS3 Order Performance Credit is equal to the agreed volume of such Orders multiplied by six hundred forty dollars and 32/100 ($640.32).

(4) Any Credits owed to the customer under this Section (Q) shall be provided by the Telephone Company on the customer's bills within one hundred twenty (120) calendar days after the end of the applicable Quarter.

21. Contract Tariffs (Cont'd)

21.7 Contract Tariff Option 57

(A) Scope

Contract Tariff Option 57 (**Option 57**) provides a customer with certain Billing Credits (as defined below) on certain services offered by the Telephone Company when the customer satisfies the criteria as set forth in this Option 57.

(B) Specific Terms

Unless otherwise defined in this Section 21.7, the following terms are used in this Option 57:

(1) **Alternative Tariff Arrangement** shall mean, collectively, any other generally available tariff arrangement, contract tariff option, specialized service or arrangement, or Individual Case Basis (**ICB**) 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 57.

(2) **BANs** shall mean Billing Account Numbers of the customer which shall be used to provide the Billing Credits to the customer.

(3) **Billed DS1 Qualifying Service Revenue** shall mean the monthly recurring charge (**MRC**) amounts which are paid in full by the customer for the DS1 Qualifying Services for the applicable Quarter.

(4) **Billed DS1 Unit** shall mean, with respect to each month during the Service Period, a DS1 Unit for which a DS1 Channel Termination, a DS1 Special Access Line, or a DS1 Circuit Termination (each as defined in (B)(14) following), was billed to the customer for that month as a MRC, using any of the applicable Universal Service Order Codes (**USOCs**) specified in (E)(2)(a) following.

(5) **Billed FMS Revenue** shall mean the MRC amounts for Special Access Facilities Management Service (**FMS**) which were paid in full by the customer for the following USOCs:

B2CDP	B2CDV	B2CEP	B2CEV	B2CFP	BXCQX	N2M
1A59S	1A5YS	1A87S	1A88S	1A89S	1YAMS	MQ6
MXNF3	MXNF5	MXNFX	MXNM3	MXNM5	MXNMX	TNW3X
TNW5X	TNWZX					

(6) **Billed Multiplexed DS3 Qualifying Service Revenue** shall mean the MRC amounts which are paid in full by the customer for the Multiplexed DS3 Qualifying Services for the applicable Quarter.

(7) **Billed Multiplexed DS3 Unit** shall mean, with respect to each month during the Service Period, a multiplexed DS3 service for which one or more MRCs, using any of the applicable USOCs set forth in (E)(2)(b) following, was billed to the customer for that month.

21. Contract Tariffs (Cont'd)

21.7 Contract Tariff Option 57 (Cont'd)

(B) Specific Terms (Cont'd)

(8) **Billed PTP DS3 Qualifying Service Revenue** shall mean the MRC amounts which are paid in full by the customer for the PTP DS3 Qualifying Services for the applicable Quarter.

(9) **Billed PTP DS3 Unit** shall mean, with respect to each month during the Service Period, a PTP DS3 service for which one or more MRCs, using any of the applicable USOCs set forth in (E)(2)(c) following, was billed to the customer for that month.

(10) **Billed Qualifying Service Revenue** shall mean each of Billed DS1 Qualifying Service Revenue, Billed Multiplexed DS3 Qualifying Service Revenue, and Billed PTP DS3 Qualifying Service Revenue.

(11) **Billed Qualifying Service Units** shall mean Billed DS1 Units, Billed Multiplexed DS3 Units, and Billed PTP DS3 Units.

(12) **Billing Credits** shall mean, collectively, the Quarterly DS1 Credit, the Quarterly Multiplexed DS3 Credit and the Quarterly point-to-point (**PTP**) DS3 Credit provided to the customer as a net credit on its monthly bill after each Quarter during the Service Period based on the applicable rates (as set forth in (H)(1) following) on the specific Qualifying Services offered to the customer pursuant to this Option 57. Calculation of the applicable Billing Credits is described in (H) following.

(13) **DS1 Annual Watermark** shall mean the annual minimum required number of Billed DS1 Units. The DS1 Annual Watermark is established by (i) aggregating the number of Billed DS1 Units for the period February 1, 2009 through and including February 28, 2009 under this tariff, Tariff FCC No. 5 (**FCC5**), and Tariff FCC No. 6 (**FCC6**); and (ii) multiplying the result by twelve (12).

(14) **DS1 Unit** shall mean a DS1 capacity (i.e., 1.544 Mbps) Qualifying Service that meets one of the following definitions: (i) a DS1 Channel Termination as defined in Section 7.1.2(A) preceding of this tariff, (ii) a DS1 Special Access Line (SAL) as defined in Section 5.1.1(C) of FCC5, or (iii) a DS1 Circuit Termination as defined in Section 7.2(A) of FCC6. Where the calculation of DS1 Units results in a fraction of a DS1 Unit, such fractions are not counted as a DS1 Unit.

(15) **Multiplexed DS3 Annual Watermark** shall mean the annual minimum required number of Billed Multiplexed DS3 Units. The Multiplexed DS3 Annual Watermark is established by (i) aggregating the number of Billed Multiplexed DS3 Units for the period February 1, 2009 through and including February 28, 2009 under this tariff, FCC5, and FCC6; and (ii) multiplying the result by twelve (12).

(16) **Multiplexed DS3 Unit** shall mean an individual Qualifying Service of 44.736 Mbps bandwidth that both: (i) has a unique circuit identifier that conforms to the Common Language Circuit Identifier (CLCI) facility format administered by Telcordia (e.g., 967 T3Z PITBPADTHPE PITBPADTK18), and (ii) is billed using one or more of the USOCs specified in (E)(2)(b) following.

21. Contract Tariffs (Cont'd)

21.7 Contract Tariff Option 57 (Cont'd)

(B) Specific Terms (Cont'd)

(17) **Plan Year** shall mean each of the following periods during the Service Period: (i) Plan Year 1 shall commence on June 1, 2009 and end on February 28, 2010; (ii) Plan Year 2 shall commence on March 1, 2010 and end on February 28, 2011; (iii) Plan Year 3 shall commence on March 1, 2011 and end on February 29, 2012; (iv) Plan Year 4 shall commence on March 1, 2012 and end on February 28, 2013; and (v) Plan Year 5 shall begin on March 1, 2013 and end on February 28, 2014.

(18) **PTP DS3 Annual Watermark** shall mean the annual minimum required number of Billed PTP DS3 Units. The PTP DS3 Annual Watermark is established by (i) aggregating the number of Billed PTP DS3 Units for the period February 1, 2009 through and including February 28, 2009 under this tariff, FCC5, and FCC6; and (ii) multiplying the result by twelve (12).

(19) **PTP DS3 Unit** shall mean an individual 44.736 Mbps Qualifying Service that both: (i) has a unique circuit identifier that conforms to the CLCI serial number format administered by Telcordia (e.g., 95.HFGS.634683..NE) and (ii) is billed using one or more of the USOCs specified in (E)(2)(c) following.

(20) **Quarter** shall mean either of the following periods, as applicable: (i) the first (1st) Quarter of each Plan Year is the period beginning with the first date of the applicable Plan Year and ending on the last calendar day of the second month after the month in which the first date occurs (i.e., approximately ninety (90) days thereafter); 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 calendar day of the second month after the month in which the first day occurs.

(21) **Watermarks** shall mean the DS1 Annual Watermark, the Multiplexed DS3 Annual Watermark and the PTP DS3 Annual Watermark. Watermarks are subject to adjustment following the Sale of an Operating Telephone Company as described in (K) following.

21. Contract Tariffs (Cont'd)

21.7 Contract Tariff Option 57 (Cont'd)

(C) Eligibility

The customer must meet all of the following criteria in order to be eligible to receive the Billing Credits and other benefits of this Option 57.

(1) On June 1, 2009, the customer must:

(a) have between twenty-five thousand (25,000) and sixty thousand (60,000) Billed DS1 Units; and

(b) have billing between sixty thousand (60,000) and one hundred fifty thousand (150,000) total transport miles consisting of Special Access DS1 transport miles, Special Access DS3 transport miles and Special Access FMS transport miles for DS1 or DS3 bandwidth; and

(c) be subscribed to Special Access FMS; and

(d) subject to the terms and conditions set forth in (M) following, be subscribed, and remain concurrently subscribed during the Service Period, to the Commitment Discount Plan as set forth in Section 25.1 following of this tariff, the DS1 Term Volume Plan as set forth in Section 5.6.14 of FCC5, and the DS1 Term Payment Plan as set forth in Section 7.2.1(G) of FCC6 (collectively, **Existing Plans**), provided each applicable Existing Plan remains generally available under this tariff, FCC5 and/or FCC6, as applicable; and

(e) not have been required in connection with the most recent scheduled true-up or review of its Existing Plans to pay any shortfall payments or penalties as a result of a failure to maintain volume commitments, under any of the Existing Plans.

(2) Except for Existing Plans, the customer may not concurrently subscribe to an Alternative Tariff Arrangement which provides discounts, credits, or other reductions in rates or terms based upon the achievement of total billed revenue or mileage targets that include Special Access DS1 and/or DS3 fixed and per mile charges. If the customer wishes to subscribe to such an Alternative Tariff Arrangement, then the customer shall not receive any Billing Credits under this Option 57, and such subscription shall be considered a termination by the customer of its subscription to this Option 57, subject to (L)(3) and (L)(4)(b) following.

(3) The customer must subscribe to this Option 57 in a manner designated by the Telephone Company during the thirty (30) day period beginning June 1, 2009 and ending June 30, 2009. Such subscription must include a list of the customer's access customer name abbreviations (**Customer ACNA(s)**) that the Telephone Company agrees to, in writing, for inclusion in this Option 57. Subscription to this Option 57 shall be an automatic subscription to Option 29 of FCC5.

21. Contract Tariffs (Cont'd)

21.7 Contract Tariff Option 57 (Cont'd)

(D) Service Period

The Service Period of this Option 57 shall commence on June 1, 2009 and end on February 28, 2014.

(E) Qualifying Services

Subject to the terms and conditions set forth in this Option 57 and Option 29 of FCC5, the Billing Credits shall be provided on the following Qualifying Services and the following rate elements, except that no Billing Credits will be provided in the operating territories of FCC6:

(1) Qualifying Services will be comprised of the following:

(a) Special Access DS1 Services and DS3 Services, each as set forth in Section 7.2.9 preceding of this tariff, Section 5.3.6 of FCC5, and Section 7.11.1 of FCC6, in each case as the same may be amended from time to time, which Special Access DS1 Services and DS3 Services are billed by the Telephone Company during the Service Period and meet all of the criteria set forth in this Section (E) during each month of the Service Period; and

(b) Special Access FMS DS1 and FMS DS3 Services, as described in Section 7.2.13 preceding of this tariff as may be amended from time to time, which Special Access FMS DS1 and FMS DS3 Services are billed by the Telephone Company during the Service Period and meet all of the criteria set forth in this Section (E) during each month of the Service Period.

21. Contract Tariffs (Cont'd)

21.7 Contract Tariff Option 57 (Cont'd)

(E) Qualifying Services (Cont'd)

(2) Rate Elements for Qualifying Services

If, during the Service Period, the Telephone Company files a revision that replaces or substitutes, in part or in whole, a USOC set forth in this Section (E), then (effective as of the date on which such revision becomes effective) such new USOC shall be included in the definition of the applicable Qualifying Service(s) and such new USOC, provided it otherwise qualifies as to be contributory under this Section (E) and all other terms of this Option 57, will be counted as contributory towards Billed Qualifying Service Revenue.

(a) DS1 Qualifying Services

Each DS1 Qualifying Service~~s~~ must have Rate Elements billing under at least one of the following USOCs:

1A5ZS	1CF21	1CF22	1CF23	1CF25	1CF35	1CF3W
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	1CFR8	1CFRJ	1CFS8	1CFSJ	1CFT8	1CFTJ
1CFU8	1CFUJ	1CFV8	1CFVJ	1CKDF	1CKDX	1J53S
1J54S	1L5LS	1L5XX	1LFMX	1LFSX	1OX1X	1OX2X
1OX3X	1OX5X	1OXTX	1T58S	1X7VX	1XCDX	CCO
C6H6X	C6H7X	CTG	DVA	EU4DF	EU4DX	EU7VX
EUU21	EUU22	EUU23	EUU25	EUU31	EUU33	EUU35
EUU3W	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	EUUR8	EUUS8	EUUT8	EUUU8	EUUV8
EUURJ	EUUSJ	EUUTJ	EUUUJ	EUUVJ	EUW	MQ1
MQK	MXN12	MXN13	MXN15	MXN17	PR9PX	PR9SX
QMU	TMECS	TNJZX	TNT3X	TNT4X	TNT8X	TRG
TSP	TZGHX					

21. Contract Tariffs (Cont'd)

21.7 Contract Tariff Option 57 (Cont'd)

(E) Qualifying Services (Cont'd)

(2) Rate Elements for Qualifying Services (Cont'd)

(b) Multiplexed DS3 Qualifying Services

Each Multiplexed DS3 Qualifying Service~~s~~ must have Rate Elements billing under at least one of the following USOCs:

1A59S	1A5YS	1A87S	1A88S	1A89S	1A5LX	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	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	1CFL3	1CFL5	1CFL7	1CFM1	1CFM3
1CFM5	1CFM7	1CFN1	1CFN3	1CFN5	1CFN7	1CKMF
1CKNX	1CKPF	1CKSX	1L5LS	1L5XX	1LFSX	1U5PS
1YA8S	1YAMS	ABVBA	B2CDP	B2CDV	B2CEP	B2CEV
B2CFP	BXCQX	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	EU4MF	EU4NX	EU4PF
EU4SX	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	FQYU1
FQYU2	FQYU3	FQYU4	FQYU5	FQYU6	HKTJX	HKTJS
HKTLS	MKM	MQ3	MQ6	MXNF3	MXNF5	MXNFX
MXNM3	MXNM5	MXNMX	MXNRX	N2M	PR9SX	SLHA1
SLHA3	SLHA5	SLHA7	SLHB1	SLHB3	SLHB5	SLHB7
SLHC1	SLHC3	SLHC5	SLHC7	SLHD1	SLHD3	SLHD5
SLHD7	SLHE1	SLHE3	SLHE5	SLHE7	TRG	TKTPX
TNW3X	TNW5X	TNWZX	TUTPX	TYF8S	TYF8X	TYFLS
TYFLX	TYFMS	TYFMX	TYFNX	TYFOX	TYFPX	TYFQX
TYFRX	TYFSX	TYFTX	TYFUX	TYFVS	TYFVX	TYFWS
TYFWX						

21. Contract Tariffs (Cont'd)

21.7 Contract Tariff Option 57 (Cont'd)

(E) Qualifying Services (Cont'd)

(2) Rate Elements for Qualifying Services (Cont'd)

(c) PTP DS3 Qualifying Services

Each PTP DS3 Qualifying Service~~s~~ must have Rate Elements billing under at least one of the following USOCs:

1A5LX	1A59S	1A5YS	1A87S	1A88S	1A89S	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	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	1CFL3	1CFL5	1CFL7	1CFM1	1CFM3
1CFM5	1CFM7	1CFN1	1CFN3	1CFN5	1CFN7	1CKMF
1CKNX	1CKPF	1CKSX	1L5LS	1L5XX	1LFSX	1U5PS
1YA8S	1YAMS	ABVBA	B2CDP	B2CDV	B2CEP	B2CEV
B2CFP	BXCQX	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	EU4MF	EU4NX	EU4PF
EU4SX	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	FQYU1
FQYU2	FQYU3	FQYU4	FQYU5	FQYU6	HKTJX	HKTJS
HKTLS	MXNF3	MXNF5	MXNFX	MXNM3	MXNM5	MXNMX
N2M	PR9SX	SLHA1	SLHA3	SLHA5	SLHA7	SLHB1
SLHB3	SLHB5	SLHB7	SLHC1	SLHC3	SLHC5	SLHC7
SLHD1	SLHD3	SLHD5	SLHD7	SLHE1	SLHE3	SLHE5
SLHE7	TRG	TKTPX	TNW3X	TNW5X	TNWZX	TUTPX
TYF8S	TYF8X	TYFLS	TYFLX	TYFMX	TYFMS	TYFNX
TYFOX	TYFPX	TYFQX	TYFRX	TYFSX	TYFTX	TYFUX
TYFVS	TYFVX	TYFWS	TYFWX			

21. Contract Tariffs (Cont'd)

21.7 Contract Tariff Option 57 (Cont'd)

(E) Qualifying Services (Cont'd)

(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 57. Switched Access Services as set forth in Section 6 preceding are not Qualifying Services in this Option 57.

(4) If the rates or terms and conditions of a Qualifying Service under this tariff are amended from time to time, such amended rates or terms and conditions shall apply herein upon the effectiveness of such tariff amendment.

(F) Revenues Included in Calculation of Billed Qualifying Service Revenue

(1) The customer's Billed Qualifying Service Revenue under this tariff shall include **only** MRC amounts which are paid in full by the customer.

(a) For purposes of this Option 57, **MRCs** shall mean billed monthly recurring revenues, net of any discounts given under existing pricing plans, if applicable, for the Qualifying Services billed during any Quarter under the USOCs set forth in (E)(2) preceding, and excluding Disputed Charges.

(b) For purposes of this Option 57, **Disputed Charges** shall mean MRCs for the Qualifying Services billed during any Quarter, which amounts are under dispute regardless of whether or not they have been paid in full by the customer, as of the thirtieth (30^{th}) calendar day following the end of the applicable Quarter in accordance with (H)(5) 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 the customer's Billed Qualifying Service Revenue for the applicable Quarter.

(c) For purposes of this Option 57, **paid in full** shall mean that the customer paid the billed amount without any offsets or reductions from the billed amount for the Qualifying Services, in accordance with the terms of this tariff.

(2) Examples of Revenue Not Included in Calculation of Billed Qualifying Service Revenue

Billed Qualifying Service Revenue under this tariff does not include (among other possible items, the following list being illustrative only) any revenue associated with other than the USOCs set forth in (E)(2) preceding, and the following types of charges are not included:

(a) Nonrecurring charges.

(b) Surcharges, late payment charges, credits (including any credits provided under this Option 57), 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 of the Service Period.

21. Contract Tariffs (Cont'd)

21.7 Contract Tariff Option 57 (Cont'd)

(F) Revenues Included in Calculation of Billed Qualifying Service Revenue (Cont'd)

(2) Examples of Revenue Not Included in Calculation of Billed Qualifying Service Revenue (Cont'd)

(c) Any amount that appears in the Other Charges and Credits section of the Telephone Company's bill to the customer (e.g., prorated charges).

(d) Taxes, or other charges imposed by a federal, state, local, or other governmental entity (e.g. Federal Universal Service Fund).

(e) Service or administrative fees or charges imposed by the Telephone Company (e.g. Interest penalty, late payment penalty).

(f) Any other charges that are not applied on a recurring monthly basis and/or do not appear in the MRC section (typically labeled "Monthly Access Charges") of the Telephone Company's bill to the customer.

(g) 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.

(h) Any debits or credits for Services rendered in prior Quarters or periods prior to June 1, 2009.

(i) Any amount billed under a particular bill period during the Service Period for services provided prior to June 1, 2009.

(j) Billed amounts associated with any service (or any portion of a service) that is not a Qualifying Service.

(k) Any Disputed Charges.

(l) Any other billed amount related to the Qualifying Services for which payment is being withheld or under dispute by the customer, subject to the terms of (H)(5) following hereof;

(m) Billing Credits.

(G) 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 and FCC5. Wire centers for the Phase II MSAs are listed in Section 14.3 preceding of this tariff and Section 19.1 of FCC5. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 14.3 preceding of this tariff and Section 19.1 of FCC5) that occur during the Service Period will apply. No Billing Credits will be provided in the operating territories of FCC6.

21. Contract Tariffs (Cont'd)

21.7 Contract Tariff Option 57 (Cont'd)

(H) Quarterly Review, Calculation of Billing Credits, and Payment of Billing Credits

(1) The Flat Rate pricing for the Qualifying Services is achieved by providing Quarterly Billing Credits.

(a) The DS1 Flat Rates for each Plan Year will be equal to a fixed percentage of the benchmark average revenue per DS1 unit (**DS1 ARPU**) as set forth in Table 1 below. The calculation of DS1 Flat Rates is further described in (H)(2)(a) following.

(b) The Multiplexed DS3 Flat Rate will be equal to a fixed percentage of the applicable PTP DS3 Flat Rate as set forth in Table 1 below. The calculation of PTP DS3 Flat Rates is further described in (H)(2)(b) following.

(c) The PTP DS3 Flat Rates for each Plan Year will be equal to a fixed percentage of the benchmark average revenue per PTP DS3 Unit (**PTP DS3 ARPU**) as set forth in Table 1 below. The calculation of PTP DS3 Flat Rates is further described in (H)(2)(b) following.

The Telephone Company shall determine on a Quarterly basis the Billed Qualifying Service Revenue and Billed Qualifying Service Units for each Qualifying Service. The Billing Credits for each of the three Qualifying Services (i.e., DS1 Qualifying Services, Multiplexed DS3 Qualifying Services and PTP DS3 Qualifying Services) will be an amount equal to the applicable Billed Qualifying Service Revenue (i.e., Billed DS1 Qualifying Service Revenue, Billed Multiplexed DS3 Qualifying Service Revenue and Billed PTP DS3 Qualifying Service Revenue) for the applicable Quarter **minus** the revenues derived from the Flat Rate pricing for the applicable Billed Qualifying Service Units (i.e., Billed DS1 Units, Billed Multiplexed DS3 Units, and Billed PTP DS3 Units) for the same Quarter. Shared Use as set forth in Section 5.2.8 preceding is allowed under this Option 57; however, only the Special Access portion of the Qualifying Service is included in the calculation of the Billing Credits.

Table 1

Qualifying Service	Plan Year 1 Flat Rate	Plan Year 2 Flat Rate	Plan Year 3 Flat Rate	Plan Year 4 Flat Rate	Plan Year 5 Flat Rate
DS1 Units	94.01% of DS1 ARPU	92.44% of DS1 ARPU	90.87% of DS1 ARPU	89.30% of DS1 ARPU	87.74% of DS1 ARPU
Multiplexed DS3 Units	57.22% of PTP DS3 Flat Rate	57.75% of PTP DS3 Flat Rate	58.29% of PTP DS3 Flat Rate	58.84% of PTP DS3 Flat Rate	59.41% of PTP DS3 Flat Rate
PTP DS3 Units	92.66% of PTP DS3 ARPU	91.38% of PTP DS3 ARPU	90.09% of PTP DS3 ARPU	88.80% of PTP DS3 ARPU	87.51% of PTP DS3 ARPU

21. Contract Tariffs (Cont'd)

21.7 Contract Tariff Option 57 (Cont'd)

(H) Quarterly Review, Calculation of Billing Credits, and Payment of Billing Credits (Cont'd)

(2) The benchmark ARPU will be established at the time of subscription to this Option 57 and will be calculated as follows:

(a) DS1 ARPU shall be calculated as follows:

Step 1 Sum the Billed DS1 Qualifying Service Revenue for January 2009, February 2009, and March 2009.

Step 2 Sum the Billed FMS Revenue for January 2009, February 2009, and March 2009.

Step 3 Multiply the total calculated in Step 2 by the percentage of Billed FMS Revenue that is attributable to DS1 transport and muxing.

Step 4 Sum the amounts calculated in Step 1 and Step 3.

Step 5 Sum the Billed DS1 Units for January 2009, February 2009, and March 2009.

Step 6 Divide the amount calculated in Step 4 by the amount calculated in Step 5.

21. Contract Tariffs (Cont'd)

21.7 Contract Tariff Option 57 (Cont'd)

(H) Quarterly Review, Calculation of Billing Credits, and Payment of Billing Credits (Cont'd)

(2) (Cont'd)

(a) DS1 ARPU shall be calculated as follows (Cont'd)

Illustrative Example 1:

Assume the following for this illustrative example.

(i) The Billed Qualifying Service Revenue for the DS1 ARPU is $800,000 during January 2009, $800,000 during February 2009, and $800,000 during March 2009.

(ii) The Billed FMS Revenue is $50,000 during January 2009, $50,000 during February 2009, and $50,000 during March 2009.

(iii) The Billed FMS Revenue Allocation Percentage for the DS1 ARPU is 26.20%.

(iv) The Billed Qualifying Service Units for the DS1 ARPU is 33,000 during January 2009, 33,000 during February 2009, and 34,000 during March 2009.

Based on the above assumptions, the DS1 ARPU would be calculated as follows:

Step 1 Total Billed DS1 Qualifying Service Revenue is $2,400,000 ($800,000 + $800,000 + $800,000).

Step 2 Billed FMS Revenue is $150,000 ($50,000 + $50,000 + $50,000).

Step 3 Billed FMS Revenue allocated to DS1 transport and muxing is $39,300 ($150,000 x 26.20%).

Step 4 Total DS1 Revenue is $2,439,300 ($2,400,000 + $39,300).

Step 5 DS1 Billed Units are 100,000 (33,000 + 33,000 + 34,000).

Step 6 DS1 ARPU is $243.93 ($2,439,300 / 100,000).

21. Contract Tariffs (Cont'd)

21.7 Contract Tariff Option 57 (Cont'd)

(H) Quarterly Review, Calculation of Billing Credits, and Payment of Billing Credits (Cont'd)

(2) (Cont'd)

(b) PTP DS3 ARPU shall be calculated as follows:

Step 1	Sum the Billed PTP DS3 Qualifying Service Revenue exclusive of amounts billed to USOCs included in the definition of Billed FMS Revenues for January 2009, February 2009, and March 2009.
Step 2	Sum the Billed FMS Revenue for January 2009, February 2009, and March 2009.
Step 3	Multiply the total calculated in Step 2 by the percentage of Billed FMS Revenue that is attributable to PTP DS3 transport and channel terminations.
Step 4	Sum the amounts calculated in Step 1 and Step 3.
Step 5	Sum the Billed PTP DS3 Units for January 2009, February 2009, and March 2009.
Step 6	Divide the amount calculated in Step 4 by the amount calculated in Step 5.

21. Contract Tariffs (Cont'd)

21.7 Contract Tariff Option 57 (Cont'd)

(H) Quarterly Review, Calculation of Billing Credits, and Payment of Billing Credits (Cont'd)

(2) (Cont'd)

(b) PTP DS3 ARPU shall be calculated as follows: (Cont'd)

Illustrative Examples 2:

Assume the following for this illustrative example.

(i) The Billed Qualifying Service Revenue for the PTP DS3 ARPU is $1,000,000 during January 2009, $1,000,000 during February 2009, and $1,000,000 during March 2009.

(ii) The Billed Multiplexed DS3 Qualifying Service Revenue from FMS USOCs is $10,000 during January 2009, $10,000 during February 2009, and $10,000 during March 2009.

(iii) The Billed FMS Revenue is $50,000 during January 2009, $50,000 during February 2009, and $50,000 during March 2009.

(iv) The Billed FMS Revenue Allocation Percentage for the PTP DS3 ARPU is 35.46%.

(v) The Billed Qualifying Service Units for the PTP DS3 ARPU is 300 during January 2009, 350 during February 2009, and 350 during March 2009.

Based on the above assumptions, the PTP DS3 ARPU would be calculated as follows:

Step 1 Total Billed PTP DS3 Qualifying Service Revenue exclusive of amounts billed to FMS USOCs is $2,970,000 [($1,000,000 x 3)-($10,000 x 3)].

Step 2 Billed FMS Revenue is $150,000 ($50,000 + $50,000 + $50,000).

Step 3 Billed FMS Revenue allocated to PTP DS3 transport and channel terminations is $53,190 ($150,000 x 35.46%)

Step 4 Total PTP DS3 Revenue is $3,023,190 ($2,970,000 + $53,190).

Step 5 PTP DS3 Billed Units are 1,000 (300 + 350 + 350).

Step 6 PTP DS3 ARPU is $3,023.19 ($3,023,190 / 1,000).

21. Contract Tariffs (Cont'd)

21.7 Contract Tariff Option 57 (Cont'd)

(H) Quarterly Review, Calculation of Billing Credits, and Payment of Billing Credits (Cont'd)

(3) Subject to all of the terms of this Option 57 and Option 29 of FCC5, the customer shall be eligible to receive the following Quarterly Billing Credits:

(a) Quarterly DS1 Billing Credit

The customer will receive the Quarterly DS1 Billing Credit based on the applicable discounted Flat Rate pricing as calculated in accordance with (H)(1) and (H)(2) preceding for all Billed DS1 Units during each Quarter of each Plan Year of the Service Period. The Billed DS1 Units shall be billed on a monthly recurring basis at the rates set forth in this tariff, FCC5, and FCC6, as applicable, and the Telephone Company shall provide the Quarterly DS1 Billing Credit equal to the difference between such rates and the Flat Rates calculated in accordance with (H)(1) and (H)(2) preceding.

Example of Calculation of Quarterly DS1 Billing Credit:

Assume the following information for Quarter 1 of Plan Year 3:

(i) The DS1 ARPU is $243.93 as calculated in Illustrative Example 1 of (H)(2)(a) preceding; and

(ii) The customer's Billed DS1 Units for the three months of Quarter 1 are 33,000, 33,000, and 34,000; and

(iii) The total Billed Qualifying DS1 Service Revenue for Quarter 1 is $25,000,000.

Based on the above assumptions:

(i) The Plan Year 3 Flat Rate for DS1 Units for Plan Year 3 is $221.66 ($243.93 x 90.87%); and

(ii) The total Billed DS1 Units for the Quarter are 100,000 (33,000 + 33,000 + 34,000); and

(iii) The total Quarterly DS1 Billing Credit due under this Option 57 and Option 29 of FCC5 equals $2,834,000 [$25,000,000 – (100,000 x $221.66)].

21. Contract Tariffs (Cont'd)

21.7 Contract Tariff Option 57 (Cont'd)

(H) Quarterly Review, Calculation of Billing Credits, and Payment of Billing Credits (Cont'd)

(3) (Cont'd)

(b) Quarterly Multiplexed DS3 Billing Credit

The customer will receive the Quarterly Multiplexed DS3 Billing Credit based on the applicable discounted Flat Rate pricing as calculated in accordance with (H)(1) and (H)(2) preceding for all Billed Multiplexed DS3 Units during each Quarter of each Plan Year of the Service Period. The Billed Multiplexed DS3 Units shall be billed on a monthly recurring basis at the rates set forth in this tariff, FCC5, and FCC6, as applicable, and the Telephone Company shall provide the Quarterly Multiplexed DS3 Billing Credit, which shall be a contra credit, or debit, equal to the positive difference between such rates and the Flat Rates calculated in accordance with (H)(1) and (H)(2) preceding.

Example of Calculation of Quarterly Multiplexed DS3 Billing Credit:

Assume the following information for Quarter 1 of Plan Year 3:

(i) The Plan Year 3 Flat Rate per PTP DS3 Unit is $2,723.59 as calculated in the example in (H)(3)(c) following; and

(ii) The customer's Billed Multiplexed DS3 Units for the three months of Quarter 1 are 1,000, 1,000, and 1,000; and

(ii) The total Billed Qualifying Multiplexed DS3 Service Revenue for Quarter 1 is $4,000,000.

Based on the above assumptions:

(i) The Plan Year 3 Flat Rate for DS3 Units for Plan Year 3 is $1,587.58 ($2,723.59 x 58.29%); and

(ii) The total Billed Multiplexed DS3 Units for the Quarter are 3,000 (1,000 + 1,000 + 1,000); and

(iii) The total Quarterly Multiplexed DS3 Billing Credit due under this Option 57 and Option 29 of FCC5 equals ($762,740) [$4,000,000 - (3,000 x $1,587.58)].

21. Contract Tariffs (Cont'd)

21.7 Contract Tariff Option 57 (Cont'd)

(H) Quarterly Review, Calculation of Billing Credits, and Payment of Billing Credits (Cont'd)

(3) (Cont'd)

(c) Quarterly PTP DS3 Billing Credit

The customer will receive the Quarterly PTP DS3 Billing Credit based on the applicable discounted Flat Rate pricing as calculated in accordance with Section (H)(1) and (H)(2) preceding for all Billed PTP DS3 Units during each Quarter of each Plan Year of the Service Period. The Billed PTP DS3 Units shall be billed on a monthly recurring basis at the rates set forth in this tariff, FCC5, and FCC6, as applicable, and the Telephone Company shall provide the Quarterly PTP DS3 Billing Credit equal to the difference between such rates and the Flat Rates calculated in accordance with (H)(1) and (H)(2) preceding.

Example of Calculation of Quarterly PTP DS3 Billing Credit:

Assume the following information for Quarter 1 of Plan Year 3:

(i) The PTP DS3 ARPU is $3,023.19 as calculated in Illustrative Example 2 of (H)(2)(b) preceding; and

(ii) The customer's Billed PTP DS3 Units for the three months of Quarter 1 are 400, 500, and 600; and

(iii) The total Billed Qualifying PTP DS3 Service Revenue for Quarter 1 is $4,350,000.

Based on the above assumptions:

(i) The Plan Year 3 Flat Rate for PTP DS3 Units for Plan Year 3 is $2,723.59 ($3,023.19 x 90.09%); and

(ii) The total Billed PTP DS3 Units for the Quarter are 1,500 (400 + 500 + 600); and

(iii) The total Quarterly PTP DS3 Billing Credit due under this Option 57 and Option 29 of FCC5 equals $264,615 [$4,350,000 - (1,500 x $2,723.59)].

21. Contract Tariffs (Cont'd)

21.7 Contract Tariff Option 57 (Cont'd)

(H) Quarterly Review, Calculation of Billing Credits, and Payment of Billing Credits (Cont'd)

(4) The Telephone Company shall provide the net Billing Credit for each Quarter on the customer's Carrier Access Billing System (**CABS**) bill no later than sixty (60) calendar days following the end of the applicable Quarter.

Continuing the Examples set forth in (H)(3) preceding, the net Billing Credit for Quarter 1 of Plan Year 3 is calculated as follows:

Based upon a Quarterly DS1 Billing Credit of $2,834,000, a Quarterly Multiplexed DS3 Billing Credit of ($762,740), and a Quarterly PTP DS3 Billing Credit of $264,615, in each case for Quarter 1 of Plan Year 3, a net Billing Credit for Quarter 1 of Plan Year 3 equals $2,335,875 ($2,834,000 - $762,740 + $264,615).

(5) In calculating the Billing Credits, all of the following requirements shall apply:

(a) The Telephone Company shall not include in the calculation of the Billing Credits any amounts which are unpaid and/or disputed by the customer as of the thirtieth (30th) calendar day following the end of each Quarter. For example, assume that the customer had MRCs which were billed in Quarter 1 of $3,000,000. Assume further that the customer disputed and did not pay $450,000 of such billed MRCs. Hence, in calculating the net Billing Credit under (H)(4) preceding, the MRCs would be calculated as $2,550,000 ($3,000,000 - $450,000).

(b) To the extent that the customer has any disputes, the customer must submit such disputes to the Telephone Company no later than the thirtieth (30th) calendar day following the end of each Quarter. Each dispute must be submitted on a claim description form as provided by the Telephone Company and must clearly state next to the circuit ID the amount under dispute with the following "Dispute Associated with 2009 Contract Tariff."

(c) Any amounts or Qualifying Services that are included in calculation of the Billing Credits will not be subject to any claims or disputes by the customer at any time in the future.

21. Contract Tariffs (Cont'd)

21.7 Contract Tariff Option 57 (Cont'd)

(H) Quarterly Review, Calculation of Billing Credits, and Payment of Billing Credits (Cont'd)

(5) (Cont'd)

(d) For the purpose of calculating the Billing Credits, the Telephone Company shall not include in MRCs any credits or debits for Qualifying Services provided during any prior periods (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) or any prior Quarter other than the then current Quarter for which the Billing Credits are being calculated.

As an illustrative example,

(i) Assume that the customer had MRCs for DS1 Qualifying Services which were billed in Quarter 1 of $3,000,000.

(ii) Assume further that the customer disputed and did not pay $450,000 of such billed MRCs.

(iii) Hence, in calculating the Quarterly DS1 Billing Credit, the MRCs would be calculated as $2,550,000 ($3,000,000 - $450,000).

(iv) Assume further that in Quarter 2, the Telephone Company and the customer agree that such billing was partially in error and that the customer should have received a credit of $300,000 for DS1 Qualifying Services.

(v) Then, in Quarter 2, the Telephone Company shall not include such credit adjustment of $300,000 or the subsequent debit of $150,000 for purposes of calculating the customer's DS1 Quarterly Billing Credit in Quarter 2.

(e) Upon resolution of any Disputed Charges, or disputes raised after the determination of the Billing Credits, 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 Credits, and the same shall apply regardless of the outcome of any Disputed Charges.

(f) If the Telephone Company bills amounts after the determination of the Billing Credits that would have otherwise been included in the determination of the Billing Credits, there in no event will be any adjustment to the Billing Credits.

(g) The Billing Credits as determined by the Telephone Company are not subject to dispute.

(h) The amount of the Billing Credits shall in no event be subject to any late payment, interest or penalty as set forth in Section 2.4.1 preceding of this tariff or Section 2.4.1 of FCC5.

21. Contract Tariffs (Cont'd)

21.7 Contract Tariff Option 57 (Cont'd)

(I) One-Time Credit

No later than thirty (30) days following the date of subscription, and subject to the terms and conditions set forth in this Option 57 and Option 29 of FCC5, the Telephone Company will provide the customer with a One-Time Credit of seven hundred and fifty thousand dollars ($750,000), which credit shall be applied by the Telephone Company to specific BANs as mutually agreed to by the customer and the Telephone Company. This One-Time Credit shall not be included in the calculation of the Billing Credits set forth herein. The One-Time Credit is provided for the customer's collective subscription to this Option 57 and Option 29 of FCC5 (i.e., the total One-Time Credit is $750,000 per customer).

(J) Mergers and Acquisitions of Customer

In the event that 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 herein.

(1) The customer may not combine or include any Billed Qualifying Service Units or Billed Qualifying Services Revenues from the merged, acquiring, or acquired company, or assets of such merged, acquiring, or acquired company in determining whether or not the customer has qualified for, or the amount of any, Billing Credits provided for under this Option 57 and Option 29 of FCC5.

(2) The customer's Billed Qualifying Service Units and Billed Qualifying Services Revenues shall be calculated based on its business and revenue with the Telephone Company using the Customer ACNAs provided under (C)(3) preceding, without adding the revenues, units, 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 57 without liability if the customer does not adhere to the provisions of this Section (J). Subject to (L)(4)(b) following, termination of the customer's subscription to this Option 57 shall be an automatic termination of the customer's subscription to Option 29 of FCC5.

21. Contract Tariffs (Cont'd)

21.7 Contract Tariff Option 57 (Cont'd)

(K) Sale of an Operating Telephone Company

If some or all of the assets or stock of a an Operating Telephone Company that provides Qualifying Services are acquired by an unaffiliated third party during the Service Period, effective with the closing of such transaction, the Telephone Company will proportionally adjust each of the Watermarks.

Example:
Assume the following information for the third quarter of Plan Year 2:

(i) The current DS1 Annual Watermark is 369,000 Billed DS1 Units; and

(ii) The Telephone Company sells a portion of Frontier West Virginia Inc. to a third-party at the end of month eight (8) of Plan Year 2; and

(iii) During the three (3) month period prior to the sale, the sold portion of Frontier West Virginia Inc. provided 12,000 Billed DS1 Units to the customer.

Based on the above assumptions:

(i) The average Billed DS1 Units for the sold portion of Frontier West Virginia Inc. is 4,000 (12,000 / 3).

(ii) There are four (4) months remaining in Plan Year 2 (12 months – 8 months).

(iii) The Plan Year 2 DS1 Annual Watermark would be reduced by 16,000 (4,000 x 4).

(iv) The adjusted DS1 Annual Watermark for Plan Year 2 is 353,000 (369,000 – 16,000).

(v) The DS1 Annual Watermark for the remaining three Plan Years will be reduced by the 48,000 annualized Billed DS1 Units in the sold portion of Frontier West Virginia Inc. (4,000 x 12) resulting in a revised DS1 Annual Watermark of 321,000 Billed DS1 Units (369,000 - 48,000).

21. Contract Tariffs (Cont'd)

21.7 Contract Tariff Option 57 (Cont'd)

(L) Termination

(1) Telephone Company Buy-Out Option

The Telephone Company has the option, upon completion of the determination of the Billing Credits for Qualifying Services achieved by the customer in respect of the fourth Quarter of any Plan Year of the Service Period, and upon providing thirty (30) calendar days written notice to the customer, to terminate the customer's subscription to this Option 57. Termination of the customer's subscription to this Option 57 shall be an automatic termination of the customer's subscription to Option 29 of FCC5. The suspensions associated with customer's Existing Plans as set forth in (M) following will be re-activated upon termination of this Option 57 and Option 29 of FCC5. If the Telephone Company exercises this buy-out option, the Telephone Company shall pay to the customer, within sixty (60) calendar days of the date of the notice exercising this option, an amount equal to any Billing Credits due and payable in respect of the fourth Quarter of Plan Year just ended plus two hundred thousand dollars ($200,000) multiplied by the number of Plan Years left in the Service Period. The following illustrative example is presented:

Assume the following information pertains to this example:

(i) Assume the customer is owed $400,000 in Billing Credits for the fourth Quarter of Plan Year 3 of the Service Period; and

(ii) assume two (2) years are remaining in Service Period; and

(iii) at the end of Plan Year 3, the Telephone Company decides to exercise its buy-out.

Based on the above assumptions the Telephone Company owes the customer a buy-out payment equal to $400,000 + ($200,000 x 2) = $800,000.

Additionally, the customer will not be subject to termination liability under (L)(3) following.

(2) Mutual Termination Option

Not withstanding any other provisions set forth herein or as mutually agreed upon by the Telephone Company and the customer, each of the Telephone Company and the customer (individually **Party** or collectively **the Parties**) have the option at the end of Plan Year 4 to terminate the customer's subscription to this Option 57 without the imposition of either a Buyout Payment as set forth in (L)(1) preceding or Termination Liability as set forth in (L)(3) following, provided the Party or the Parties exercising such option provide written notice to the other Party within thirty (30) calendar days of the end of Plan Year 4 of its intent to terminate the customer's subscription to this Option 57. Upon the providing of such notice, the Parties shall terminate this Option 57. The Telephone Company shall remain liable for Billing Credits owed to the customer for the period ending on the last day of Plan Year 4. Termination of the customer's subscription to this Option 57 shall be an automatic termination of the customer's subscription to Option 29 of FCC5. The suspensions associated with customer's Existing Plans as set forth in (M) following will be re-activated upon termination of this Option 57 and Option 29 of FCC5.

21. Contract Tariffs (Cont'd)

21.7 Contract Tariff Option 57 (Cont'd)

(L) Termination (Cont'd)

(3) Termination by the Customer

The customer may terminate its subscription to this Option 57 at any time during the Service Period. The customer must provide written notice of termination at least ninety (90) calendar days prior to the requested date of termination. Except as allowed under (L)(2) preceding, if the customer terminates or cancels its subscription to this Option 57 at any time during the Service Period for any reason, or if the customer fails to comply with the terms or conditions set forth herein (and as further described in (L)(4)(b) following), then the customer shall pay to the Telephone Company by no later than thirty (30) calendar days after such date of termination or non-compliance an amount equal to the following percentage of all Billing Credits paid under this Option 57, and Option 29 of FCC5 through the date of termination.

Month Terminated	Termination Percentage
1-12	100%
13-24	60%
25-36	40%
37-48	20%
49-60	10%

Termination of the customer's subscription to this Option 57 shall be an automatic termination of the customer's subscription to Option 29 of FCC5. Additionally, the customer will not receive any Billing Credits after the date that the Telephone Company receives the customer's notice of termination.

The suspensions associated with customer's Existing Plans as set forth in (M) following will be re-activated upon termination of this Option 57, and Option 29 of FCC5.

(4) Termination by the Telephone Company

(a) The Telephone Company may terminate customer's subscription to this Option 57 if the customer fails to achieve the DS1 Annual Watermark, the Multiplexed DS3 Annual Watermark or the PTP DS3 Annual Watermark in any Plan Year, commencing with Plan Year 2. The Telephone Company shall provide notice to the customer of its intent to terminate the customer's subscription to this Option 57 by no later than ninety (90) calendar days after the end of the applicable Plan Year. Termination of the customer's subscription to this Option 57 shall be an automatic termination of the customer's subscription to Option 29 of FCC5. If such termination occurs, the customer shall be entitled to all earned Billing Credits for such Plan Year, but will not be eligible to earn any Billing Credits in subsequent Plan Years.

(b) The Telephone Company may terminate the customer's subscription to this Option 57 if the customer fails to comply with any of the terms and conditions of this Option 57 and/or Option 29 of FCC5. Termination of the customer's subscription to this Option 57 shall be an automatic termination of the customer's subscription to Option 29 of FCC5. The suspensions associated with customer's Existing Plans as set forth in (M) following will be re-activated upon termination of this Option 57 and Option 29 of FCC 5. Termination liability as calculated in (L)(3) preceding applies to such termination.

21. Contract Tariffs (Cont'd)

21.7 Contract Tariff Option 57 (Cont'd)

(M) Suspension of True-Ups During Service Period

During the Service Period of this Option 57, the Parties agree that the following reviews and penalties associated with the customer's Existing Plans will be suspended during the time the customer is subscribed to this Option 57 and Option 29 of FCC5:

(i) Suspension of the customer's Commitment Discount Plan Bi-Annual Reviews as set forth in Section 25.1.7 preceding of this tariff, and any resulting penalties as set forth in Section 25.1.7 preceding of this tariff; and

(ii) Suspension of the customer's DS1 Term Volume Plan Annual Review as set forth in Section 5.6.14(G) of FCC5, and any resulting penalties as set forth in Section 5.6.14(I) of FCC5; and

(iii) Suspension of the customer's DS1 Term Payment Plan Annual Review as set forth in Section 7.2.1(G)(6) of FCC6, and any resulting penalties as set forth in Section 7.2.1(G)(8) of FCC6.

(N) Expiration of the Service Period

Upon expiration of the customer's subscription to this Option 57 and Option 29 of FCC5, or at the end of the Service Period, whichever occurs first, the suspensions associated with customer's Existing Plans as set forth in (M) preceding shall resume.

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59

(A) Scope

Contract Tariff Option 59 (**Option 59**) provides certain discounts and Billing Credits on Qualifying Services (as defined in (F)(1) following) offered by the Telephone Company pursuant to this tariff, Tariff F.C.C. No. 5 (**FCC5**), and Tariff F.C.C. No. 6 (**FCC6**). Option 59 also provides additional discounts and Billing Credits upon the conversion by the customer of a minimum of seventy-five percent (75%) of each of its in-service DS1 and DS3 Unbundled Loops, DS1 and DS3 Unbundled Transport, DS1 and DS3 EELs, and DS1 and DS3 Commingled EELs to Qualifying Services, subject to the requirements set forth herein. The customer's subscription to this Option 59 shall be an automatic subscription to Option 31 of FCC5.

(B) Specific Terms

Unless otherwise defined in this Section 21.8, the following terms shall have the meanings set forth following.

(1) **2009 TBR Bonus Credit** shall mean five hundred thousand dollars ($500,000), which such 2009 TBR Bonus Credit shall be paid by the Telephone Company to the customer within thirty (30) calendar days of the customer's subscription to this Option 59, provided the customer has satisfied the eligibility criterion set forth in (C)(1) through (C)(3) following.

(2) **2009 UNE Conversion Adjustment Amount** shall mean a debit or credit, as applicable, equal to (i) the aggregate amount that would have been billed in respect of all DS1 and DS3 Unbundled Transport, DS1 and DS3 Unbundled Loops, DS1 and DS3 EELs, and DS1 and DS3 Commingled EELs purchased on or after October 1, 2009 through and including December 31, 2009 had such services been initially purchased as Qualifying Services minus (ii) the actual amounts billed or to be billed for such DS1 and DS3 Unbundled Transport, DS1 and DS3 Unbundled Loops, DS1 and DS3 EELs, and DS1 and DS3 Commingled EELs for the same period, which such 2009 UNE Conversion Adjustment Amount shall be debited or credited, as applicable, on the customer's BANs within ninety (90) calendar days of the customer's subscription to this Option 59.

(3) **BANs** shall mean Billing Account Numbers of the customer which shall be used to provide the Billing Credits (if any) to the customer.

(4) **Billing Credits** shall mean, collectively, the (i) 2009 TBR Bonus Credit, (ii) the 2009 UNE Conversion Adjustment Amount, (iii) the UNE Conversion Credit provided to the customer Quarterly on its monthly bill from the Telephone Company after the end of each Quarter during each Plan Year during the Service Period and (iv) the IOF/TBR Credit, if any, provided to the customer annually on its monthly bill from the Telephone Company after the end of each of the first five (5) Plan Years during the Service Period. Calculation of the applicable Billing Credits is described in (F)(2)and (F)(3) following.

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(B) Specific Terms (Cont'd)

(5) **Channel Mileage Rate Elements** shall mean the following:

(a) the Special Access Channel Mileage rate elements, as such rate elements are described more particularly in Section 7.1.2(B) preceding of this tariff; and

(b) the Special Transport rate elements (excluding MetroLAN transport), as such rate elements are described more particularly in Section 5.1.1(B) of FCC5; and

(c) the Circuit Mileage rate elements (excluding MetroLAN transport), as such rate elements are described more particularly in Section 7.2.1(B) of FCC6.

The Channel Mileage Rate Elements are specified by USOC in more detail for each of the DS1 and DS3 Services in (F)(1)(b)(1) following.

(6) **Channel Termination Rate Elements** shall mean the following:

(a) the Special Access Channel Termination rate elements, as such rate elements are more particularly described in Section 7.1.2(A) preceding of this tariff; and

(b) the Special Access Line rate elements, as such rate elements are described more particularly in Section 5.1.1(C) of FCC5; and

(c) the Special Access Circuit Termination rate elements, as such rate elements are described more particularly in Section 7.2.1(A) of FCC6.

The Channel Termination Rate Elements are specified by USOC in more detail for each of the DS1s and DS3 Services in (F)(1)(b)(2) following.

(7) **Commingled Enhanced Extended Loop (Commingled EEL)** shall mean the unbundled portion of a combination of Unbundled Loop with special access transport (with or without multiplexing) or the unbundled portion of a combination of special access channel termination with Unbundled Transport (with or without multiplexing).

(8) **Enhanced Extended Loop (EEL)** is a combination of Unbundled Loop and Unbundled Transport, including multiplexing as an option.

(9) **IOF/TBR Credit** shall mean the amounts (if any) provided annually to the customer as a credit after the end of each of the first five (5) Plan Years during the Service Period based upon the aggregate MRCs for the IOF TBR for Qualifying Services and the TBR for Qualifying Services. The IOF/TBR Credit shall be equal to the amount set forth in the applicable table in (F)(2) following for each of the first five (5) Plan Years during the Service Period where (if applicable) the IOF TBR for Qualifying Services and the TBR for Qualifying Services for such Plan Year intersect. Calculation of the applicable IOF/TBR Credit is described in (F)(2) following.

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(B) Specific Terms (Cont'd)

(10) **Multiplexing Rate Element** shall mean the following:

(a) the Special Access Central Office Multiplexing rate element as such rate elements are more particularly described in:

(1) Section 7.2.9(D)(3)(a) preceding of this tariff for DS3 to DS1, Section 7.2.9(D)(3)(c) preceding of this tariff for DS1 to Voice and Section 7.2.9(D)(3)(d) preceding of this tariff for DS1 to Digital; and

(2) (Reserved)

(3) Section 7.11.4(3)(b) for DS3 to DS1, Section 7.11.4(3)(e) for DS1 to Voice, and Section 7.11.4(3)(f) for DS1 to DS0 in FCC6; and

(b) the Special Access Multiplexing Arrangement rate elements as such rate elements are more particularly described in Section 5.5(D) for DS1 to Voice, Section 5.5(G) for DS3 to DS1, and Section 5.5(J) for DS1 to Digital in FCC5.

Multiplexing rate elements are as specified by USOC in more detail for each of DS1 and DS3 Services in (F)(1)(b)(2) following.

(11) **Plan Year** shall mean each of the following periods during the Service Period:

(a) Plan Year 1 shall commence on December 31, 2009 and end on September 30, 2010;

(b) Plan Year 2 shall commence on October 1, 2010 and end on September 30, 2011;

(c) Plan Year 3 shall commence on October 1, 2011 and end on September 30, 2012;

(d) Plan Year 4 shall commence on October 1, 2012 and end on September 30, 2013;

(e) Plan Year 5 shall commence on October 1, 2013 and end on September 30, 2014; and

(f) Plan Year 6 shall commence on October 1, 2014 and end on March 31, 2015.

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(B) Specific Terms (Cont'd)

(12) **Quarter** shall mean either of the following periods, as applicable: (i) the first (1st) Quarter of each Plan Year is the period beginning with the first date of the applicable Plan Year and ending on the last calendar day of the month two (2) months after the month in which the first date occurs (i.e., approximately ninety (90) days thereafter), except for the first (1st) Quarter of Plan Year 1 which shall commence on December 9, 2009 and end on December 31, 2009, and shall include solely for purposes of calculating the discounts and the applicable Billing Credits in respect of such Quarter and Plan Year 1, the period beginning October 1, 2009 and ending December 8, 2009 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 calendar day of the month two (2) months after the month in which the first day occurs (i.e., approximately ninety (90) days thereafter).

(13) **Unbundled Loop** shall mean a transmission facility between a distribution frame (or its equivalent) in a Telephone Company central office and the loop demarcation point at an End User customer premises, and ordered by the customer as an unbundled network element.

(14) **Unbundled Transport** shall mean a transmission facility between wire centers or switches owned by the Telephone Company, or between wire centers or switches owned by the Telephone Company, including, but not limited to, DS1 and DS3 level services, dedicated to a particular customer or carrier, and ordered by the customer as an unbundled network element.

(15) **UNE Conversion Credit** shall mean a credit for converting certain UNE rate elements to Special Access Qualifying Service rate elements as calculated in accordance with Section (F)(3) following.

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(C) Eligibility

The customer must meet all of the following criteria in order to be eligible to receive the Billing Credits, rates, terms, and conditions under this Option 59. In this Option 59, 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).

(1) A customer must subscribe to Option 59 in a manner designated by the Telephone Company by January 31, 2010 (**Subscription Period**). Such subscription must include a list of customer ACNAs which the Telephone Company agrees to, in writing, for inclusion in this Option 59.

(2) During the twelve (12) month period ending on October 1, 2009, the customer must have: (i) achieved a minimum of seventy-four million dollars ($74.0M) in aggregate monthly recurring revenue for all Qualifying Services (as defined in (F)(1) following) purchased by the customer from the Telephone Company under this tariff, FCC5 and FCC6, and (ii) been billed in aggregate no less than fifteen million dollars ($15.0M) for DS1 and DS3 Unbundled Loops, DS1 and DS3 Unbundled Transport, DS1 and DS3 EELs, and DS1 and DS3 Commingled EELs within the operating territories of this tariff, FCC5 and FCC6.

(3) The customer must have been billed a combined total of no less than nineteen thousand (19,000) miles of DS1 and DS3 Unbundled Transport (stand alone or as part of an EEL arrangement) within the operating territories of this tariff, FCC5 and FCC6 during the month of September 2009.

(4) In order to receive any IOF/TBR Credit (as determined in (F)(2) following) other than an IOF/TBR Credit of $0 under this Option 59 in any of the first five (5) Plan Years, the customer must achieve during the applicable Plan Year during the Service Period (as defined in (D) following) the minimum TBR for Qualifying Services and IOF TBR for Qualifying Services as set forth in the applicable Table in (F)(2) following for the applicable Plan Year. For purposes of this Option 59, IOF TBR for Qualifying Services shall mean the portion of the TBR for Qualifying Services billed under the USOCs set forth in (F)(1)(b)(1) following during the Service Period.

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(C) Eligibility (Cont'd)

(5) Other than Tariff arrangements that are (i) in effect as of December 9, 2009 or (ii) introduced after December 9, 2009 that permit the customer's subscription to such Tariff arrangements, 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. If the customer wishes to subscribe to any such Tariff arrangement, contract tariff option, special service arrangement, or ICB, then such subscription shall be considered a termination by the customer of this Option 59, subject to (J) following, and the customer shall not receive any additional discounts or additional Billing Credits under this Option 59.

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 59. The amount of the IOF/TBR 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 each of the first five (5) Plan Years during the Service Period, and such IOF/TBR Credit shall be calculated in accordance with the terms and conditions of this Option 59. The customer may not earn and the Telephone Company shall not pay any IOF/TBR Credit in respect of Plan Year 6.

(D) Service Period

The Service Period of this Option 59 shall be for a period commencing on December 31, 2009 and ending on March 31, 2015.

(E) 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 and FCC5. Wire centers for the Phase II MSAs are listed in Section 14.3 preceding of this tariff and Section 19.1 of FCC5. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 14.3 preceding of this tariff and Section 19.1 of FCC5) that occur during the Service Period of this Option 59 will apply. No Billing Credits will be provided in the operating territories of FCC6.

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(F) Terms and Conditions

(1) Qualifying Services

(a) Description of Qualifying Services

Qualifying Services will be comprised of Special Access DS1 and DS3 Services as set forth in Section 7.2.9 preceding of this tariff, Section 5.3.6 of FCC5, and Section 7.11.1 of FCC6, 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. MetroLAN services in FCC5 and FCC6, and Facilities Management Service (FMS) in this tariff are not Qualifying Services.

(b) Rate Elements Included

The rate elements must be billing one of the following Universal Service Order Codes (USOCs):

(1) Channel Mileage Rate Element USOCs

1A5LX	1A5ZS	1A8ZS	1HH7S	1HHBS	1HHPS	
1J53S	1J54S	1L5LS	1L5RS	1L5XX	1LFMX	
1LFSX	1T58S	1U5PS	1YA8S	TRG		
HCCMF	HFCMF					(N)

(2) Other Rate Element USOCs

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	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

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(F) Terms and Conditions (Cont'd)

(1) Qualifying Services (Cont'd)

(b) Rate Elements Included (Cont'd)

(2) Other Rate Element USOCs (Cont'd)

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	

HCCT4 HFCT4 HFCTA HFOT4 TSP (N)

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21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(F) Terms and Conditions (Cont'd)

(1) Qualifying Services (Cont'd)

(b) Rate Elements Included (Cont'd)

All other services purchased by the customer from the Telephone Company or any affiliate of the Telephone Company and not listed in this Section (F)(1) shall not be eligible for inclusion as Qualifying Services under this Option 59. If the Telephone Company, subsequent to December 9, 2009, determines that one or more USOC(s) were omitted from the preceding list in error, the Telephone Company shall amend the list to include such USOC(s) for all purposes hereunder. If the Telephone Company replaces or changes any of the USOC(s) listed preceding, or creates any new USOC(s), in each case that fit within the description of the Qualifying Services set forth in this (F)(1), the Telephone Company shall amend the list preceding to include such USOC(s) for all purposes hereunder as of the date of the replacement, changing or creation of such USOC(s), as applicable. If the rates or terms and conditions of a Qualifying Service under this tariff, FCC5 or FCC6 are amended from time to time, such amended rates or terms and conditions shall apply herein upon the effectiveness of such tariff amendment; provided, however, that if such amendment results in the exclusion of such Qualifying Services from the TBR for Qualifying Services and IOF TBR for Qualifying Services, irrespective of whether such excluded Qualifying Services continue to be provided under this tariff subject to comparable discounts as provided under this Option 59, taken in its entirety, the Telephone Company shall adjust the TBR for Qualifying Services and IOF TBR for Qualifying Services in a manner consistent with the methodology utilized for a sale of an operating telephone company in (I) following where such Qualifying Services that are excluded from the TBR for Qualifying Services and IOF TBR for Qualifying Services are deemed to no longer be provided by the Telephone Company as of the effectiveness of such tariff amendment or, if mutually agreed to by the customer and the Telephone Company in each of their sole discretion, in a manner mutually agreed upon by the parties; and provided further, however, that if the customer and the Telephone Company do not mutually agree on a different methodology, the methodology set forth in this Section (F)(1)(b)shall apply in all respects.

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(F) Terms and Conditions (Cont'd)

(1) Qualifying Services (Cont'd)

(b) Rate Elements Included (Cont'd)

Notwithstanding the foregoing, if: (i) the Telephone Company and the customer are not able to mutually agree on a manner in which to adjust the TBR for Qualifying Services and IOF TBR for Qualifying Services as provided for preceding; (ii) the customer is not satisfied in its sole discretion with utilizing the methodology provided for in this Section (F)(1)(b); and (iii) the MRCs for Qualifying Services excluded from the TBR for Qualifying Services and IOF TBR for Qualifying Services are greater than thirty percent (30%) of either of the MRCs included in the TBR for Qualifying Services or IOF TBR for Qualifying Services based upon the MRCs included in the month prior to such amendment, the customer may terminate its subscription to this Option 59 by providing written notice of termination within ninety (90) calendar days of the date of such amendment, such termination to be effective as of the date of such amendment, subject to the following conditions: (a) Termination of this Option 59 shall be deemed to be an automatic termination of Option 31 of FCC5; (b) the customer will not be entitled to the payment of any additional Billing Credits, pro rated or otherwise, after the date of such amendment; (c) the customer, to the extent it desires to do so, may convert at its own cost and consistent with normal process for converting Special Access Services to UNEs, any remaining in-service Qualifying Services converted from DS1 or DS3 Unbundled Transport, DS1 or DS3 Unbundled Loops, DS1 or DS3 EELs, and/or DS1 or DS3 Commingled EELs pursuant to the requirements of (F)(3)(a)(1) following back to DS1 or DS3 Unbundled Transport, DS1 or DS3 Unbundled Loops, DS1 or DS3 EELs, and/or DS1 or DS3 Commingled EELs; and (d) the customer shall not be liable for any termination liability payment as provided for in (J) following.

(c) 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 MRC amounts which are paid in full by the customer.

(1) For purposes of this Option 59, **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 (F)(1)(b) preceding, and excluding Disputed Charges; provided, however, that certain minimum period charges and early termination charges (as specifically described in Sections 7.4.4, 7.4.13(D), 7.4.17(D), 25.1.10, and 25.2.3 preceding of this tariff, Sections 3.2.4 and 5.6.19(M) of FCC5, and Sections 7.2.2 and 7.2.6(E) of FCC6) based solely on unpaid MRCs shall be included as MRCs solely in each of the months included in the calculation of the minimum period charges and/or early termination charges in an amount equal to such charges.

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(F) Terms and Conditions (Cont'd)

(1) Qualifying Services (Cont'd)

(c) Revenues Included in Calculation of TBR for Qualifying Services and IOF TBR for Qualifying Services (Cont'd)

(2) For purposes of this Option 59, **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 each of the first five (5) Plan Years during the Service Period in accordance with (F)(2) following. Amounts which have not been paid in full, as of the forty-fifth (45th) calendar day following the end each of the first five (5) Plan Years during 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 for the applicable Plan Year.

(3) For purposes of this Option 59, "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 this tariff, FCC5 and FCC6, as applicable. In the event that the customer disputes some but not all charges on its monthly bill from the Telephone Company, the charges that are not disputed shall, upon payment thereof, be considered "paid in full" for purposes of this Option 59.

(4) For purposes of determining the MRCs included in the Calculation of TBR for Qualifying Services and IOF TBR for Qualifying Services, no MRCs for Qualifying Services originally ordered and placed in service as UNEs prior to October 1, 2009 and converted from DS1 or DS3 Unbundled Transport, DS1 or DS3 Unbundled Loops, DS1 or DS3 EELs, and/or DS1 or DS3 Commingled EELs pursuant to the requirements of (F)(3)(a)(1) following shall be included.

(d) Additional Revenues 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:

(1) non-recurring charges;

(2) surcharges;

(3) taxes, or other charges imposed by a federal, state, local, or other governmental entity (e.g., Federal Universal Service Fund);

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(F) Terms and Conditions (Cont'd)

(1) Qualifying Services (Cont'd)

(d) Additional Revenues Not Included in Calculation of TBR for Qualifying Services or IOF TBR for Qualifying Services (Cont'd)

(4) service or administrative fees or charges imposed by the Telephone Company (e.g., Interest penalty, late payment penalty);

(5) except for minimum period or early termination charges as specified in ((F)(1)(c)(1)) preceding, any other charges which are not applied on a monthly recurring basis;

(6) 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;

(7) any debits or credits for Services rendered in prior Quarters or periods prior to December 31, 2009;

(8) fractional debit/credit amounts;

(9) Shortfall or overage charges associated with term plan true-ups;

(10) minimum period charges other than as set forth in (F)(1)(c)(1) preceding;

(11) any Disputed Charges**;**

(12) termination liabilities other than as set forth in (F)(1)(c)(1) preceding; or

(13) Billing Credits/adjustments.

As an example of inclusion of minimum period and termination liability as a MRC, if a Qualifying Service with a three year term commitment commencing on December 31, 2009, has a $200 MRC, and a minimum period charge of 100% for the first year of the commitment period and 25% for the balance of the commitment period is terminated at the end of month eleven (11) of the first year of the commitment period/Plan Year 1, for purposes of calculating the TBR for Qualifying Services and IOF TBR for Qualifying Services, and provided such amounts are billed and paid in full, $200 shall be included as a MRC in respect of month twelve (12) of Plan Year 1 and $50 shall be included as a MRC for each of the months for Plan Years 2 and 3 as if paid in full in such months.

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(F) Terms and Conditions (Cont'd)

(2) Calculation of TBR and IOF/TBR Credit

(a) Calculation of the TBR for Qualifying Services and IOF TBR for Qualifying Services at the End of Each of the First Five (5) Plan Years During the Service Period

(1) No later than the sixtieth (60th) calendar day following the end of each of the first five (5) Plan Years during 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 applicable Plan Year during the Service Period in accordance with the terms and condition set forth in this Option 59. Subject to any reductions and adjustments as set forth herein, the customer shall be eligible to receive the applicable IOF/TBR Credit set forth in the IOF/TBR Credit Table for the applicable Plan Year (**IOF/TBR Credit**), which IOF/TBR Credit may be $0 or $0.2M or more depending on the customer's TBR for Qualifying Services and IOF TBR for Qualifying Services during each Plan Year during the Service Period.

(2) The TBR for Qualifying Services shall include all eligible monthly recurring Special Access DS1 and DS3 revenues for the USOCs listed in (F)(1)(b)(1) and (F)(1)(b)(2) preceding of this Option 59. The Special Access DS1 and DS3 monthly recurring revenues carrying any USOCs not listed in (F)(1)(b)(1) or (F)(1)(b)(2) preceding of this Option 59 will not be included. Non-Special Access DS1 and DS3 services carrying any of the USOCs listed in (F)(1)(b)(1) or (F)(1)(b)(2) preceding of this Option 59 will also not be included.

The IOF TBR for Qualifying Services shall include all eligible monthly recurring Special Access DS1 and DS3 revenues for the USOCs listed in (F)(1)(b)(1) preceding of this Option 59. The Special Access DS1 and DS3 monthly recurring revenues not carrying one of the USOCs listed in (F)(1)(b)(1) preceding of this Option 59 will not be included. Non-Special Access DS1 and DS3 services carrying any of the USOCs listed in (F)(1)(b)(1) preceding of this Option 59 will also not be included.

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(F) Terms and Conditions (Cont'd)

(2) Calculation of TBR and IOF/TBR Credit (Cont'd)

(a) Calculation of the TBR for Qualifying Services and IOF TBR for Qualifying Services at the End of Each of the First Five (5) Plan Years During the Service Period (Cont'd)

(3) In order to calculate the applicable IOF/TBR Credit for the Plan Year, the Telephone Company will locate the customer's TBR for Qualifying Services and IOF TBR for Qualifying Services in the IOF/TBR Credit Table for the applicable Plan Year as set forth in (F)(2)(a)(6) following under the headings "TBR for Qualifying Services" and "IOF TBR for Qualifying Services," respectively. The IOF/TBR Credit (if any) that the customer is eligible to receive is set forth in the cell where the TBR for Qualifying Services and the IOF TBR for Qualifying Services intersect on the IOF/TBR Credit Table for the applicable Plan Year. If the customer has not achieved both a TBR for Qualifying Services and an IOF TBR for Qualifying Services that intersect in one of the cells of the IOF/TBR Credit Table for the applicable Plan Year, then the customer shall not receive any Billing Credit (i.e., a Billing Credit of $0).

(4) The Telephone Company shall credit the customer's BANs with the applicable IOF/TBR Credit as determined in accordance with the terms of this Option 59 on the next billing cycle after the sixty (60) calendar day calculation period provided there are at least ten (10) business days before the close of the next billing cycle. If there are not at least ten (10) business days before the close of the next billing cycle, then such credit shall be applied in the following billing cycle. The IOF/TBR Credits will be provided only in the MSAs that have achieved Phase I or Phase II pricing flexibility under this tariff and FCC5. In no event will the customer be eligible for any IOF/TBR Credit unless both their TBR for Qualifying Services and IOF TBR for Qualifying Services intersect in one of the cells set forth in the IOF/TBR Credit Table following for the applicable Plan Year.

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(F) Terms and Conditions (Cont'd)

(2) Calculation of TBR and IOF/TBR Credit (Cont'd)

(a) Calculation of the TBR for Qualifying Services and IOF TBR for Qualifying Services at the End of Each of the First Five (5) Plan Years During the Service Period (Cont'd)

(5) Illustrative Example

The following example illustrates the calculation of the TBR for Qualifying Services, the IOF TBR for Qualifying Services, and the IOF/TBR Credit:

First assume in Plan Year 1, the customer's eligible monthly recurring Special Access DS1 and DS3 revenues as described in (F)(1)(a), (F)(1)(b)(1) and (F)(1)(b)(2) preceding are $85M.

Further assume in Plan Year 1, the customer's eligible monthly recurring IOF Special Access DS1 and DS3 revenues as described in (F)(1)(a) and (F)(1)(b)(1) preceding are $21M.

Further assume that the amount of Qualifying Services still under dispute forty five (45) calendar days after the end of Plan Year 1 is $1M, none of which relate to IOF Special Access DS1 and DS3 revenues as described in (F)(1)(a) and (F)(1)(b)(1) preceding.

Further assume that the amount of eligible total minimum period and/or early termination charges as described in (F)(1)(c)(1) preceding and applied in Plan Year 1 is $500,000.

Further assume that the amount of eligible IOF minimum period and/or early termination charges as described in (F)(1)(c)(1) preceding is $200,000.

The Telephone Company shall calculate the TBR for Qualifying Services by (i) subtracting the Disputed Charges from the eligible monthly recurring Special Access DS1 and DS3 revenues described in (F)(1)(a), (F)(1)(b)(1) and (F)(1)(b)(2) preceding and (ii) adding the total minimum period and/or early termination charges in manner described in (F)(1)(c)(1) preceding. [($85M - $1M) + $500,000 = $84.5M]

The Telephone Company shall calculate the IOF TBR for Qualifying Services by adding the eligible monthly recurring IOF Special Access DS1 and DS3 revenues described in (F)(1)(a) and (F)(1)(b)(1) preceding to the eligible IOF minimum period and/or early termination charges in the manner described in (F)(1)(c)(1) preceding. [$21M + $200,000 = $21.2M]

The Telephone Company shall calculate the IOF/TBR Credit by finding the cell in the Plan Year 1 IOF/TBR Credit Table where the TBR for Qualifying Services amount ($84.5M) and the IOF TBR for Qualifying Services amount ($21.2M) intersect, which would be $500,000.

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(F) Terms and Conditions (Cont'd)

(2) Calculation of TBR and IOF/TBR Credit (Cont'd)

(a) Calculation of the TBR for Qualifying Services and IOF TBR for Qualifying Services at the End of Each of the First Five (5) Plan Years During the Service Period (Cont'd)

(6) IOF/TBR Credit Tables

(a) Plan Year 1 IOF/TBR Credit Table

Plan Year 1 IOF TBR for Qualifying Services	TBR for Qualifying Services					
	$83.0M to $84.99M	$85.0M to $87.99M	$88.0M to $90.99M	$91.0M to $93.99M	$94.0M to $96.99M	$97.0M and Over
$20.4M-$20.89M	$0.20M	$0.50M	$1.25M	$2.00M	$2.75M	$3.50M
$20.9M-$21.39M	$0.50M	$0.80M	$1.55M	$2.30M	$3.05M	$3.80M
$21.4M-$21.89M	$0.80M	$1.10M	$1.85M	$2.60M	$3.35M	$4.10M
$21.9M-$22.89M	$1.05M	$1.35M	$2.10M	$2.85M	$3.60M	$4.35M
$22.9M and Over	$1.55M	$1.85M	$2.60M	$3.35M	$4.10M	$4.85M

(b) Plan Year 2 IOF/TBR Credit Table

Plan Year 2 IOF TBR for Qualifying Services	TBR for Qualifying Services					
	$90.4M to $92.39M	$92.4M to $95.39M	$95.4M to $98.39M	$98.4M to $101.39M	$101.4M to $104.39M	$104.4M and Over
$21.7M - $22.19M	$0.30M	$0.60M	$1.35M	$2.10M	$2.85M	$3.60M
$22.2M - $22.69M	$0.60M	$0.90M	$1.65M	$2.40M	$3.15M	$3.90M
$22.7M - $23.19M	$0.90M	$1.20M	$1.95M	$2.70M	$3.45M	$4.20M
$23.2M - $24.19M	$1.20M	$1.50M	$2.25M	$3.00M	$3.75M	$4.50M
$24.2M and Over	$1.80M	$2.10M	$2.85M	$3.60M	$4.35M	$5.10M

(c) Plan Year 3 IOF/TBR Credit Table

Plan Year 3 IOF TBR for Qualifying Services	TBR for Qualifying Services					
	$98.2M to $100.19M	$100.2M to $103.19M	$103.2M to $106.19M	$106.2M to $109.19M	$109.2M to $112.19M	$112.2M and Over
$23.5M - $23.99M	$0.40M	$0.70M	$1.45M	$2.20M	$2.95M	$3.70M
$24.0M - $24.49M	$0.70M	$1.00M	$1.75M	$2.50M	$3.25M	$4.00M
$24.5M - $24.99M	$1.00M	$1.30M	$2.05M	$2.80M	$3.55M	$4.30M
$25.0M - $25.99M	$1.30M	$1.60M	$2.35M	$3.10M	$3.85M	$4.60M
$26.0M and Over	$1.90M	$2.20M	$2.95M	$3.70M	$4.45M	$5.20M

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(F) Terms and Conditions (Cont'd)

(2) Calculation of TBR and IOF/TBR Credit (Cont'd)

(a) Calculation of the TBR for Qualifying Services and IOF TBR for Qualifying Services at the End of Each of the First Five (5) Plan Years During the Service Period (Cont'd)

(6) IOF/TBR Credit Tables

(d) Plan Year 4 IOF/TBR Credit Table

Plan Year 4 IOF TBR for Qualifying Services	TBR for Qualifying Services $107.2M to $109.19M	$109.2M to $112.19M	$112.2M to $115.19M	$115.2M to $118.19M	$118.2M to $121.19M	$121.2M and Over
$25.7M - $26.19M	$1.05M	$1.35M	$2.10M	$2.85M	$3.60M	$4.35M
$26.2M - $26.69M	$1.35M	$1.65M	$2.40M	$3.15M	$3.90M	$4.65M
$26.7M - $27.19M	$1.65M	$1.95M	$2.70M	$3.45M	$4.20M	$4.95M
$27.2M - $28.19M	$1.95M	$2.25M	$3.00M	$3.75M	$4.50M	$5.25M
$28.2M and Over	$2.55M	$2.85M	$3.60M	$4.35M	$5.10M	$5.85M

(e) Plan Year 5 IOF/TBR Credit Table

Plan Year 5 IOF TBR for Qualifying Services	TBR for Qualifying Services $116.7M to $118.69M	$118.7M to $121.69M	$121.7M to $124.69M	$124.7M to $127.69M	$127.7M to $130.69M	$130.7M and Over
$28.0M - $28.49M	$2.00M	$2.30M	$3.05M	$3.80M	$4.55M	$5.30M
$28.5M - $28.99M	$2.30M	$2.60M	$3.35M	$4.10M	$4.85M	$5.60M
$29.0M - $29.49M	$2.60M	$2.90M	$3.65M	$4.40M	$5.15M	$5.90M
$29.5M - $30.49M	$2.90M	$3.20M	$3.95M	$4.70M	$5.45M	$6.20M
$30.5M and Over	$3.50M	$3.80M	$4.55M	$5.30M	$6.05M	$6.80M

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(F) Terms and Conditions (Cont'd)

(3) UNE Conversion Credit

(a) Conditions Precedent to UNE Conversion Credit

Subject to the provisions of (F)(3)(a)(1) following related to the conversion of DS1 and DS3 Unbundled Transport, DS1 and DS3 Unbundled Loops, DS1 and DS3 EELs, and DS1 and DS3 Commingled EELs to Special Access Qualifying Services, the customer shall be eligible to receive a UNE Conversion Credit.

(1) UNE Conversion Requirements

In order to qualify for the UNE Conversion Credit, the customer must satisfy all of the following criteria:

(a) Request conversion, such conversion to be effective as of December 31, 2009, of a minimum of seventy-five percent (75%) of each of the customer's in-service DS1 and DS3 Unbundled Transport, DS1 and DS3 Unbundled Loops, DS1 and DS3 EELs, and DS1 and DS3 Commingled EELs, as well as for any in-progress orders for the same to be installed after December 31, 2009, in which case such conversion shall be effective as of the actual install date, to Qualifying Services of an equivalent configuration and equivalent number; and

(b) Agree that the customer's subscription to this Option 59 and Option 31 of FCC5, which such subscription shall specify the percentage of each of the customer's in-service DS1 and DS3 Unbundled Transport, DS1 and DS3 Unbundled Loops, DS1 and DS3 EELs, and DS1 and DS3 Commingled EELs, as well as for any in-progress orders for the same to be installed after December 31, 2009, that the customer desires to convert to Qualifying Services, constitutes the customer's authorization of the conversions in (a) preceding to occur contemporaneously with the effectiveness of such subscription as well as providing for the same billing effective date as the effective date of such subscription or, for those in-progress orders, the actual install date; and

(c) The customer may not purchase any DS1 or DS3 Unbundled Transport, DS1 or DS3 Unbundled Loops, DS1 or DS3 EELs, or DS1 or DS3 Commingled EELs on or after December 31, 2009 through and including the end of Plan Year 5; provided that any orders for any of the preceding shall be handled in accordance with (F)(3)(f) following.

(2) UNE Conversion Credit Amount

The UNE Conversion Credit shall be calculated, beginning with the month immediately following the month in which the requirements set forth in (F)(3)(a) preceding are satisfied, as described in more detail in (F)(3)(b) following.

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(F) Terms and Conditions (Cont'd)

(3) UNE Conversion Credit (Cont'd)

(b) Calculation of UNE Conversion Credit

The UNE Conversion Credit shall be comprised of credit amounts or debit amounts, as applicable, for each Qualifying Service associated with a specific circuit ID (i.e., the Qualifying Service specific circuit ID that replaces the specific circuit ID for DS1 or DS3 Unbundled Transport, DS1 or DS3 Unbundled Loop, DS1 or DS3 EEL and/or DS1 or DS3 Commingled EEL that was converted pursuant to the requirements of (F)(3)(a)(1) preceding) that remains in service during any month of the Service Period, as calculated in accordance with this Section (F)(3)(b).

(1) In order to determine the UNE Conversion Credit to be applied during each Quarter during the Service Period, the Telephone Company shall first calculate the aggregate monthly recurring revenue for September 2009 at a circuit ID level and specifically including all UNE Rate Element Monthly Recurring Charges (as reflected in Column A in the UNE Conversion Credit Support Table set forth in (F)(3)(b)(6) following) for such circuit IDs (**UNE Circuit Base MRCs**). The UNE Rate Elements reflected in Column A include only the DS1 or DS3 Unbundled Loops, DS1 or DS3 Unbundled Transport, DS1 or DS3 EELs, or DS1 or DS3 Commingled EELs being converted pursuant to the requirements of (F)(3)(a)(1) preceding.

(2) At the end of each month during the Service Period, the Telephone Company shall calculate the aggregate MRCs for such month, by circuit ID, associated with the remaining in-service Qualifying Services (i.e., the DS1 or DS3 Unbundled Loop, DS1 or DS3 Unbundled Transport, DS1 or DS3 EEL, and DS1 or DS3 Commingled EEL converted to Qualifying Services pursuant to (F)(3)(a)(1) preceding that remain in-service during that month) and specifically including all Special Access Rate Element Monthly Recurring Charges (as reflected in Column B in the UNE Conversion Credit Support Table set forth in (F)(3)(b)(6) following) billing under such circuit IDs (**Qualifying Service Circuit MRCs**).

(3) The Telephone Company shall then calculate the difference, whether positive or negative, between each of the Qualifying Service Circuit MRCs and the corresponding UNE Circuit Base MRCs for such month.

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(F) Terms and Conditions (Cont'd)

(3) UNE Conversion Credit (Cont'd)

(b) Calculation of UNE Conversion Credit (Cont'd)

(4) The Telephone Company shall then determine the UNE Conversion Credit for such month by aggregating all amounts, whether positive or negative, calculated in (3) preceding and multiplying such amount by: (i) one hundred percent (100%) for Plan Years 1 and 2; (ii) ninety percent (90%) for Plan Year 3; (iii) eighty-five percent (85%) for Plan Year 4; and (iv) seventy-five percent (75%) for Plan Years 5 and 6.

(5) The UNE Conversion Credit to be applied to the customer's BANs for each Quarter of the Service Period is equal to the sum of the UNE Conversion Credits calculated in (4) preceding for each month of such Quarter.

(6) UNE Conversion Credit Support Table

Column A UNE Rate Element Monthly Recurring Charges	Column B Special Access Rate Element Monthly Recurring Charges
Loop (stand alone or as a part of an EEL arrangement), EEL Loop Test, Clear Channel, SS7, Fixed Mileage (stand alone or as a part of an EEL arrangement), Per Mile Mileage (stand alone or as a part of an EEL arrangement), and Multiplexing.	As specified in (F)(1)(b)(1) and (F)(1)(b)(2) preceding.

USOCs Included:

69420	69479	EUW	U4D1X
ULC1X	CCO	URC7G	URCTB
U4D3X	ULC3X	EU4PF	URC7H
1UMYS	TRG	ULYXX	1LFSX
ULNXS	ULYHX	ULNHS	ULYJX
ULNJS	MQ1	UM4CX	M6W0U
MQ3	UM43X	M6W3U	

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(F) Terms and Conditions (Cont'd)

(3) UNE Conversion Credit (Cont'd)

(b) Calculation of UNE Conversion Credit (Cont'd)

(7) Illustrative Example of Calculations Described in (F)(3)(b) Preceding for Quarter 3 of Plan Year 3 Assuming Three (3) UNE Circuits Originally Converted to Qualifying Services

In order to establish the UNE Circuit Base MRCs for the each of the three (3) UNE circuits converted pursuant to the requirements of (F)(3)(a)(1) preceding, assume the following:

(a) During the month of September 2009, the customer had three (3) UNE circuit IDs, one configured as a DS1 Unbundled Loop UNE, one as a DS1 Unbundled Transport UNE, and one as an EEL. The monthly charges at a circuit level for each such UNE circuit ID using the applicable UNE Rate Element Monthly Recurring Charges associated with the USOCs listed in Column A of the UNE Conversion Credit Support Table set forth in (F)(3)(b)(6) preceding were as follows:

Circuit ID #1
A DS1 Unbundled Loop UNE billing a total of $90 (comprised of $89 for USOC U4D1X and $1 for USOC URCTB)

Circuit ID #2
A DS1 Unbundled Transport UNE billing a total of $100 (comprised of $100 for USOC 1UMYS)

Circuit ID #3
A DS1 EEL billing a total of $190 (comprised of $89 for USOC U4D1X, $1 for USOC URCTB, $2 for USOC URC7G, and $98 for USOC 1UMYS)

(b) Each of the three (3) UNE circuits associated with circuit IDs #1, #2, and #3 preceding was converted to a Qualifying Service with new circuit IDs #1A, #2A and #3A, respectively, for each such resultant Qualifying Service.

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(F) Terms and Conditions (Cont'd)

(3) UNE Conversion Credit (Cont'd)

(b) Calculation of UNE Conversion Credit (Cont'd)

(7) Illustrative Example of Calculations Described in (F)(3)(b) Preceding for Quarter 3 of Plan Year 3 Assuming Three (3) UNE Circuits Originally Converted to Qualifying Services (Cont'd)

(c) During the months of April, May and June, 2012, the monthly recurring charges at the circuit level for such Qualifying Services (Circuit IDs #1A, #2A and #3A) using the applicable Special Access Rate Element Monthly Recurring Charges associated with the USOCs cross-referenced in Column B of the UNE Conversion Credit Support Table set forth in (F)(3)(b)(6) preceding (Qualifying Service Circuit MRCs) was as follows:

April 2012:
Circuit ID #1A
A Special Access DS1, consisting of a Channel Termination, billing a total of $180 (comprised of $180 for USOC TMECS)

Circuit ID #2A
A Special Access DS1, consisting of Channel Mileage, billing a total of $110 (comprised of $110 for USOC 1T58S)

Circuit ID #3A
A Special Access DS1, consisting of a Channel Termination and Channel Mileage, billing a total of $280 (comprised of $180 for USOC TMECS and $100 for USOC 1T58S)

May 2012:
Assume a monthly recurring rate decrease occurred for the rates billed under the TMECS and 1T58S USOCs resulting in the following reduced billing associated with the three Circuit IDs for May 2012:

Circuit ID #1A
Total billing is reduced from $180 to $170

Circuit ID #2A
Total billing is reduced from $110 to $107

Circuit ID #3A
Total billing is reduced from $280 to $267

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(F) Terms and Conditions (Cont'd)

(3) UNE Conversion Credit (Cont'd)

(b) Calculation of UNE Conversion Credit (Cont'd)

(7) Illustrative Example of Calculations Described in (F)(3)(b) Preceding for Quarter 3 of Plan Year 3 Assuming Three (3) UNE Circuits Originally Converted to Qualifying Services (Cont'd)

June 2012:
Assume the customer disconnected Circuit ID #3A resulting in the following:

Circuit ID #1A
Billing remains at $170

Circuit ID #2A
Billing remains at $107

Circuit ID #3A
No longer eligible for UNE Conversion Credit

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(F) Terms and Conditions (Cont'd)

(3) UNE Conversion Credit (Cont'd)

(b) Calculation of UNE Conversion Credit (Cont'd)

(7) Illustrative Example of Calculations Described in (F)(3)(b) Preceding for Quarter 3 of Plan Year 3 Assuming Three (3) UNE Circuits Originally Converted to Qualifying Services (Cont'd)

Based on the above monthly recurring charges, the Telephone Company will calculate the UNE Conversion Credit for each such Qualifying Service that remains in-service by:

Step 1
Calculating for each circuit the difference between the monthly recurring billed amount as a Qualifying Service (**Qualifying Service Circuit MRCs**) and the monthly recurring billed amount as UNE in September 2009 for the comparable UNE circuit (**UNE Circuit Base MRCs**):

	Charges As Qualifying Service	Charges As UNE in September 2009	Difference
April 2012:			
Circuit ID #1/1A	$180	$90	$ 90
Circuit ID #2/2A	$110	$100	$ 10
Circuit ID #3/3A	$280	$190	$ 90
Total			$190
May 2012:			
Circuit ID #1/1A	$170	$90	$ 80
Circuit ID #2/2A	$107	$100	$ 7
Circuit ID #3/3A	$267	$190	$ 77
Total			$164
June 2012			
Circuit ID #1/1A	$170	$90	$ 80
Circuit ID #2/2A	$107	$100	$ 7
Circuit ID #3/3A	No longer eligible for UNE Conversion Credit		$ 0
Total			$ 87

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(F) Terms and Conditions (Cont'd)

(3) UNE Conversion Credit (Cont'd)

(b) Calculation of UNE Conversion Credit (Cont'd)

(7) Illustrative Example of Calculations Described in (F)(3)(b) Preceding for Quarter 3 of Plan Year 3 Assuming Three (3) UNE Circuits Originally Converted to Qualifying Services (Cont'd)

Step 2
Calculate the UNE Conversion Credit for the three (3) Qualifying Services for the Quarter by aggregating all amounts calculated in Step 1 preceding and multiplying such amount by the Plan Year 3 percentage of 90% (all amounts are rounded to the nearest dollar)

	Total Difference	Plan Year 3 Percentage Multiplier	UNE Conversion Credit
April 2012:			
Month 1	$190	x 90%	$171
Month 2	$164	x 90%	$148
Month 3	$ 87	x 90%	$ 78
Total			$397

The customer is owed, subject to the terms and conditions of this Option 59, including this Section (F)(3), a UNE Conversion Credit for the three (3) Qualifying Services for Quarter 3 of Plan Year 3 of $397.00.

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(F) Terms and Conditions (Cont'd)

(3) UNE Conversion Credit (Cont'd)

(c) Revenues Included in Calculation of UNE Conversion Credits

In calculating the UNE Conversion Credit, only MRC amounts which are paid in full by the customer shall be included in the calculation set forth in (F)(3)(b)(4) preceding.

(1) For purposes of this Option 59, "**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 (F)(1)(b) preceding, and excluding Disputed Charges; provided, however, that certain minimum period charges and early termination charges (as specifically described in Sections 7.4.4, 7.4.13(D), 7.4.17(D), 25.1.10, and 25.2.3 preceding of this tariff, Sections 3.2.4 and 5.6.19(M) of FCC5, and Sections 7.2.2 and 7.2.6(E) of FCC6) based solely on unpaid MRCs shall be included as MRCs solely in each of the months included in the calculation of the minimum period charges and/or early termination charges in an amount equal to such charges.

(2) For purposes of this Option 59, "**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 each of the Plan Years during the Service Period in accordance with this Section (F)(3). Amounts which have not been paid in full, as of the forty-fifth (45th) calendar day following the end each of the Plan Years during the Service Period (regardless of whether or not such amounts are under dispute by the customer), shall not be included when determining the UNE Conversion Credit.

(3) For purposes of this Option 59, "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 this tariff, FCC5 and FCC6, as applicable. In the event that the customer disputes some but not all charges on an invoice, the charges that are not disputed shall, upon payment thereof, be considered "paid in full" for purposes of this Option 59.

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(F) Terms and Conditions (Cont'd)

(3) UNE Conversion Credit (Cont'd)

(c) Revenues Included in Calculation of UNE Conversion Credits (Cont'd)

(4) For purposed of determining the UNE Conversion Credit, the UNE Conversion Credit shall not include in its calculation MRCs for Qualifying Services originally ordered and placed in service as UNEs on or after October 1, 2009 and that were converted from DS1 and DS3 Unbundled Transport, DS1 and DS3 Unbundled Loops, DS1 and DS3 EELs and/or DS1 and DS3 Commingled EELs pursuant to the requirements of (F)(3)(a)(1) preceding.

(d) Additional Revenues Not Included in Calculation of UNE Conversion Credits

In calculating the UNE Conversion Credit, no revenues other than the revenues as set forth in (F)(3)(c) preceding shall be included, and the following types of charges are not included:

(1) non-recurring charges;
(2) surcharges;
(3) taxes, or other charges imposed by a federal, state, local, or other governmental entity (e.g., Federal Universal Service Fund);
(4) service or administrative fees or charges imposed by the Telephone Company (e.g., Interest penalty, late payment penalty);
(5) except for minimum period or early termination charges as specified in (F)(1)(c)(1) preceding, any other charges which are not applied on a monthly recurring basis;
(6) 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;
(7) any debits or credits for Services rendered in prior Quarters or periods prior to December 31, 2009;
(8) fractional debit/credit amounts;
(9) Shortfall or overage charges associated with term plan true-ups;
(10) minimum period charges other than as set forth in (F)(1)(c)(1) preceding;
(11) any Disputed Charges;
(12) termination liabilities other than as set forth in (F)(1)(c)(1) preceding; or
(13) Billing Credits/adjustments.

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(F) Terms and Conditions (Cont'd)

(3) UNE Conversion Credit (Cont'd)

(e) Payment of UNE Conversion Credit

If the customer is eligible for a UNE Conversion Credit as set forth in this Option 59, then no later than the sixtieth (60th) calendar day following the end of each Quarter during each Plan Year during the Service Period, the Telephone Company shall calculate the aggregate UNE Conversion Credit earned for the previous Quarter and, subject to the terms of this Option 59, credit the customer's BANs with the UNE Conversion Credit as determined in accordance with the terms of this Option 59 on the next billing cycle after the sixty (60) calendar day calculation period provided there are at least ten (10) business days before the next billing cycle. If there are not at least ten (10) business days before the close of the next billing cycle, such credit shall be applied in the following billing cycle. The UNE Conversion Credit will be provided only in the MSAs that have achieved Phase I or Phase II pricing flexibility under this tariff, and FCC5. Notwithstanding any other provisions of this Option 59 to the contrary, the Telephone Company and the customer acknowledge and agree that the conversions of circuits pursuant to (F)(3)(a)(1) preceding may not have been completed in time to satisfy the conditions necessary to be able to accurately and fully calculate the UNE Conversion Credit in connection with the first four (4) Quarters in which such UNE Conversion Credit will be due and payable on the timing set forth in this Section (F)(3)(e). Accordingly, the Telephone Company and the customer acknowledge and agree that one or more true-ups may be required during the first four (4) Quarters in which such UNE Conversion Credit will be due and payable to effectuate the accurate payment of the UNE Conversion Credit as contemplated by this Option 59.

(f) Orders for Unbundled Network Elements After December 31, 2009

The customer, as a material condition of the Telephone Company providing the UNE Conversion Credit, may not purchase any DS1 or DS3 Unbundled Transport, DS1 or DS3 Unbundled Loops, DS1 or DS3 EELs, or DS1 or DS3 Commingled EELs from any of operating territories of this tariff, FCC5 or FCC6 during the first five (5) Plan Years of the Service Period. Accordingly, the Telephone Company and the customer agree that any orders for DS1 or DS3 Unbundled Loops, DS1 or DS3 Unbundled Transport, DS1 or DS3 EELs, or DS1 or DS3 Commingled EELs that occur on or after December 31, 2009 through and including the end of Plan Year 5 are errors and shall be treated for all purposes as if initially ordered as Qualifying Services. If either Party discovers that DS1 or DS3 Unbundled Loop, DS1 or DS3 Unbundled Transport, DS1 or DS3 EELs, and/or DS1 or DS3 Commingled EELs have been ordered by the customer through and including the end of Plan Year 5, such Party shall notify the other Party and the customer shall promptly request conversion of such DS1 or DS3 Unbundled Loop, DS1 or DS3 Unbundled Transport, DS1 or DS3 EELs, and/or DS1 or DS3 Commingled EELs to a Qualifying Service, which such conversion shall be completed at no charge to the customer. The Telephone Company shall reasonably assist in this effort.

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(G) Disputes, Releases and Waivers

(1) In calculating the Billing Credits, all of the following requirements shall apply:

(a) The Telephone Company shall not include in the calculation of the Billing Credits any Disputed Charges remaining as of the forty-fifth (45th) calendar day following the end of the applicable Quarter (UNE Conversion Credit) or Plan Year (IOF/TBR Credit).

(b) For the purpose of calculating the Billing Credits, the Telephone Company shall not include in MRCs any credits or debits for Services provided during any periods prior to December 31, 2009 (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).

(c) 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.

(d) The customer agrees to undertake a good faith effort to review, within thirty (30) calendar days of receipt, each bill received from the Telephone Company that includes amounts to be included in the TBR for Qualifying Services, the IOF TBR for Qualifying Services or included in the calculation of the UNE Conversion Credit and at such time that the customer determines there is a dispute to promptly raise the dispute(s) with the Telephone Company. The customer is not obligated or required to raise billing disputes within thirty (30) calendar days of receipt of a bill.

(e) Upon resolution of any Disputed Charges, or disputes raised after the issuance of the Billing Credits in respect of amounts included in the TBR for Qualifying Services, the IOF TBR for Qualifying Services or in the calculation of the UNE Conversion Credit, 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 Credits, 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.

(f) There will not be any adjustment to the Billing Credits, the TBR for Qualifying Services or the IOF TBR for Qualifying Services if the Telephone Company bills amounts after the determination of the Billing Credits that would have otherwise been included in the TBR for Qualifying Services, the IOF TBR for Qualifying Services or the UNE Conversion Credit calculated preceding.

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(G) Disputes, Releases and Waivers (Cont'd)

(1) (Cont'd)

(g) The Billing Credits as determined by the Telephone Company and agreed to by the customer are not subject to dispute; provided, however, that the foregoing prohibition against disputing the Billing Credits shall not be deemed to apply in a situation where the Telephone Company applies a Billing Credit(s) that does not match the mutually agreed upon Billing Credit(s).

(h) The amount of the Billing Credits shall in no event be subject to any late payment, interest or penalty as set forth in Section 2.4.1 preceding of this tariff and Section 2.4.1 of FCC5.

(H) Mergers and Acquisitions of Customer

In the event that after the date of subscription to this Option 59, 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 tariff, FCC5 and FCC6.

(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 the 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 included with the customer's subscription to this Option 59 under (B)(1) preceding, 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) If the customer intentionally and willfully violates the provisions of this Section (H), the Telephone Company reserves the right to terminate the customer's subscription to this Option 59 without liability.

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(H) Mergers and Acquisitions of Customer

(4) The customer will provide timely notice to the Telephone Company of any anticipated customer merger, transfer, assignment or acquisition so that each of the customer and the Telephone Company can assess their respective rights and responsibilities under this Option 59. The Telephone Company recognizes that the customer requires the flexibility to manage its business in the manner that it sees fit, including ordering Qualifying Services under the appropriate ACNAs consistent with the manner in which it desires to manage its business. Notwithstanding the manner in which the customer orders Qualifying Services, the customer and the Telephone Company have agreed to the terms set forth in (H)(1) and (H)(2) of this Section (H) for purposes of determining the TBR for Qualifying Services and the IOF TBR for Qualifying Services for each Plan Year after 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 customer and the Telephone Company may mutually agree to modify the customer's subscription to the Option 59 to include one or more of the ACNAs and related revenue attributable to expansion of the customer's purchase of Qualifying Services from the Telephone Company as a result of a customer merger, transfer, assignment, or acquisition, with both parties taking into consideration whether such revenues represent new and unanticipated, or existing, revenues to the Telephone Company; provided, however, that if the customer and the Telephone Company do not mutually agree on any such modifications, the terms and conditions of this Section (H) shall apply in all respects and the customer shall use commercially reasonable efforts to provide the Telephone Company the necessary information to calculate the TBR for Qualifying Services and the IOF TBR for Qualifying Services consistent with this Section (H).

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(I) Sale of an Operating Telephone Company

If some or all of the assets or stock of an Operating Telephone Company of this tariff, FCC5 or FCC6 (**Acquired Telco**) are acquired by an unaffiliated third party 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, FCC5, or FCC6, as applicable.

(1) Each range or tier of the TBR for Qualifying Services and IOF TBR for Qualifying Services set forth in the IOF/TBR Credit Table for the applicable Plan Year in (F)(2)(a)(6) preceding shall be proportionately reduced by the TBR Acquisition Reduction Amount and IOF TBR Acquisition Amount (each as defined following), respectively; and

(2) All the Billing Credits set forth in the IOF/TBR Credit Table for the applicable Plan Year in (F)(2)(a)(6) preceding shall be reduced by a percentage which shall be calculated by dividing the TBR Acquisition Reduction Amount by $83M if in Plan Year 1, $90.4M if in Plan Year 2, $98.2M if in Plan Year 3, $107.2M if in Plan Year 4, or $116.7M if in Play Year 5.

(a) The TBR Acquisition Reduction Amount for the Plan Year in which the Acquired Telco ceases to provide the Qualifying Services shall be calculated for the Qualifying Services as follows:

(1) calculate the TBR for Qualifying Services purchased by the customer from the Acquired Telco during the twelve (12) months prior to the time that the Acquired Telco ceases to provide the such Services;

(2) calculate the average monthly amount of the TBR for Qualifying Services purchased by the customer from the Acquired Telco by dividing the number in (1) preceding by twelve (12); and

(3) multiply the average monthly amount of the TBR for Qualifying Services calculated in (2) preceding by the number of months remaining in the Plan Year in which the Acquired Telco ceases to provide the Services.

For the remaining Plan Years through and including Plan Year 5, the TBR Acquisition Reduction Amount shall equal the amount calculated in (1) preceding.

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(I) Sale of an Operating Telephone Company (Cont'd)

(2) (Cont'd)

(b) The IOF TBR Acquisition Reduction Amount for the Plan Year in which the Acquired Telco ceases to provide the Services shall be calculated for the Qualifying Services as follows:

(1) calculate the IOF TBR for Qualifying Services purchased by the customer from the Acquired Telco during the twelve (12) months prior to the time that the Acquired Telco ceases to provide the Services;

(2) calculate the average monthly amount of the IOF TBR for Qualifying Services purchased by the customer from the Acquired Telco by dividing the number in (1) preceding by twelve (12) (For purposes of this Option 59, IOF Qualifying Services shall mean the portion of the Qualifying Services billed under the USOCs set forth in (F)(1)(b)(1) preceding); and

(3) multiply the average monthly amount of the IOF TBR for Qualifying Services calculated in (2) preceding by the number of months remaining in the Plan Year in which the Acquired Telco ceases to provide the Services.

For the remaining Plan Years through and including Plan Year 5, the IOF TBR Acquisition Reduction Amount shall equal the amount calculated in (1) preceding.

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(I) Sale of an Operating Telephone Company (Cont'd)

(2) (Cont'd)

Illustrative Example:

* Assume the Telephone Company sells part of Frontier West Virginia Inc. Sale is finalized with two (2) months remaining in Plan Year 2.
* Customer's TBR for Qualifying Services purchased by the customer from the sold portion of Frontier West Virginia Inc. during the previous 12 months = $24M
* Average monthly amount of the TBR for Qualifying Services purchased by the customer from the sold portion of Frontier West Virginia Inc. = $2M [$24M/12]
* Tiers for the TBR for Qualifying Services for Plan Year 2 are reduced by $4M [$2M x 2 months]
* Tiers for the TBR for Qualifying Services for Plan Years 3 through and including Plan Year 5 are reduced by $24M each year
* The customer's IOF TBR for Qualifying Services purchased by the customer from the sold portion of Frontier West Virginia Inc. during the previous 12 months = $12M
* Average monthly amount of the IOF Qualifying Services purchased by the customer from the sold portion of Frontier West Virginia Inc. = $1M [$12M/12]
* Tiers for the IOF TBR for Qualifying Services for Plan Year 2 are reduced by = $2M [$1M x 2]
* Tiers for the IOF TBR for Qualifying Services for Plan Years 3 through and including Plan Year 5 are reduced by $12M each year
* Billing Credits are reduced by 4.4% [$4M / [$90.4M]] for Plan Year 2
* Billing Credits are reduced by 24.4% [$24M/$98.2M], 22.4% [$24M/ $107.2M], and 20.6% [$24M/116.7M] for each of Plan Years 3, 4 and 5, respectively.

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(I) Sale of an Operating Telephone Company (Cont'd)

(3) The UNE Conversion Credit shall be calculated on and after the closing of such transaction, such that any Qualifying Services converted from DS1 or DS3 Unbundled Transport, DS1 or DS3 Unbundled Loops, DS1 or DS3 EELs, and/or DS1 or DS3 Commingled EELs pursuant to the requirements of (F)(3)(a)(1) preceding that the Telephone Company no longer provides as a result of such transaction shall be treated as if disconnected by the customer as of the date of such transaction and is no longer eligible for any UNE Conversion Credit.

(4) Notwithstanding anything to the contrary in this Section (I), if an unaffiliated third party (**Third Party Purchaser**) purchases an Acquired Telco on or after June 30, 2011 and does not put in place a comparable contract tariff(s) that, when taken as a whole with this Option 59 and Option 31 of FCC5, provides the customer with a comparable: (i) overall deal, including an IOF/TBR Credit, analyzed solely as of the date of the close of such transaction, if such contract tariff(s) were taken together with this Option 59 and Option 31 of FCC5 as one deal; (ii) remaining Service Period; and (iii) UNE Conversion Credit for the remaining Service Period, the customer, in its sole discretion, may terminate its subscription to such new contract tariff(s), in which case the customer shall not be bound by the terms of such new contract tariff(s), including any otherwise applicable termination liability, nor entitled to any of the benefits of, such new contract tariff(s), as applicable, and may convert any remaining in-service Qualifying Services converted from DS1 or DS3 Unbundled Transport, DS1 or DS3 Unbundled Loops, DS1 or DS3 EELs, and/or DS1 or DS3 Commingled EELs to Qualifying Services pursuant to the requirements of Section (F)(3)(a)(1) preceding in the service territory of such Third Party Purchaser, back to DS1 or DS3 Unbundled Transport, DS1 or DS3 Unbundled Loops, DS1 or DS3 EELs, and/or DS1 or DS3 Commingled EELs, as applicable, with a billing effective date the same as the close of such transaction.

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(J) Termination of Plan

Subject to the terms set forth in this Section (J), the customer may terminate its subscription to this Option 59 at any time during the Service Period. The customer must provide written notice of termination at least ninety (90) calendar days prior to the requested date of termination of its subscription to this Option 59. Termination of this Option 59 shall be deemed to be an automatic termination of Option 31 of FCC5. Excluding a termination solely pursuant to (K) following, if the customer terminates its subscription to this Option 59, and/or Option 31 of FCC5 at any time during the Service Period, the customer will not be entitled to the payment of any additional Billing Credits, pro rated or otherwise, after receipt of notice of termination, and shall pay to the Telephone Company by no later than sixty (60) calendar days after such date of termination if such termination occurs during the first five (5) Plan Years: (i) if terminated during Plan Year 1, an amount equal to one hundred percent (100%) of all Billing Credits paid from December 31, 2009 through and including the termination date, but excluding any UNE Conversion Credits; (ii) if terminated during Plan Year 2, an amount equal to seventy-five percent (75%) of all Billing Credits paid from December 31, 2009 through and including the termination date, but excluding any UNE Conversion Credits; (iii) if terminated during Plan Year 3, an amount equal to fifty percent (50%) of all Billing Credits paid from December 31, 2009 through and including the termination date, but excluding any UNE Conversion Credits; (iv) if terminated during Plan Year 4, an amount equal to twenty-five percent (25%) of all Billing Credits paid from December 31, 2009 through and including the termination date, but excluding any UNE Conversion Credits; and (v) if terminated during Plan Year 5, an amount equal to ten percent (10%) of all Billing Credits paid from December 31, 2009 through and including the termination date, but excluding any UNE Conversion Credits. All obligations under this tariff, FCC5 and FCC6, as applicable, with respect to the Qualifying Services shall continue to apply.

If the customer terminates a Qualifying Service(s) during the Service Period, minimum period and termination liability charges shall apply in accordance with the applicable term plan under which such Qualifying Service(s) is being billed; provided, however, that all DS1 and DS3 Unbundled Transport, DS1 and DS3 Unbundled Loops, DS1 and DS3 EELs, and DS1 and DS3 Commingled EELs converted to Qualifying Services pursuant to the requirements of Section (F)(3)(a)(1) preceding shall be granted ten and one-half months time in service credit for purposes of any applicable minimum period and/or early termination charges.

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(K) Changes in Price of Channel Termination and Channel Mileage Rate Elements

At the end of each month during the first five (5) Plan Years of the Service Period in which any MRCs for DS1 or DS3 Channel Termination Rate Elements, or DS1 or DS3 Channel Mileage Rate Elements, decrease, a price change index (**Price Change Index**) comparing the aggregate MRCs in the month in which the price decrease(s) occurs and the aggregate MRCs as of December 31, 2009 shall be calculated as described below. If the Price Change Index for any month is equal to or less than ninety-seven (97) (or such lower Price Change Index, in the event that each of the parties has the right to terminate the customer's subscription to this Option 59 and Option 31 of FCC5 based upon the Price Change Index, but neither the customer nor the Telephone Company exercises such right and the Price Change Index triggering such right to terminate is reduced, consistent with (5) following), then the customer or the Telephone Company, in each of their sole discretion, may terminate the customer's subscription to this Option 59 and Option 31 of FCC5, subject to the following requirements.

(1) The parties shall have one hundred twenty (120) calendar days from the end of the month in which the rate decrease(s) occurred to review, assess and discuss the implications of the decrease in MRCs for any DS1 or DS3 Channel Termination Rate Elements, or any DS1 or DS3 Channel Mileage Rate Elements.

(2) If either party desires to terminate the customer's subscription to this Option 59 and Option 31 of FCC5, such party shall provide written notice by not later than the end of the one hundred twenty (120) calendar day period set forth in (1) preceding, and the effective date of such termination shall be the end of the month in which such written notice is received (**Price Change Termination Date**).

(3) If the customer exercises its termination right as set forth in this Section (K), the following conditions shall apply:

(a) The customer may convert any remaining in-service Qualifying Services converted from DS1 or DS3 Unbundled Transport, DS1 or DS3 Unbundled Loops, DS1 or DS3 EELs, and/or DS1 or DS3 Commingled EELs to Qualifying Services pursuant to the requirements of (F)(3)(a)(1) preceding back to DS1 or DS3 Unbundled Transport, DS1 or DS3 Unbundled Loops, DS1 or DS3 EELs, and/or DS1 or DS3 Commingled EELs, as applicable, with a billing effective date the same as the Price Change Termination Date; and

(b) The customer shall pay to the Telephone Company a one-time termination charge by no later than sixty (60) calendar days after the Price Change Termination Date based upon the Plan Year in which the Price Change Termination Date occurs: (a) five hundred thousand dollars ($500,000) in each of Plan Years 1 and 2; (b) two hundred fifty thousand dollars ($250,000) in Plan Year 3; (c) one hundred twenty five thousand dollars ($125,000) in Plan Year 4; and (d) fifty thousand dollars ($50,000) in Plan Year 5.

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(K) Changes in Price of Channel Termination and Channel Mileage Rate Elements (Cont'd)

(4) If the Telephone Company exercises its termination right as set forth in this Section (K), the following conditions shall apply:

(a) The Telephone Company shall conduct a true-up and calculate any applicable Billing Credits, each as pro-rated for the period of time from the beginning of the applicable Quarter (UNE Conversion Credit) or Plan Year (IOF/TBR Credit) of the Service Period to the Price Change Termination Date and more particularly pro-rated, with respect to the IOF/TBR Credit, based upon the IOF/TBR Credit to which the customer would otherwise have been entitled if the MRCs remained the same for the balance of the months in the Plan Year in which the Price Change Termination Date occurs; and

(b) The customer may convert any remaining in-service Qualifying Services converted from DS1 or DS3 Unbundled Transport, DS1 or DS3 Unbundled Loops, DS1 or DS3 EELs, and/or DS1 or DS3 Commingled EELs to Qualifying Services pursuant to the requirements of (F)(3)(a)(1) preceding back to DS1 or DS3 Unbundled Transport, DS1 or DS3 Unbundled Loops, DS1 or DS3 EELs, and/or DS1 or DS3 Commingled EELs, as applicable, with a billing effective date the same as the Price Change Termination Date, in which case the Telephone Company shall provide to the customer a one-time credit equal to the applicable nonrecurring charges associated with converting such remaining in-service Qualifying Services back to DS1 or DS3 Unbundled Transport, DS1 or DS3 Unbundled Loops, DS1 or DS3 EELs, and/or DS1 or DS3 Commingled EELs, as applicable.

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(K) Changes in Price of Channel Termination and Channel Mileage Rate Elements (Cont'd)

(5) In the event that a Price Change Index of ninety-seven (97) or less is calculated and neither party exercises its termination right as set forth in this Section (K), the Price Change Index that triggers the right to terminate shall be reduced by three (3) points to ninety-four (94) after the first time both the parties fail to exercise such right to terminate the customer's subscription to this Option 59 and Option 31 of FCC5, and shall decrease by three (3) points each successive time that the Price Change Index is met and neither party exercises such right to terminate the customer's subscription to this Option 59 and Option 31 of FCC5; provided, however, that if the Price Change Index is calculated such that it is lower than the Price Change Index to which it would be reduced, then it shall be reduced to the next closest Price Change Index that is a multiple of three (3) less than ninety-seven (97) (e.g., if the first Price Change Index triggering the right to terminate was calculated as ninety-three (93) and neither party terminated the customer's subscription to this Option 59 and Option 31 of FCC5, the Price Change Index triggering such right would be reduced to ninety-one (91) (ninety-four (94) minus three (3)), If any MRCs for DS1 or DS3 Channel Termination Rate Elements, or DS1 or DS3 Channel Mileage Rate Elements, decrease, but the applicable Price Change Index does not trigger the right of each of the customer and the Telephone Company to terminate the customer's subscription to this Option 59 and Option 31 of FCC5 consistent with this Section (K), then (i) neither party will have the right to terminate the customer's subscription to this Option 59 and Option 31 of FCC5 pursuant to this Section (K) and (ii) the Price Change Index triggering the right to terminate the customer's subscription to this Option 59 and Option 31 of FCC5 will remain unchanged.

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(K) Changes in Price of Channel Termination and Channel Mileage Rate Elements (Cont'd)

The **Price Change Index** shall be computed as follows**:**

Step 1 Calculate the average revenue per unit for special access DS1 and DS3 Channel Termination Rate Elements and DS1 and DS3 Channel Mileage Rate Elements purchased by the customer as of December 31, 2009 by dividing the aggregate MRCs billed to the customer by the Telephone Company for all special access Channel Termination Rate Elements and Channel Mileage Rate Elements by the total number of units in-service in the month immediately preceding December 31, 2009;

Step 2 Calculate the average revenue per unit for special access DS1 and DS3 Channel Termination Rate Elements and DS1 and DS3 Channel Mileage Rate Elements purchased by the customer for the month in which a decrease in any MRCs for DS1or DS3 Channel Termination Rate Elements, or DS1 or DS3 Channel Mileage Rate Elements, as compared to the MRCs in effect as of December 31, 2009, is reflected in the billing, by dividing the aggregate MRCs billed to the customer by the Telephone Company for all special access Channel Termination Rate Elements and Channel Mileage Rate Elements in-service in such month by the total number of units in-service in such month;

Step 3 Multiply the average revenue per unit calculated in Step 2 preceding for both DS1 and DS3 Channel Termination Rate Elements and DS1 and DS3 Channel Mileage Rate Elements by the corresponding units in-service determined in Step 1 preceding;

Step 4 Sum the products of the calculations from Step 3. preceding to get the aggregate MRCs at the new prices; and

Step 5 Divide the result calculated in Step 4 preceding by the sum of the MRCs for DS1 and DS3 Channel Termination Rate Elements and DS1 and DS3 Channel Mileage Rate Elements calculated in Step 1 preceding and round the result to two (2) decimal places.

Step 6 Multiply the result calculated in Step 5 by 100 to get the Price Change Index.

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(K) Changes in Price of Channel Termination and Channel Mileage Rate Elements (Cont'd)

The **Price Change Index** shall be computed as follows**:** (Cont'd)

Illustrative Example**:**

Step 1 Assume that as of December 31, 2009 the MRCs, units in service, and average revenue per unit for special access DS1 and DS3 Channel Termination Rate Elements and DS1 and DS3 Channel Mileage Rate Elements are as follows:

	MRCs (1)	Units in Service (2)	Average Revenue (3)=(1)/(2)
Channel Termination Rate Element:			
DS1	$ 6,600,000	55,000	$120.00
DS3	$ 480,000	600	$800.00
Channel Mileage Rate Element:			
DS1	$ 2,720,000	160,000 (miles)	$ 17.00/mile
DS3	$ 1,150,000	10,000 (miles)	$115.00/mile
Total MRCs on 12/31/2009	$10,950,000		

Step 2 Further assume that during month ten (10) of Plan Year 1 the prices on the Channel Termination Rate Elements and the Channel Mileage Rate Elements change and that the MRCs, units in service, and average revenue per unit following the price changes are as follows:

	MRCs (1)	Units in Service (2)	Average Revenue (3)=(1)/(2)
Channel Termination Rate Element:			
DS1	$ 7,000,000	60,000	$116.67
DS3	$ 500,000	650	$769.23
Channel Mileage Rate Element:			
DS1	$ 2,500,000	164,000 (miles)	$ 15.24/mile
DS3	$ 1,200,000	11,000 (miles)	$109.09/mile

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(K) Changes in Price of Channel Termination and Channel Mileage Rate Elements (Cont'd)

The **Price Change Index** shall be computed as follows**:** (Cont'd)

Illustrative Example**:** (Cont'd)

Step 3 Taking the average revenue per units calculated in Step 2 preceding times the units in service for Step 1 preceding would give the following results:

DS1 Channel Termination Revenues =	$6,416,850	(55,000 x $116.67)
DS3 Channel Termination Revenues =	$ 461,538	(600 x $769.23)
DS1 Channel Mileage Revenues =	$2,438,400	(160,000 x $15.24)
DS3 Channel Mileage Revenues =	$1,090,900	(10,000 x $109.09)

Step 4 The sum of the results from Step 3 would be $10,407,688 ($6,416,850 + $461,538 + $2,438,400 + $1,090,900).

Step 5 The result of the division is 0.95 ($10,407,688 / $10,950,000).

Step 6 The Price Change Index is 95.0 (0.95 x 100)

If the result of Step 6 was a Price Change Index that was at or below ninety-seven (97.0), then the first time such result was to occur would trigger the right of either the customer or the Telephone Company to terminate the customer's subscription to this Option and Option 31 of FCC5 in accordance with this Section (K).

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 59 (Cont'd)

(L) Renewal of Existing Plans

(1) Commitment Discount Plan

If the customer is signed up for the Telephone Company's Commitment Discount Plan (as set forth in Section 25.1 following of this tariff) as of December 31, 2009, the Commitment Discount Plan shall be subject to the following provisions (both as to Qualifying Services as well as all other services covered by such Commitment Discount Plan):

(a) Subject to any early termination of the customer's subscription to this Option 59 and Option 31 of FCC5, the Commitment Discount Plan is deemed extended as necessary to be coterminous with the end of Plan Year 5; and (ii) the TISC under the Commitment Discount Plan will be granted based on credit already earned as of December 31, 2009 plus any additional credit earned during the customer's subscription to this Option, which collectively shall not be greater than the TISC available under the terms of the Commitment Discount Plan.

(b) All other terms and conditions applicable to Commitment Discount Plan (including discounts and minimum period and review/true-up requirements) remain unchanged by this Section (L); provided, however, that no Qualifying Services converted from DS1 or DS3 Unbundled Transport, DS1 or DS3 Unbundled Loops, DS1 or DS3 EELs, or DS1 and DS3 Commingled EELs pursuant to the requirements of (F)(3)(a)(1) preceding shall be included for purposes of establishing commitment levels or in connection with any review/true-up requirements. Upon expiration of Plan Year 5, the Commitment Discount Plan will be subject to the existing regulations that apply upon expiration of the Commitment Discount Plan, including establishment of new commitments.

(2) Term and Volume Plan

If the customer is signed up for the Telephone Company Five-Year DS1 Term and Volume Plan (TVP) (as set forth in Section 5.6.14 of FCC5), and subject to any early termination of the customer's subscription to this Option 59 and Option 31 of FCC5, the TVP is deemed extended as necessary to be coterminous with the end of Plan Year 5 and the customer must remain concurrently subscribed during the first five (5) Plan Years during the Service Period.

21. Contract Tariffs (Cont'd)

21.9 Contract Tariff Option 61

(A) Scope

Contract Tariff Option 61 (**Option 61**) provides a discount to customers who subscribe to and achieve an aggregate revenue commitment over a three (3) year period for certain Video Services and/or Advanced Video Services that are provided under this Option 61 as set forth herein. The Video Services and/or Advanced Video Services that are used to measure compliance with the aggregate revenue commitment are:

(1) Special Access Hi-Definition Digital Video Transport Services (**Hi-Def DVTS**) as set forth in Section 7.2.5(F) preceding; or

(2) Special Access full-time Serial Component Video Services (**SCVS**) as set forth in Section 7.2.5(E) preceding; or

(3) Special Access full-time Basic Video Service (**BVS**) as set forth in Section 7.2.5(A) preceding.

(B) Eligibility

The customer must meet all of the following criteria in order to be eligible to receive the discounted rates of this Option 61.

(1) A customer must subscribe to Option 61 in a manner designated by the Telephone Company during the period that begins April 1, 2010 and ends December 31, 2011 (**Subscription Period**). The customer must include a list of any of its affiliates that the customer wishes to be included in the customer's subscription which the Telephone Company agrees to in writing for inclusion in this Option 61. For purposes of this Option 61, the term "affiliate" means any entity that controls, is controlled by, or is under common control with the customer subscribing to this Option 61.

(2) At the time of subscription to this Option 61, the customer must commit to an aggregate revenue amount that must be met by the end of the three (3) year Service Period of this Option 61. The aggregate revenue commitment applies to Hi-Def DVTS, SCVS and BVS that the Telephone Company provides to the customer within the operating territories of this tariff. The customer must select one of the aggregate revenue commitments set forth in (E)(2)(a) following (each a **Commitment Level**) at the time of subscription to this Option 61. The Commitment Level selected by the customer determines the rate level applicable to Hi-Def DVTS and SCVS that the customer subscribes to during the Service Period of this Option 61. BVS is not discounted under this Option 61, however, the revenue for BVS is included in the calculation of the aggregate revenue commitment.

(3) Subscription to Alternate Tariff Arrangements

Except as allowed under (B)(2) preceding, the customer may not concurrently subscribe Hi-Def DVTS or SCVS to an Alternative Tariff Arrangement (which shall mean any contract tariff option or other tariff arrangement or option offered by the Telephone Company that provides a discount, credit, or other reduction in rates or terms with respect to Hi-Def DVTS and/or SCVS) during the Service Period or Extended Service Period of this Option.

21. Contract Tariffs (Cont'd)

21.9 Contract Tariff Option 61 (Cont'd)

(C) Service Period

The Service Period of this Option 61 is thirty-six (36) months from the date the customer initially subscribes to this Option 61. Individual Service Periods are not available for Hi-Def DVTS or SCVS included in this Option 61. The customer may extend the Service Period of this Option in accordance with (E)(8)(c) following.

(D) Serving Area

The Serving Area of this Option 61 includes 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 14.3 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 14.3 preceding of this tariff) that occur during the Service Period of this Option 61 will apply.

(E) Terms and Conditions

(1) Included Services

The Hi-Def DVTS and SCVS that can be included in this Option 61 and for which the discounted rates herein apply include:

(a) Hi-Def DVTS which are installed as new during the Service Period or Extended Service Period of this Option 61.

(b) Hi-Def DVTS which are installed as new during the Service Period or Extended Service Period of this Option 61 in order to replace existing SCVS, BVS, Multichannel Video Service (**MVS**), Supertrunking Transport Video Service (SVS), or 45 Mbps Digital Video Transport Service (**45 Mbps DVTS**) that are upgraded to Hi-Def DVTS under this Option 61. Early Termination Charges and/or Termination Liability as set forth in Section 7.2.5 preceding do not apply to upgrade SCVS, BVS, MVS, SVS or 45 Mbps DVTS to new Hi-Def DVTS under this Option 61. The customer is responsible for satisfying any outstanding minimum period obligation as it applies to the service being upgraded. Minimum period obligations are set forth in Section 7.4.4 preceding.

(c) Existing Hi-Def DVTS which are migrated from their current term plan to this Option 61. Early Termination Charges as set forth in Section 7.2.5(F)(4)(e) preceding do not apply to cancel the current term plan for Hi-Def DVTS in order to include such service in this Option 61.

21. Contract Tariffs (Cont'd)

21.9 Contract Tariff Option 61 (Cont'd)

(E) Terms and Conditions (Cont'd)

(1) Included Services (Cont'd)

(d) SCVS which are installed as new during the Service Period or Extended Service Period of this Option 61.

(e) SCVS which are installed as new during the Service Period or Extended Service Period of this Option 61 in order to replace existing BVS, MVS, SVS or 45 Mbps DVTS that are upgraded to SCVS under this Option 61. Early Termination Charges as set forth in Section 7.2.5 preceding do not apply to upgrade BVS, MVS, SVS or 45 Mbps DVTS to new SCVS under this Option 61. The customer is responsible for satisfying any outstanding minimum period obligation as it applies to the service being upgraded. Minimum period obligations are set forth in Section 7.4.4 preceding.

(f) Existing SCVS which are migrated from their current term plan to this Option 61. Early termination charges and/or termination liability as set forth in Section 7.2.5(E)(4)(e) preceding do not apply to cancel the current term plan for SCVS in order to include such service in this Option 61.

(g) The Hi-Def DVTS and SCVS set forth in (a) through (f) preceding can be included in this Option 61 at anytime during the Service Period and, when applicable, during the Extended Service Period of this Option 61. All of the Hi-Def DVTS and SCVS are eligible for the rates set forth in (F) following during the Service Period of this Option 61 and, when applicable, during the Extended Service period of this Option 61.

(2) Commitment Levels

(a) At the time of subscription to this Option 61, the customer must select one of the following Commitment Levels for its Hi-Def DVTS, SCVS and BVS. The Commitment Level includes an aggregate revenue commitment that must be met in month 36 of the Service Period. The customer may ramp up to its agreed-to Commitment Level, provided that minimum revenue thresholds, specified herein, are satisfied to ensure the customer is progressing towards satisfying the entire commitment. On an annual basis, the Telephone Company will conduct a review to compare the aggregate revenue the customer should have achieved in months 12, 24 and 36 of the Ramp-up Schedule for the selected Commitment Level (**Expected Revenue**) and the aggregate revenue the customer actually achieved in such months (**Actual Revenue**). If the customer extends the Service Period under (E)(8)(c) following, the Expected Revenue in month 36 of the Service Period is also the Expected Revenue during the entire three (3) year Extended Service Period with an annual review occurring in months 48, 60 and 72 of the Extended Service Period. The selected Commitment Level also determines the rates applicable to Hi-Def DVTS and SCVS during the Service Period and, when applicable, during the Extended Service Period. The customer must choose one of the following Commitment Levels:

21. Contract Tariffs (Cont'd)

21.9 Contract Tariff Option 61 (Cont'd)

(E) Terms and Conditions (Cont'd)

(2) Commitment Levels (Cont'd)

(a) (Cont'd)

(1) Level 1 Commitment
($26,460 in month 36 of the Service Period)

Ramp Up Schedule:

Expected Revenue in month 12	$ 8,820
Expected Revenue in month 24	$ 17,640
Expected Revenue in month 36	$ 26,460

(2) Level 2 Commitment
($117,600 in month 36 of the Service Period)

Ramp Up Schedule:

Expected Revenue in month 12	$ 39,200
Expected Revenue in month 24	$ 78,400
Expected Revenue in month 36	$117,600

(3) Level 3 Commitment
($205,800 in month 36 of the Service Period)

Ramp Up Schedule:

Expected Revenue in month 12	$ 68,600
Expected Revenue in month 24	$137,200
Expected Revenue in month 36	$205,800

(b) The customer may change to a higher Commitment Level on three (3) occasions during the period that the customer is subscribed to this Option 61 as follows:

(1) Once during the Service Period; and

(2) at the time the customer extends the Service Period under (E)(8)(c) following; and

(3) once during the Extended Service Period.

The discounted rates for the higher Commitment Level become effective with the first day of the bill period following the date that the customer changes to a higher Commitment Level and continue for the remainder of the applicable Service Period or Extended Service Period. No retroactive adjustment will be made for the prior bill periods during which time the discounted rates for the lesser Commitment Level were in effect.

21. Contract Tariffs (Cont'd)

21.9 Contract Tariff Option 61 (Cont'd)

(E) Terms and Conditions (Cont'd)

(3) Revenues Included in Calculating Aggregate Revenue

For purposes of determining whether the customer has met the aggregate revenue commitment for month 36 and/or the Expected Revenue per the applicable Ramp-up Schedule, the Telephone Company shall include only monthly recurring charges (**MRCs**) for SCVS, Hi-Def DVTS and BVS of this tariff which are paid in full by the customer. The following types of charges shall not be included (list is illustrative and not intended to be a comprehensive listing of all other charges excluded):

(a) Nonrecurring 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 recurring monthly 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 Hi-Def DVTS, SCVS and BVS;

(f) Any debits or credits for Hi-Def DVTS, SCVS or BVS rendered prior to the customer's subscription to this Option 61;

(g) Minimum period charges;

(h) Shortfall charges associated with not achieving the Expected Revenue per the applicable Ramp-up Schedule;

(i) Any Early Termination Charges as set forth in (E)(7) following; or

(j) Any monthly recurring charges for optional features and functions associated with SCVS; or

(k) Adjustments other than those explicitly relating to MRCs.

21. Contract Tariffs (Cont'd)

21.9 Contract Tariff Option 61 (Cont'd)

(E) Terms and Conditions (Cont'd)

(4) Annual Review

For each year of the Service Period, the Telephone Company will conduct an annual review per customer to measure the customer's compliance with the aggregate revenue commitment and associated Ramp-up Schedule. Such annual review will occur within ninety (90) calendar days of the last day of month 12, month 24 and month 36 of the Service Period.

If the Actual Revenue in month 12, 24, or 36 is equal to or greater than the Expected Revenue in month 12, 24 or 36, respectively, no action shall be taken.

If the Actual Revenue in month 12, 24 or 36 is less than the Expected Revenue in month 12, 24 or 36, respectively, a penalty applies as follows:

(a) For Year 1, the penalty for not achieving the Expected Revenue in month 12 is equal to (i) the Expected Revenue in month 12; minus (ii) the Actual Revenue in month 12; and (iii) the result multiplied by six (6) months [(Expected Revenue in month 12 – Actual Revenue in month 12) x 6 months)].

(b) For Year 2, the penalty for not achieving the Expected Revenue in month 24 is equal to (i) the Expected Revenue in month 24; minus (ii) the Actual Revenue in month 24; and (iii) the result multiplied by six (6) months [(Expected Revenue in month 24 – Actual Revenue in month 24) x 6 months)].

(c) For Year 3, the penalty for not achieving the Expected Revenue in month 36 is equal to (i) the Expected Revenue in month 36; minus (ii) the Actual Revenue in month 36; and (iii) the result multiplied by six (6) months [(Expected Revenue in month 36 – Actual Revenue in month 36) x 6 months)].

If the customer extends the Service Period under (E)(8)(c) following, the Telephone Company will conduct an annual review per customer to measure the customer's compliance with the aggregate revenue commitment and associated Ramp-up Schedule for the selected Commitment Level for the Extended Service Period as set forth in (E)(8)(c) following. Such annual review will occur within ninety (90) calendar days of the last day of month 48, month 60 and month 72 of the Extended Service Period. The penalty that applies for not achieving the Expected Revenue in month 48, month 60 or month 72 of the Extended Service Period is the same penalty that applied for not achieving the Expected Revenue in month 36 of the Service Period, except that the Actual Revenue in month 48, month 60 or month 72, as applicable, is used in the calculation of the penalty.

21. Contract Tariffs (Cont'd)

21.9 Contract Tariff Option 61 (Cont'd)

(E) Terms and Conditions (Cont'd)

(4) Annual Review (Cont'd)

The rates for the selected Commitment Level set forth in (F) following apply during the entire Service Period and, when applicable, during the entire Extended Service Period regardless of whether or not the customer achieves the Expected Revenue set forth in the applicable Ramp-up Schedule.

Illustrative Example:

Assume all of the following:

- The customer selected the Level 2 Commitment Level at the time of subscription to this Option 61 with Expected Revenue of $39,200 in month 12 of the Service Period, $78.400 in month 24 of the Service Period, and $117,600 in month 36 of the Service Period.

- In month 12 of the Service Period, the customer's Actual Revenue is $36,950 which is $2,250 short of the Expected Revenue in month 12 of the Service Period ($39,200 - $36,950 = $2,250 short of the Expected Revenue).

To calculate the penalty for Year 1 due from the customer, multiply the shortage for Year 1 by 6 months ($2,250 x 6 = $13,500). The Telephone Company will apply the shortfall penalty to the customer's bill no later than two (2) bill periods of completing the annual review.

The annual review is calculated per customer using the Actual Revenue achieved by the customer for Hi-Def DVTS, SCVS and BVS in months 12, 24 and 36 (and in months 48, 60 and 72 if the Service Period is extended under (E)(8)(c) following) under this tariff.

21. Contract Tariffs (Cont'd)

21.9 Contract Tariff Option 61 (Cont'd)

(E) Terms and Conditions (Cont'd)

(5) Application of Rates and Charges

The rate elements applicable to Hi-Def DVTS and SCVS during the Service Period and, when applicable, during the Extended Service Period of this Option 61 are as follows:

(a) Channel Termination Rate Element

The monthly recurring rates and nonrecurring charges for the Channel Termination rate element set forth in (F)(1) following apply in lieu of the SCVS Premises-to-Premises or Premises to Hub Channel Termination rates set forth in Section 7.5.5(D)(1) preceding as determined in accordance with Section 14.3 preceding, or in lieu of the Hi-Def DVTS Premises-to-Premises or Premises to Hub Channel Termination rates set forth in Section 7.5.5(E)(1) preceding as determined in accordance with Section 14.3 preceding. The Channel Termination rates set forth in (F)(1) following apply whether or not the customer has achieved the Expected Revenue per the applicable Ramp-up Schedule.

(b) Channel Mileage Rate Element

(1) The monthly recurring rates for the Channel Mileage rate element set forth in (F)(2) following apply in lieu of the Channel Mileage rates for SCVS as set forth in Section 7.5.5(D)(2) preceding as determined in accordance with Section 14.3 preceding, or in lieu of the Hi-Def DVTS Channel Mileage rates set forth in Section 7.5.5(E)(2) preceding as determined in accordance with Section 14.3 preceding and consist of a fixed and per mile component.

(2) The fixed component applies for all mileage between the wire centers serving the locations involved when the distance is greater than zero (0) miles. The per mile component applies for each mile in excess of the first ten (10) miles.

(3) When the mileage calculation results in zero (0) miles of transport, fixed and per mile charges are not applicable.

The Channel Mileage rates set forth in (F)(2) following apply whether or not the customer has achieved the Expected Revenue per the applicable Ramp-up Schedule.

21. Contract Tariffs (Cont'd)

21.9 Contract Tariff Option 61 (Cont'd)

(E) Terms and Conditions (Cont'd)

(5) Application of Rates and Charges (Cont'd)

(c) Optional Feature and Function Rate Elements

(1) When SCVS or Hi-Def DVTS are provided with the Advanced Video Switching optional feature, the rates and charges for such optional feature are the rates set forth in Section 7.5.5(C)(6) preceding as determined in accordance with Section 14.3 preceding.

(2) When SCVS or Hi-Def DVTS are provided with the Video Patch optional feature, the rates and charges for such optional feature are the rates set forth in Section 7.5.5(C)(3) preceding as determined in accordance with Section 14.3 preceding.

(d) Where suitable facilities are not available to provide Hi-Def DVTS or SCVS under this Option 61, Special Construction as set forth in Section 5.1.3 preceding may apply.

(6) Minimum Period

Hi-Def DVTS and SCVS that are included in this Option 61 are not subject to the minimum periods set forth in Sections 7.2.5(F)(4)(b) preceding and 7.2.5(E)(4)(b) preceding, respectively. However, each Hi-Def DVTS or SCVS that is subscribed to under this Option 61 is subject to an Early Termination Charge if such service is discontinued within six (6) months of the date that the service is included in this Option 61. Early Termination Charges are set forth in (7) following.

(7) Early Termination Charges

An Early Termination Charge applies for each Hi-Def DVTS or SCVS that is discontinued during the Service Period or Extended Service Period, as applicable, prior to being included in this Option 61 for six (6) months. For example, if an SCVS is added to this Option 61 on June 1, 2010, the customer would be subject to an Early Termination Charge if such service is disconnected prior to November 30, 2010. The Early Termination Charge applies as a flat charge per discontinued Hi-Def DVTS or SCVS and will not be pro-rated for the time that such Hi-Def DVTS or SCVS was actually in-service under this Option 61.

Service Type	Early Termination Charge
Hi-Def DVTS	$500.00
SCVS	$500.00

21. Contract Tariffs (Cont'd)

21.9 Contract Tariff Option 61 (Cont'd)

(E) Terms and Conditions (Cont'd)

(8) Expiration of Service Period

Within ninety (90) calendar days of the expiration date of the Service Period for this Option 61, the customer must choose one of the following options:

(a) discontinue service without termination liability, except that an Early Termination Charge as set forth in (E)(7) preceding applies to each Hi-Def DVTS or SCVS that is disconnected prior to being included in this Option 61 for six (6) months or more;

(b) select any then offered term plan or contract tariff option for which the customer is eligible, subject to the terms and conditions of the such term plan or contract tariff option (including any termination liability and minimum period requirements, as applicable); or

(c) extend the expiration date of the Service Period of this Option 61 by thirty-six (36) months (**Extended Service Period**) in which case the following applies during the period of extension:

(1) The customer must provide the Telephone Company with written notice of its election to extend the Service Period; and

(2) the monthly recurring rates set forth in (F) following continue to apply for during the Extended Service Period; and

(3) the Commitment Level applicable during the Extended Service Period is the same Commitment Level that applied at expiration of the Service Period, except that the customer may convert to a higher Commitment Level for the Extended Service Period by requesting such higher Commitment Level in its notice to the Telephone Company to extend the Service Period; and

21. Contract Tariffs (Cont'd)

21.9 Contract Tariff Option 61 (Cont'd)

(E) Terms and Conditions (Cont'd)

(8) Expiration of Service Period (Cont'd)

(c) (Cont'd)

(4) the Commitment Levels that apply during the Extended Service Period are as follows:

(a) Level 1 Commitment
($26,460 during the Service Period)

Ramp Up Schedule:

Expected Revenue in month 48	$ 26,460
Expected Revenue in month 60	$ 26,460
Expected Revenue in month 72	$ 26,460

(b) Level 2 Commitment
($117,600 during the Service Period)

Ramp Up Schedule:

Expected Revenue in month 48	$117,600
Expected Revenue in month 60	$117,600
Expected Revenue in month 72	$117,600

(c) Level 3 Commitment
($205,800 during the Service Period)

Ramp Up Schedule:

Expected Revenue in month 48	$205,800
Expected Revenue in month 60	$205,800
Expected Revenue in month 72	$205,800

(5) Upon expiration of the Extended Service Period, the customer has the option to (i) disconnect service in accordance with (E)(8)(a) preceding; or (ii) select any then offered term plan or contract tariff option in accordance with (E)(8)(b) preceding. In the event that the customer does not make an election of (E)(8)(a) or (b) preceding, the customer's subscription to Option 61 is cancelled in accordance with (E)(9) following.

(d) In the event that the customer does not make an election of (E)(8)(a) through (E)(8)(c) preceding, the Service Period of this Option 61 shall be extended in accordance (E)(8)(c) preceding.

21. Contract Tariffs (Cont'd)

21.9 Contract Tariff Option 61 (Cont'd)

(E) Terms and Conditions (Cont'd)

(9) Cancellation of Subscription

(a) If the customer cancels its subscription to this Option 61 at any time during the Service Period or Extended Service Period, the following applies:

(1) The terms and conditions and discounted rates applied under this Option 61 shall cease effective with the date of cancellation; and

(2) a cancellation charge equal to the number of whole months remaining in the Service Period or Extended Service Period, as applicable, multiplied by the cancellation fee for the Commitment Level in effect at the time of cancellation. The cancellation fee for each Commitment Levels is as follows:

Commitment Level	Cancellation Fee
Level 1	$ 6,615
Level 2	$29,400
Level 3	$51,540

As an illustrative example, assume the customer subscribed to this Option 61 on April 1, 2010 and the Commitment Level at the time of cancellation is Commitment Level 1. Further assume the customer cancels its subscription to this Option 61 on February 17, 2011 with twenty-five (25) months and eleven (11) days remaining in the Service Period (i.e., twenty-five (25) whole months remaining in the Service Period). The cancellation charge to the customer is $165,375.00 ($6,615 x 25).

As another illustrative example, assume the customer has completed its Service Period and Extended Service Period but failed to make an election upon expiration of the Extended Service Period as required under (E)(8)(c)(5) preceding. Since there are no whole months remaining in the Extended Service Period, the cancellation charge to the customer is $0 ($6,615 x 0).

The cancellation charge is calculated per customer using the cancellation fee set forth above.

(3) For each Hi-Def DVTS and SCVS that has not been included in this Option 61 for six (6) months or more, Early Termination Charges as set forth in (E)(7) preceding apply.

(4) In the event that the customer retains one or more of the Hi-Def DVTS and/or SCVS after cancellation of its subscription to this Option 61, service will continue at the month-to-month rates for such service as set forth in Sections 7.5.5(E) and/or 7.5.5(D) preceding, respectively, as determined in accordance with Section 14.3 preceding.

21. Contract Tariffs (Cont'd)

21.9 Contract Tariff Option 61 (Cont'd)

(E) Terms and Conditions (Cont'd)

(10) Sale or Transfer of an Operating Telephone Company

If the Telephone Company sells or transfers all or a portion of the assets of an Issuing Carrier for an operating territory of this tariff as set forth in Section 14 preceding to an unaffiliated third party, or transfers all or a portion of the stock of an Operating Company to an unaffiliated third party, such transaction is considered a Transfer ("**Transfer**") for the purpose of administering the terms and conditions set forth herein.

If a Transfer occurs under this tariff, and such Transfer results in a decrease in the quantities of Hi-Def DTVS, SCVS and/or BVS that the Telephone Company provides to the customer under this Option 61, the annual review will be calculated under the following terms and conditions, in addition to any other terms and conditions set forth in this tariff.

(a) The Expected Revenue per the Commitment Level Ramp-up Schedule for the Service Period set forth in (E)(2)(a) preceding or per the Commitment Level Ramp-up Schedule for the Extended Service Period as set forth in (E)(8)(c)(4) preceding, as applicable, shall be reduced for each remaining year of the Service Period or Extended Service Period, as applicable, by an amount equal to the actual revenue per Hi-Def DVTS, SCVS and BVS that the Telephone Company no longer provides to the customer.

(b) As an illustrative example, assume in year 2 of the Service Period, the customer's Commitment Level at the time of the Transfer is a Level 2 commitment. Further assume that three (3) SCVS are acquired by the unaffiliated third party and that the actual revenue per SCVS as measured at the time of the Transfer is $781.25 per month. Based on the above, the Telephone Company will reduce the customer's Expected Revenue in month 24 and in month 36 as follows:

For month 24, the Expected Revenue is reduced to $76,056 [$78,400 – ($781.25 x 3) = $76,056.25 and rounded down to $76,056].

For month 36, the Expected Revenue is reduced to $134,856 [$137,200 - ($781.25 x 3) = $134,856.25 and rounded down to $134,856].

(11) Termination of Subscription Period by the Telephone Company

At any time during the Subscription Period specified in (B)(1) preceding, the Telephone Company may terminate the ability for new customers to subscribe to this Option 61 by filing a revision to (B)(1) preceding that changes the expiration date of the Subscription Period from December 31, 2010 to the date that the Telephone Company will no longer allow new subscriptions to this Option 61. Customers who are already subscribed to this Option 61 as of the new expiration date shall continue with their subscription through the end of the Service Period, or Extended Service Period, as applicable with no change in the terms or conditions set forth herein.

21. Contract Tariffs (Cont'd)

21.9 Contract Tariff Option 61 (Cont'd)

(F) Rates and Charges

The following rates and charges apply during the Service Period and, when applicable, during the Extended Service Period of this Option 61. Such rates apply whether or not the customer achieves the Expected Revenue set forth in the Ramp-up Schedule for the Service Period or Extended Service Period, as applicable.

(1) Channel Terminations

	Monthly Rate	Nonrecurring Charge
- Hi-Def DVTS, Premises-to-Premises per point of termination (one-way only)		
Level 1 Commitment	$441.00	None
Level 2 Commitment	$392.00	None
Level 3 Commitment	$343.00	None
- Hi-Def DVTS, Premises to Hub per point of termination (one-way only)		
Level 1 Commitment	$441.00	None
Level 2 Commitment	$392.00	None
Level 3 Commitment	$343.00	None
- SCVS, Premises-to-Premises, per point of termination (one-way only)	,	
Level 1 Commitment	$441.00	None
Level 2 Commitment	$392.00	None
Level 3 Commitment	$343.00	None
- SCVS Premises to Hub, per point of termination		
Level 1 Commitment	$441.00	None
Level 2 Commitment	$392.00	None
Level 3 Commitment	$343.00	None

21. Contract Tariffs (Cont'd)

21.9 Contract Tariff Option 61 (Cont'd)

(F) Rates and Charges (Cont'd)

(2) Channel Mileage

	Monthly Rate
- Hi-Def DVTS or SCVS	
- Fixed	
Level 1 Commitment	$ 90.00
Level 2 Commitment	$ 80.00
Level 3 Commitment	$ 70.00
- Per mile over 10 miles	
Level 1 Commitment	$ 99.00
Level 2 Commitment	$ 88.00
Level 3 Commitment	$ 77.00

(3) Optional Features and Functions — Rates and charges are set forth in Section 7.5.5(C) preceding

21. Contract Tariffs (Cont'd)

21.10 Contract Tariff Option 62

(A) Scope

Contract Tariff Option 62 (**Option 62**) provides a discount to customers who subscribe to and achieve an aggregate revenue commitment over a three (3) year period for certain Video Services and/or Advanced Video Services that are provided under this Option 62 as set forth herein. The Video Services and/or Advanced Video Services that are used to measure compliance with the aggregate revenue commitment are:

(1) Special Access Hi-Definition Digital Video Transport Services (**Hi-Def DVTS**) as set forth in Section 7.2.5(F) preceding; or

(2) Special Access full-time Serial Component Video Services (**SCVS**) as set forth in Section 7.2.5(E) preceding; or

(3) Special Access full-time Basic Video Service (**BVS**) as set forth in Section 7.2.5(A) preceding.

For purposes of this Option 62, the term "Customer" shall mean collectively the Customer and all of its Affiliates that are included in this Option 62.

For purposes of this Option 62, the term "Affiliate" means any entity that controls, is controlled by, or is under common control with the Customer subscribing to this Option 62.

(B) Eligibility

The customer must meet all of the following criteria in order to be eligible to receive the discounted rates of this Option 62.

(1) A customer must subscribe to Option 62 in a manner designated by the Telephone Company during the period that begins June 9, 2010 and ends December 31, 2011 (**Subscription Period**). The customer must include a list of any of its affiliates that the customer wishes to be included in the customer's subscription which the Telephone Company agrees to in writing for inclusion in this Option 62. For purposes of this Option 62, the term "affiliate" means any entity that controls, is controlled by, or is under common control with the customer subscribing to this Option 62.

(2) A Customer who, as of June 9, 2010, subscribes to Option 61 preceding may cancel its subscription to Option 61 in order to subscribe to this Option 62. Cancellation of the Customer's subscription to Option 61 in order to subscribe to this Option 62 will not incur (i) a Cancellation Fee as set forth in Option 61, Section 21.9(E)(9) preceding; or (ii) Early Termination charges as set forth in Option 61, Section 21.9(E)(7) preceding.

21. Contract Tariffs (Cont'd)

21.10 Contract Tariff Option 62 (Cont'd)

(B) Eligibility (Cont'd)

(3) At the time of subscription to this Option 62, the customer must commit to an aggregate revenue amount that must be met by the end of the three (3) year Service Period of this Option 62. The aggregate revenue commitment applies to Hi-Def DVTS, SCVS and BVS that the Telephone Company provides to the customer within the operating territories of this tariff. The customer must select one of the aggregate revenue commitments set forth in (E)(2)(a) following (each a **Commitment Level**) at the time of subscription to this Option 62. The Commitment Level selected by the customer determines the rate level applicable to Hi-Def DVTS and SCVS that the customer subscribes to during the Service Period of this Option 62. BVS is not discounted under this Option 62, however, the revenue for BVS is included in the calculation of the aggregate revenue commitment.

(4) Subscription to Alternate Tariff Arrangements

Except as allowed under (B)(2) preceding, the customer may not concurrently subscribe Hi-Def DVTS or SCVS to an Alternative Tariff Arrangement (which shall mean any contract tariff option or other tariff arrangement or option offered by the Telephone Company that provides a discount, credit, or other reduction in rates or terms with respect to Hi-Def DVTS and/or SCVS) during the Service Period or Extended Service Period of this Option.

(C) Service Period

The Service Period of this Option 62 is thirty-six (36) months from the date the customer initially subscribes to this Option 62. Individual Service Periods are not available for Hi-Def DVTS or SCVS included in this Option 62. The customer may extend the Service Period of this Option in accordance with (E)(8)(d) following.

(D) Serving Area

The Serving Area of this Option 62 includes 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 14.3 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 14.3 preceding of this tariff) that occur during the Service Period of this Option 62 will apply.

(E) Terms and Conditions

(1) Included Services

The Hi-Def DVTS and SCVS that can be included in this Option 62 and for which the discounted rates herein apply include:

(a) Hi-Def DVTS which are installed as new during the Service Period or Extended Service Period of this Option 62.

21. Contract Tariffs (Cont'd)

21.10 Contract Tariff Option 62 (Cont'd)

(E) Terms and Conditions (Cont'd)

(1) Included Services (Cont'd)

(b) Hi-Def DVTS which are installed as new during the Service Period or Extended Service Period of this Option 62 in order to replace existing SCVS, BVS, Multichannel Video Service (**MVS**), Supertrunking Transport Video Service (SVS), or 45 Mbps Digital Video Transport Service (**45 Mbps DVTS**) that are upgraded to Hi-Def DVTS under this Option 62. Early Termination Charges and/or Termination Liability as set forth in Section 7.2.5 preceding do not apply to upgrade SCVS, BVS, MVS, SVS or 45 Mbps DVTS to new Hi-Def DVTS under this Option 62. The customer is responsible for satisfying any outstanding minimum period obligation as it applies to the service being upgraded. Minimum period obligations are set forth in Section 7.4.4 preceding.

(c) Existing Hi-Def DVTS which are migrated from their current term plan to this Option 62. Early Termination Charges as set forth in Section 7.2.5(F)(4)(e) or Option 16, Section 21.9(E)(7) preceding, respectively, do not apply to cancel the current term plan for Hi-Def DVTS in order to include such service in this Option 62.

(d) SCVS which are installed as new during the Service Period or Extended Service Period of this Option 62.

(e) SCVS which are installed as new during the Service Period or Extended Service Period of this Option 62 in order to replace existing BVS, MVS, SVS or 45 Mbps DVTS that are upgraded to SCVS under this Option 62. Early Termination Charges as set forth in Section 7.2.5 preceding do not apply to upgrade BVS, MVS, SVS or 45 Mbps DVTS to new SCVS under this Option 62. The customer is responsible for satisfying any outstanding minimum period obligation as it applies to the service being upgraded. Minimum period obligations are set forth in Section 7.4.4 preceding.

(f) Existing SCVS which are migrated from their current term plan to this Option 62. Early termination charges and/or termination liability as set forth in Section 7.2.5(E)(4)(e) or Option 61, Section 21.9(E)(7) preceding, respectively, do not apply to cancel the current term plan for SCVS in order to include such service in this Option 62.

(g) The Hi-Def DVTS and SCVS set forth in (a) through (f) preceding can be included in this Option 62 at anytime during the Service Period and, when applicable, during the Extended Service Period of this Option 62. All of the Hi-Def DVTS and SCVS are eligible for the rates set forth in (F) following during the Service Period of this Option 62 and, when applicable, during the Extended Service period of this Option 62.

21. Contract Tariffs (Cont'd)

21.10 Contract Tariff Option 62 (Cont'd)

(E) Terms and Conditions (Cont'd)

(2) Commitment Levels (Cont'd)

(a) At the time of subscription to this Option 62, the customer must select one of the following Commitment Levels for its Hi-Def DVTS, SCVS and BVS. The Commitment Level includes an aggregate revenue commitment that must be met in month 36 of the Service Period. The customer may ramp up to its agreed-to Commitment Level, provided that minimum revenue thresholds, specified herein, are satisfied to ensure the customer is progressing towards satisfying the entire commitment. On an annual basis, the Telephone Company will conduct a review to compare the aggregate revenue the customer should have achieved in months 12, 24 and 36 of the Ramp-up Schedule for the selected Commitment Level (**Expected Revenue**) and the aggregate revenue the customer actually achieved in such months (**Actual Revenue**). If the customer extends the Service Period under (E)(8)(d) following, the Expected Revenue in month 36 of the Service Period is also the Expected Revenue during the entire three (3) year Extended Service Period with an annual review occurring in months 48, 60 and 72 of the Extended Service Period. The selected Commitment Level also determines the rates applicable to Hi-Def DVTS and SCVS during the Service Period and, when applicable, during the Extended Service Period. The customer must choose one of the following Commitment Levels:

(1) Level 1 Commitment
($26,460 in month 36 of the Service Period)

Ramp Up Schedule:

Expected Revenue in month 12	$ 8,820
Expected Revenue in month 24	$ 17,640
Expected Revenue in month 36	$ 26,460

(2) Level 2 Commitment
($117,600 in month 36 of the Service Period)

Ramp Up Schedule:

Expected Revenue in month 12	$ 39,200
Expected Revenue in month 24	$ 78,400
Expected Revenue in month 36	$117,600

(3) Level 3 Commitment
($205,800 in month 36 of the Service Period)

Ramp Up Schedule:

Expected Revenue in month 12	$ 68,600
Expected Revenue in month 24	$137,200
Expected Revenue in month 36	$205,800

21. Contract Tariffs (Cont'd)

21.10 Contract Tariff Option 62 (Cont'd)

(E) Terms and Conditions (Cont'd)

(2) Commitment Levels (Cont'd)

(b) The customer may change to a higher Commitment Level on three (3) occasions during the period that the customer is subscribed to this Option 62 as follows:

(1) Once during the Service Period; and

(2) at the time the customer extends the Service Period under (E)(8)(d) following; and

(3) once during the Extended Service Period.

The discounted rates for the higher Commitment Level become effective with the first day of the bill period following the date that the customer changes to a higher Commitment Level and continue for the remainder of the applicable Service Period or Extended Service Period. No retroactive adjustment will be made for the prior bill periods during which time the discounted rates for the lesser Commitment Level were in effect.

(b) The customer may change to a higher Commitment Level on three (3) occasions during the period that the customer is subscribed to this Option 62 as follows:

(c) The Customer may change to a lower Commitment Level at the time it requests to extend the Service Period under (E)(8)(d) following. The lower Commitment Level and associated rates shall commence on the first day of the Extended Service Period.

(3) Revenues Included in Calculating Aggregate Revenue

For purposes of determining whether the customer has met the aggregate revenue commitment for month 36 and/or the Expected Revenue per the applicable Ramp-up Schedule, the Telephone Company shall include only monthly recurring charges (**MRCs**) for SCVS, Hi-Def DVTS and BVS of this tariff which are paid in full by the customer. The following types of charges shall not be included (list is illustrative and not intended to be a comprehensive listing of all other charges excluded):

(a) Nonrecurring 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 recurring monthly 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 Hi-Def DVTS, SCVS and BVS;

21. Contract Tariffs (Cont'd)

21.10 Contract Tariff Option 62 (Cont'd)

(E) Terms and Conditions (Cont'd)

(3) Revenues Included in Calculating Aggregate Revenue (Cont'd)

(f) Any debits or credits for Hi-Def DVTS, SCVS or BVS rendered prior to the customer's subscription to this Option 62;

(g) Minimum period charges;

(h) Shortfall charges associated with not achieving the Expected Revenue per the applicable Ramp-up Schedule;

(i) Any Early Termination Charges as set forth in (E)(7) following; or

(j) Any monthly recurring charges for optional features and functions associated with SCVS; or

(k) Adjustments other than those explicitly relating to MRCs.

(4) Annual Review

For each year of the Service Period, the Telephone Company will conduct an annual review per customer to measure the customer's compliance with the aggregate revenue commitment and associated Ramp-up Schedule. Such annual review will occur within ninety (90) calendar days of the last day of month 12, month 24 and month 36 of the Service Period.

If the Actual Revenue in month 12, 24, or 36 is equal to or greater than the Expected Revenue in month 12, 24 or 36, respectively, no action shall be taken.

If the Actual Revenue in month 12, 24 or 36 is less than the Expected Revenue in month 12, 24 or 36, respectively, a penalty applies as follows:

(a) For Year 1, the penalty for not achieving the Expected Revenue in month 12 is equal to (i) the Expected Revenue in month 12; minus (ii) the Actual Revenue in month 12; and (iii) the result multiplied by six (6) months [(Expected Revenue in month 12 – Actual Revenue in month 12) x 6 months)].

(b) For Year 2, the penalty for not achieving the Expected Revenue in month 24 is equal to (i) the Expected Revenue in month 24; minus (ii) the Actual Revenue in month 24; and (iii) the result multiplied by six (6) months [(Expected Revenue in month 24 – Actual Revenue in month 24) x 6 months)].

(c) For Year 3, the penalty for not achieving the Expected Revenue in month 36 is equal to (i) the Expected Revenue in month 36; minus (ii) the Actual Revenue in month 36; and (iii) the result multiplied by six (6) months [(Expected Revenue in month 36 – Actual Revenue in month 36) x 6 months)].

21. Contract Tariffs (Cont'd)

21.10 Contract Tariff Option 62 (Cont'd)

(E) Terms and Conditions (Cont'd)

(4) Annual Review (Cont'd)

If the customer extends the Service Period under (E)(8)(d) following, the Telephone Company will conduct an annual review per customer to measure the customer's compliance with the aggregate revenue commitment and associated Ramp-up Schedule for the selected Commitment Level for the Extended Service Period as set forth in (E)(8)(c) following. Such annual review will occur within ninety (90) calendar days of the last day of month 48, month 60 and month 72 of the Extended Service Period. The penalty that applies for not achieving the Expected Revenue in month 48, month 60 or month 72 of the Extended Service Period is the same penalty that applied for not achieving the Expected Revenue in month 36 of the Service Period, except that the Actual Revenue in month 48, month 60 or month 72, as applicable, is used in the calculation of the penalty.

The rates for the selected Commitment Level set forth in (F) following apply during the entire Service Period and, when applicable, during the entire Extended Service Period regardless of whether or not the customer achieves the Expected Revenue set forth in the applicable Ramp-up Schedule.

Illustrative Example:

Assume all of the following:

- The customer selected the Level 2 Commitment Level at the time of subscription to this Option 62 with Expected Revenue of $39,200 in month 12 of the Service Period, $78.400 in month 24 of the Service Period, and $117,600 in month 36 of the Service Period.

- In month 12 of the Service Period, the customer's Actual Revenue is $36,950 which is $2,250 short of the Expected Revenue in month 12 of the Service Period ($39,200 - $36,950 = $2,250 short of the Expected Revenue).

To calculate the penalty for Year 1 due from the customer, multiply the shortage for Year 1 by 6 months ($2,250 x 6 = $13,500). The Telephone Company will apply the shortfall penalty to the customer's bill no later than two (2) bill periods of completing the annual review.

The annual review is calculated per customer using the Actual Revenue achieved by the customer for Hi-Def DVTS, SCVS and BVS in months 12, 24 and 36 (and in months 48, 60 and 72 if the Service Period is extended under (E)(8)(c) following) under this tariff.

21. Contract Tariffs (Cont'd)

21.10 Contract Tariff Option 62 (Cont'd)

(E) Terms and Conditions (Cont'd)

(5) Application of Rates and Charges

The rate elements applicable to Hi-Def DVTS and SCVS during the Service Period and, when applicable, during the Extended Service Period of this Option 62 are as follows:

(a) Channel Termination Rate Element

The monthly recurring rates and nonrecurring charges for the Channel Termination rate element set forth in (F)(1) following apply in lieu of the SCVS Premises-to-Premises or Premises to Hub Channel Termination rates set forth in Section 7.5.5(D)(1) preceding as determined in accordance with Section 14.3 preceding, or in lieu of the Hi-Def DVTS Premises-to-Premises or Premises to Hub Channel Termination rates set forth in Section 7.5.5(E)(1) preceding as determined in accordance with Section 14.3 preceding. The Channel Termination rates set forth in (F)(1) following apply whether or not the customer has achieved the Expected Revenue per the applicable Ramp-up Schedule.

(b) Channel Mileage Rate Element

(1) The monthly recurring rates for the Channel Mileage rate element set forth in (F)(2) following apply in lieu of the Channel Mileage rates for SCVS as set forth in Section 7.5.5(D)(2) preceding as determined in accordance with Section 14.3 preceding, or in lieu of the Hi-Def DVTS Channel Mileage rates set forth in Section 7.5.5(E)(2) preceding as determined in accordance with Section 14.3 preceding and consist of a fixed and per mile component.

(2) The fixed component applies for all mileage between the wire centers serving the locations involved when the distance is greater than zero (0) miles. The per mile component applies for each mile in excess of the first ten (10) miles.

(3) When the mileage calculation results in zero (0) miles of transport, fixed and per mile charges are not applicable.

The Channel Mileage rates set forth in (F)(2) following apply whether or not the customer has achieved the Expected Revenue per the applicable Ramp-up Schedule.

21. Contract Tariffs (Cont'd)

21.10 Contract Tariff Option 62 (Cont'd)

(E) Terms and Conditions (Cont'd)

(5) Application of Rates and Charges (Cont'd)

(c) Optional Feature and Function Rate Elements

(1) When SCVS or Hi-Def DVTS are provided with the Advanced Video Switching optional feature, the rates and charges for such optional feature are the rates set forth in Section 7.5.5(C)(6) preceding as determined in accordance with Section 14.3 preceding.

(2) When SCVS or Hi-Def DVTS are provided with the Video Patch optional feature, the rates and charges for such optional feature are the rates set forth in Section 7.5.5(C)(3) preceding as determined in accordance with Section 14.3 preceding.

(d) Where suitable facilities are not available to provide Hi-Def DVTS or SCVS under this Option 62, Special Construction as set forth in Section 5.1.3 preceding may apply.

(6) Minimum Period

Hi-Def DVTS and SCVS that are included in this Option 62 are not subject to the minimum periods set forth in Sections 7.2.5(F)(4)(b) preceding and 7.2.5(E)(4)(b) preceding, respectively. However, each Hi-Def DVTS or SCVS that is subscribed to under this Option 62 is subject to an Early Termination Charge if such service is discontinued within six (6) months of the date that the service is included in this Option 62. Early Termination Charges are set forth in (7) following.

(7) Early Termination Charges

An Early Termination Charge applies for each Hi-Def DVTS or SCVS that is discontinued during the Service Period, Extended Service Period, or period of continuance under (E)(8) following, as applicable, prior to being included in this Option 62 for six (6) months. For example, if an SCVS is added to this Option 62 on July 1, 2010, the customer would be subject to an Early Termination Charge if such service is disconnected prior to December 31, 2010. The Early Termination Charge applies as a flat charge per discontinued Hi-Def DVTS or SCVS and will not be pro-rated for the time that such Hi-Def DVTS or SCVS was actually in-service under this Option 62.

Service Type	Early Termination Charge
Hi-Def DVTS	$500.00
SCVS	$500.00

21. Contract Tariffs (Cont'd)

21.10 Contract Tariff Option 62 (Cont'd)

(E) Terms and Conditions (Cont'd)

(8) Expiration of Service Period

Within ninety (90) calendar days of the expiration date of the Service Period for this Option 62, the customer must choose one of the following options:

(a) discontinue service without termination liability, except that an Early Termination Charge as set forth in (E)(7) preceding applies to each Hi-Def DVTS or SCVS that is disconnected prior to being included in this Option 62 for six (6) months or more;

(b) select any then offered term plan or contract tariff option for which the customer is eligible, subject to the terms and conditions of the such term plan or contract tariff option (including any termination liability and minimum period requirements, as applicable); or

(c) continue with one or more of the services that were subscribed to under this Option 62 at the rates set forth in (F) preceding for the Commitment Level that was in effect at expiration of the Service Period until such time as the Customer issues an order to either (i) disconnect a service; or (ii) make a change to the service, in which case the service involved will no longer be provided under this Option 62. The Customer may not add additional Hi-Def DVTS or SCVS to this Option 62 during the period of continuance. Early Termination charges as set forth in (E)(7) preceding apply if a Hi-Def DVTS or SCVS is discontinued prior to be included in this Option 62 for six (6) months. Annual Reviews are not applicable during this period of continuance; or

(d) extend the expiration date of the Service Period of this Option 62 by thirty-six (36) months (**Extended Service Period**) in which case the following applies during the period of extension:

(1) The customer must provide the Telephone Company with written notice of its election to extend the Service Period; and

(2) the monthly recurring rates set forth in (F) following continue to apply for during the Extended Service Period; and

(3) the Customer has the option to continue with the same Commitment Level that was in effect at expiration of the Service Period or to elect a different Commitment Level. For example, if Commitment Level 3 was in effect at expiration of the Service Period, the Customer may elect Commitment Level 3, Commitment Level 2 or Commitment Level 1 during the Extended Service Period; and

21. Contract Tariffs (Cont'd)

21.10 Contract Tariff Option 62 (Cont'd)

(E) Terms and Conditions (Cont'd)

(8) Expiration of Service Period (Cont'd)

(d) (Cont'd)

(4) the Commitment Levels that apply during the Extended Service Period are as follows:

(a) Level 1 Commitment
($26,460 during the Service Period)

Ramp Up Schedule:

Expected Revenue in month 48	$ 26,460
Expected Revenue in month 60	$ 26,460
Expected Revenue in month 72	$ 26,460

(b) Level 2 Commitment
($117,600 during the Service Period)

Ramp Up Schedule:

Expected Revenue in month 48	$117,600
Expected Revenue in month 60	$117,600
Expected Revenue in month 72	$117,600

(c) Level 3 Commitment
($205,800 during the Service Period)

Ramp Up Schedule:

Expected Revenue in month 48	$205,800
Expected Revenue in month 60	$205,800
Expected Revenue in month 72	$205,800

(5) Upon expiration of the Extended Service Period, the customer has the option to (i) disconnect service in accordance with (E)(8)(a) preceding; or (ii) select any then offered term plan or contract tariff option in accordance with (E)(8)(b) preceding, ; or continue with the services in accordance with (E)(8)(c) preceding. In the event that the customer does not make an election of (E)(8)(a) through (c) preceding, the customer's subscription to Option 62 is terminated and service will continue in accordance with (E)(8)(c) preceding.

(e) Upon expiration of the initial Service Period if the Customer does not make an election of (E)(8)(a) through (E)(8)(d) preceding, the Service Period of this Option 62 shall be extended in accordance (E)(8)(d) preceding. In this case, the Commitment Level that was in effect at expiration of the initial Service Period applies during the Extended Service Period.

21. Contract Tariffs (Cont'd)

21.10 Contract Tariff Option 62 (Cont'd)

(E) Terms and Conditions (Cont'd)

(9) Cancellation of Subscription

(a) If the customer cancels its subscription to this Option 62 at any time during the Service Period or Extended Service Period, the following applies:

(1) The terms and conditions and discounted rates applied under this Option 62 shall cease effective with the date of cancellation; and

(2) a cancellation charge equal to the number of whole months remaining in the Service Period or Extended Service Period, as applicable, multiplied by the cancellation fee for the Commitment Level in effect at the time of cancellation. The cancellation fee for each Commitment Levels is as follows:

Commitment Level	Cancellation Fee
Level 1	$ 6,615
Level 2	$29,400
Level 3	$51,540

As an illustrative example, assume the customer subscribed to this Option 62 on April 1, 2010 and the Commitment Level at the time of cancellation is Commitment Level 1. Further assume the customer cancels its subscription to this Option 62 on February 17, 2011 with twenty-five (25) months and eleven (11) days remaining in the Service Period (i.e., twenty-five (25) whole months remaining in the Service Period). The cancellation charge to the customer is $165,375.00 ($6,615 x 25).

As another illustrative example, assume the customer has completed its Service Period and Extended Service Period but failed to make an election upon expiration of the Extended Service Period as required under (E)(8)(d)(5) preceding. Since there are no whole months remaining in the Extended Service Period, the cancellation charge to the customer is $0 ($6,615 x 0).

The cancellation charge is calculated per customer using the cancellation fee set forth above.

(3) For each Hi-Def DVTS and SCVS that has not been included in this Option 62 for six (6) months or more, Early Termination Charges as set forth in (E)(7) preceding apply.

(4) In the event that the customer retains one or more of the Hi-Def DVTS and/or SCVS after cancellation of its subscription to this Option 62, service will continue at the month-to-month rates for such service as set forth in Sections 7.5.5(E) and/or 7.5.5(D) preceding, respectively, as determined in accordance with Section 14.3 preceding.

21. Contract Tariffs (Cont'd)

21.10 Contract Tariff Option 62 (Cont'd)

(E) Terms and Conditions (Cont'd)

(10) Modification of Contract Tariff Option

The Telephone Company may modify the terms and conditions of this Option 62 on an as-needed basis. If such modification results in an increase to the channel termination and/or channel mileage rates, as set forth in (F) following, the Customer is assessed for the services provided under this Option 62, or results in increased liabilities, fees, or other charges to the Customer for failure to comply with the terms and conditions of this Option 62 (collectively, a **substantial Customer-affecting change**), the Customer may, upon written notice to the Telephone Company within thirty (30) days of such substantial Customer-affecting change, cancel its subscription to this Option 62 without the application of (i) a Cancelation Fee as set forth in Option 61, Section 21.62(E)(9) preceding; or (ii) Early Termination charges as set forth in Option 61, Section 21.62(E)(7) preceding. The Customer's written notice of cancellation must include the manner in which the Customer will be billed for the services following cancellation of this Option 62 (e.g., month-to-month billing or term plan billing). The Customer is subject to all terms and conditions set forth in Section 7 preceding pertaining to the billing option selected (e.g., minimum period or termination liability).

(11) Sale or Transfer of an Operating Telephone Company

If the Telephone Company sells or transfers all or a portion of the assets of an Issuing Carrier for an operating territory of this tariff as set forth in Section 14 preceding to an unaffiliated third party, or transfers all or a portion of the stock of an Operating Company to an unaffiliated third party, such transaction is considered a Transfer ("**Transfer**") for the purpose of administering the terms and conditions set forth herein.

If a Transfer occurs under this tariff, and such Transfer results in a decrease in the quantities of Hi-Def DTVS, SCVS and/or BVS that the Telephone Company provides to the customer under this Option 62, the annual review will be calculated under the following terms and conditions, in addition to any other terms and conditions set forth in this tariff.

(a) The Expected Revenue per the Commitment Level Ramp-up Schedule for the Service Period set forth in (E)(2)(a) preceding or per the Commitment Level Ramp-up Schedule for the Extended Service Period as set forth in (E)(8)(c)(4) preceding, as applicable, shall be reduced for each remaining year of the Service Period or Extended Service Period, as applicable, by an amount equal to the actual revenue per Hi-Def DVTS, SCVS and BVS that the Telephone Company no longer provides to the customer.

21. Contract Tariffs (Cont'd)

21.10 Contract Tariff Option 62 (Cont'd)

(E) Terms and Conditions (Cont'd)

(11) Sale or Transfer of an Operating Telephone Company (Cont'd)

(b) As an illustrative example, assume in year 2 of the Service Period, the customer's Commitment Level at the time of the Transfer is a Level 2 commitment. Further assume that three (3) SCVS are acquired by the unaffiliated third party and that the actual revenue per SCVS as measured at the time of the Transfer is $781.25 per month. Based on the above, the Telephone Company will reduce the customer's Expected Revenue in month 24 and in month 36 as follows:

For month 24, the Expected Revenue is reduced to $76,056 [$78,400 – ($781.25 x 3) = $76,056.25 and rounded down to $76,056].

For month 36, the Expected Revenue is reduced to $134,856 [$137,200 - ($781.25 x 3) = $134,856.25 and rounded down to $134,856].

(12) Termination of Subscription Period by the Telephone Company

At any time during the Subscription Period specified in (B)(1) preceding, the Telephone Company may terminate the ability for new customers to subscribe to this Option 62 by filing a revision to (B)(1) preceding that changes the expiration date of the Subscription Period from December 31, 2010 to the date that the Telephone Company will no longer allow new subscriptions to this Option 62. Customers who are already subscribed to this Option 62 as of the new expiration date shall continue with their subscription through the end of the Service Period, or Extended Service Period, as applicable with no change in the terms or conditions set forth herein.

(13) Customer Affiliates

(a) At the time of subscription to this Option 62, the Customer must provide a list of its Affiliates in accordance with (E)(1) preceding that the Customer wants to include in its subscription to this Option 62.

(b) The Customer may include an additional Affiliate(s) in it's subscription to this Option 62 at any time during the Service Period or Extended Service Period subject to the following:

(1) The Customer must provide written notice to the Telephone Company of any Affiliate(s) it wishes to include in this Option 62; and

(2) all of the Affiliate's Hi-Def DVTS and SCVS will be included in this Option 62, except for those Hi-Def DVTS and SCVS which the customer specifies, by circuit identification number, are to be excluded from this Option 62. The services which can be included are set forth in (E)(1) preceding.

21. Contract Tariffs (Cont'd)

21.10 Contract Tariff Option 62 (Cont'd)

(E) Terms and Conditions (Cont'd)

(13) Customer Affiliates (Cont'd)

(b) (Cont'd)

(3) all of the Affiliates Hi-Def DVTS and SCVS that the Customer subscribes to this Option 62, and all of the Affiliates BVS purchased under this tariff will be included in the Customer's aggregate revenue commitment and associated Ramp-up Schedule for the balance of the Service Period and, when applicable, the Extended Service Period unless otherwise removed under (c) following.

(c) The Customer may remove (disconnect or unsubscribe) an Affiliate(s) Hi-Def DVTS and SCVS that is subscribed to under this Option 62 at any time during the Service Period or Extended Service Period subject to the following:

(1) The Customer must provide written notice to the Telephone Company of any Affiliate's Hi-Def DVTS or SCVS it wishes to unsubscribe from this Option 62; and

(2) An Early Termination Charge as set forth in (E)(7) preceding applies for each Hi-Def DVTS or SCVS that is discontinued or unsubscribed prior to being included in this Option 62 for six (6) months; and

(3) if the Hi-Def DVTS or SCVS is unsubscribed (i.e., not disconnected), the Hi-Def DVTS or SCVS will continue under the month-to-month rates, terms and conditions set forth in Section 7.2.5(F) and (E) preceding, respectively.

21. Contract Tariffs (Cont'd)

21.10 Contract Tariff Option 62 (Cont'd)

(F) Rates and Charges

The following rates and charges apply during the Service Period and, when applicable, during the Extended Service Period of this Option 62. Such rates apply whether or not the customer achieves the Expected Revenue set forth in the Ramp-up Schedule for the Service Period or Extended Service Period, as applicable.

(1) Channel Terminations

	Monthly Rate	Nonrecurring Charge
- Hi-Def DVTS, Premises-to-Premises per point of termination (one-way only)		
Level 1 Commitment	$441.00	None
Level 2 Commitment	$392.00	None
Level 3 Commitment	$343.00	None
- Hi-Def DVTS, Premises to Hub per point of termination (one-way only)		
Level 1 Commitment	$441.00	None
Level 2 Commitment	$392.00	None
Level 3 Commitment	$343.00	None
- SCVS, Premises-to-Premises, per point of termination (one-way only)	,	
Level 1 Commitment	$441.00	None
Level 2 Commitment	$392.00	None
Level 3 Commitment	$343.00	None
- SCVS Premises to Hub, per point of termination		
Level 1 Commitment	$441.00	None
Level 2 Commitment	$392.00	None
Level 3 Commitment	$343.00	None

21. Contract Tariffs (Cont'd)

21.10 Contract Tariff Option 62 (Cont'd)

(F) Rates and Charges (Cont'd)

(2) Channel Mileage

	Monthly Rate
- Hi-Def DVTS or SCVS	
- Fixed	
Level 1 Commitment	$ 90.00
Level 2 Commitment	$ 80.00
Level 3 Commitment	$ 70.00
- Per mile over 10 miles	
Level 1 Commitment	$ 99.00
Level 2 Commitment	$ 88.00
Level 3 Commitment	$ 77.00

(3) Optional Features and Functions — Rates and charges are set forth in Section 7.5.5(C) preceding

21. Contract Tariffs (Cont'd)

21.11 Contract Tariff Option 63 (N)

(A) Scope

Contract Tariff Option 63 (**Option 63**) provides Quarterly Billing Credits or Adjustments on certain Special Access Services if the customer maintains an Annual Spend Premium of specified amounts. In this Option 63, 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).

(B) Specific Terms

Unless otherwise defined in this Option 63, the following terms are used in this Option 63.

(1) **Annual Spend Premium** shall mean the amount the customer spends in each year for Qualifying Services above the average rates in effect in July 2012. The Annual Spend Premium shall be calculated as the difference between the Total Flat Rate Spend less the Total Baseline Reference Spend on an annual basis.

(2) **BANs** shall mean the Billing Account Numbers of the customer.

(3) **Baseline Reference Spends** shall mean the amounts the customer would have spent for DS1, Multiplexed DS3, or PTP DS3 service at the customer's Baseline Unit Reference Costs for these services. The Baseline Reference Spends shall be calculated as follows:

Baseline Reference DS1 Spend = DS1 Billed Units * DS1 Baseline Unit Reference Cost

Baseline Reference Multiplexed DS3 Spend
= Multiplexed DS3 Billed Units * Multiplexed DS3 Unit Reference Cost

Baseline Reference PTP DS3 Spend
= PTP DS3 Billed Units * PTP DS3 Unit Reference Cost

Total Baseline Reference Spend
= Baseline Reference DS1 Spend
+ Baseline Reference Multiplexed DS3 Spend
+ Baseline Reference PTP DS3 Spend

(N)

21. Contract Tariffs (Cont'd)

21.11 Contract Tariff Option 63 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(4) **Baseline Unit Reference Costs** shall mean the unit cost per circuit for the customer's Billed DS1 Units, Billed Multiplexed DS3 Units, and Billed PTP DS3 Units calculated as of July 2012 billing to the customer, net of any credits earned under tariff arrangements or contract tariffs in effect during July 2012.

(5) **Billed DS1 Unit** shall mean, with respect to each month during the Service Period, a DS1 Unit for which one or more monthly recurring charge was billed using any of the applicable Universal Service Order Codes (**USOCs**) set forth in (F)(2)(a) following, to the customer under the Customer ACNAs (as defined in (B)(11) following) in the monthly recurring charge (**MRC**) section of Telephone Company's Access Service bill to the customer for that month. For the avoidance of any doubt, a DS1 circuit that is provided in a meet point arrangement by two or more Telephone Company entities under a single unique circuit identifier will count as two units . Additionally, a DS1 circuit that is provided in a meet point arrangement by two or more billing entities under a single unique circuit identifier, where only one of the billing entities is affiliated with the Telephone Company, will count as one unit.

(6) **Billed Multiplexed DS3 Unit** shall mean, with respect to each month during the Service Period, a Multiplexed DS3 Unit for which one or more MRCs, using any of the applicable USOCs set forth in (F)(2)(b) following, was billed to the customer under the Customer ACNAs (as defined in (B)(11) following) in the MRC section of Telephone Company's Access Service bill to the customer for that month. For the avoidance of any doubt, a Multiplexed DS3 circuit that is provided in a meet point arrangement by two or more Telephone Company entities under a single unique circuit identifier will count as two units. Additionally, a Multiplexed DS3 circuit that is provided in a meet point arrangement by two or more billing entities under a single unique circuit identifier, where only one of the billing entities is affiliated with the Telephone Company, will count as one unit.

(N)

21. Contract Tariffs (Cont'd)

21.11 Contract Tariff Option 63 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(7) **Billed PTP DS3 Unit** shall mean, with respect to each month during the Service Period, a point-to-point (**PTP**) DS3 Unit for which one or more MRCs, using any of the applicable USOCs set forth in (F)(2)(c) following, was billed to the customer under the Customer ACNAs (as defined in (B)(11) following) in the MRC section of Telephone Company's Access Service bill to the customer for that month. For the avoidance of any doubt, a PTP DS3 circuit that is provided in a meet point arrangement by two or more Telephone Company entities under a single unique circuit identifier will count as two units. Additionally, a PTP DS3 circuit that is provided in a meet point arrangement by two or more billing entities under a single unique circuit identifier, where only one of the billing entities is affiliated with the Telephone Company, will count as one unit.

(8) **Billed Qualifying Service Revenue** shall mean each of Billed DS1 Qualifying Service Revenue, Billed Multiplexed DS3 Qualifying Service Revenue, and Billed PTP DS3 Qualifying Service Revenue as further described in (F) following, subject to the exclusions specified in (F)(2)(d) and (F)(3) following.

(9) **Billed Qualifying Service Unit(s)** shall mean Billed DS1 Units, Billed Multiplexed DS3 Units, and/or Billed PTP DS3 Units, subject to the exclusions set forth in (F)(2)(d) and (F)(3) following.

(10) **Billed Spends** shall mean the amounts the customer is billed for Qualifying Services by the Telephone Company under the applicable tariffed rates, terms, and conditions. Billed DS1 Spend is the amount billed by the Telephone Company for DS1 Qualifying Services; Billed Multiplexed DS3 Spend is the amount billed by the Telephone Company for Multiplexed DS3 Qualifying Services; Billed PTP DS3 Spend is the amount billed by the Telephone Company for PTP DS3 Qualifying Services; and Total Billed Spend is the sum of Billed DS1 Spend, Billed Multiplexed DS3 Spend, and Billed PTP DS3 Spend.

(11) **Customer ACNA(s)** shall mean the customer's Access Customer Name Abbreviations (ACNAs) that are provided to the Telephone Company by the customer in its subscription to this Option 63, Option 2 of FCC 2, and Option 32 of FCC 5 in accordance with (C)(2) (X)
following, which Customer ACNA(s) are agreed to by the Telephone Company in writing
for inclusion in this Option 63, Option 2 of FCC 2, and Option 32 of FCC 5. (X)

(N)

(X) Issued under authority of Special Permission No. 12-039.

21. Contract Tariffs (Cont'd)

21.11 Contract Tariff Option 63 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(12) **DS1 Unit** shall mean an individual Qualifying Service circuit of DS1 capacity (i.e., 1.544 Mbps) that that both: (i) has a unique facilities formatted circuit identifier in accordance with the Common Language Circuit Identifier (CLCI) format administered by Telcordia, and (ii) is billed using any of the applicable USOCs set forth in F(2)(b) below.

For the avoidance of any doubt, a DS1 circuit that is provided in a meet point arrangement by two or more Telephone Company entities under a single unique circuit identifier will count as two units . Additionally, a DS1 circuit that is provided in a meet point arrangement by two or more billing entities under a single unique circuit identifier, where only one of the billing entities is affiliated with the Telephone Company, will count as one unit. For the avoidance of any doubt, sub-rate DS1s (e.g., 128 kbps, 256 kbps, 384 kbps, 512 kbps, and 768 kbps) are not counted as DS1 Units.

(13) **Flat Rate** shall mean the flat rate monthly recurring charge that applies per Billed Qualifying Service Unit, per service type (i.e., DS1, Multiplexed DS3, and PTP DS3), for a given Plan Year as calculated in accordance with (H)(1) following.

(14) **Flat Rate Spend** shall mean the billed units for a given period multiplied by the Baseline Unit Reference Costs, by service type:

Flat Rate DS1 Spend = DS1 Billed Units * DS1 Flat Rate

Flat Rate Multiplexed DS3 Spend = Multiplexed DS3 Units * Multiplexed DS3 Flat Rate

Flat Rate PTP DS3 Spend = PTP DS3 Units * PTP DS3 Flat Rate

Total Flat Rate Spend = Flat Rate DS1 Spend
+ Flat Rate Multiplexed DS3 Spend + Flat Rate PTP DS3 Spend

(15) **Groom(s)** shall mean a change in the connecting facility assignment (**CFA**) or termination point of a DS3 Service, and shall include any of the following types of moves, rearrangements, re-terminations, and disconnection and subsequent reconnection, to the DS3 Service: (i) a change in the CFA or termination point within a single Telephone Company wire center; (ii) 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 facility provided by the Telephone Company or by a collocator.)

(N)

21. Contract Tariffs (Cont'd)

21.11 Contract Tariff Option 63 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(16) **Multiplexed DS3 Unit** shall mean an individual Qualifying Service circuit of DS3 capacity (i.e., 44.736 Mbps) that both: (i) has a unique circuit identifier that conforms to the Common Language Circuit Identifier (CLCI) facility format administered by Telcordia and (ii) is billed using one or more of the USOCs specified in (F)(2)(b) following.

DSEF Service associated with a Multiplexed DS3 Unit (i.e. billed under the unique circuit identifier for that Multiplexed DS3 Unit) will not be counted as a unit separate from that Multiplexed DS3 Unit.

For purposes of administering the terms and conditions of this Option 63, all calculations involving Multiplexed DS3 Unit volumes shall exclude any portion of a circuit that is not used for Special Access. Where this calculation results in a fraction of a Multiplexed DS3 Unit, round to the nearest whole Multiplexed DS3 Unit. Thus, for example, if there were two (2) Shared Use Multiplexed DS3, and where one of the facilities is reduced by forty-five percent (45%) and the other facility is reduced by sixty-five percent (65%) in accordance with Section 5.2.8 preceding, then together they would count as only one (1) Multiplexed DS3 Unit (.45 + .65 = 1.10, rounded to the nearest integer, which in this case is one (1) Multiplexed DS3 Unit).

For purposes of administering the terms and conditions of this Option 63: (i) all DS1 FMS Services are converted to Multiplexed DS3 Units by dividing the total number of DS1 FMS Services by twenty-eight (28), and (ii) all DS3 FMS Services are quantified as either Multiplexed DS3 Units or PTP DS3 Units, depending on the format of the circuit identifier and the corresponding USOCs as described in the definitions of Multiplexed DS3 Unit and PTP DS3 Unit.

For the avoidance of any doubt, a Multiplexed DS3 circuit that is provided in a meet point arrangement by two or more Telephone Company entities under a single unique circuit identifier will count as two units. Additionally, a PTP DS3 circuit that is provided in a meet point arrangement by two or more billing entities under a single unique circuit identifier, where only one of the billing entities is affiliated with the Telephone Company, will count as one unit.

(N)

21. Contract Tariffs (Cont'd)

21.11 Contract Tariff Option 63 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(17) **Plan Year** shall mean each of the following periods during the Service Period: Plan Year 1 shall commence on the date on which the customer subscribes to this Option 63 and end on December 31, 2013; Plan Year 2 shall commence on January 1, 2014 and end on December 31, 2014; and Plan Year 3 shall commence on January 1, 2015 and end on December 31, 2015. In the event of any extension(s) of the Service Period pursuant to Section (E) following, "Plan Year" may also be used to refer to an applicable calendar year (i.e., January 1 through December 31) subsequent to Plan Year 3.

(18) **PTP DS3 Unit** shall mean an individual Qualifying Service circuit of DS3 capacity (i.e., 44.736 Mbps) that both: (i) has a unique circuit identifier that conforms to the CLCI serial number format administered by Telcordia and (ii) is billed using one or more of the USOCs specified in (F)(2)(c) following.

DSEF Service associated with a PTP DS3 Unit (i.e. billed under the unique circuit identifier for that PTP DS3 Unit) will not be counted as a unit separate from that PTP DS3 Unit.

For purposes of administering the terms and conditions of this Option 63, all DS3 FMS Services are quantified as either Multiplexed DS3 Units or PTP DS3 Units, depending on the format of the circuit identifier and the corresponding USOCs as described in the definitions of Multiplexed DS3 Unit and PTP DS3 Unit.

For the avoidance of any doubt, a PTP DS3 circuit that is provided in a meet point arrangement by two or more Telephone Company entities under a single unique circuit identifier will count as two units. Additionally, a PTP DS3 circuit that is provided in a meet point arrangement by two or more billing entities under a single unique circuit identifier, where only one of the billing entities is affiliated with the Telephone Company, will count as one unit.

(19) **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) calendar days thereafter), except for the initial Quarter of Plan Year 1, which shall commence on the date on which the customer subscribes to this Option 63, and shall end on March 31, 2013; 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 appears.

(N)

21. Contract Tariffs (Cont'd) (N)

21.11 Contract Tariff Option 63 (Cont'd)

(B) Specific Terms (Cont'd)

(20) **Quarterly Flat Rate Billing Adjustment** shall mean the quarterly credit or debit that is calculated per service type (i.e., DS1, Multiplexed DS3, and PTP DS3) as described in (H) following.

(21) **Quarterly Spend Premium** shall mean Total Flat Rate Spend less Total Baseline Reference Spend for the Quarter.

(22) **Quarterly Spend Premium Target** shall mean the amount of Quarterly Spend Premium the customer has committed to. Quarterly Spend Premium Targets are set forth in (H) following.

(22) **Quarterly Spend Premium Adjustment** shall mean the amount credited or debited to the customer to true up to the Quarterly Spend Premium Target. It is calculated as Quarterly Spend Premium Target less Quarterly Spend Premium.

(C) Eligibility

The customer must meet all of the following criteria in order to be eligible to receive the Quarterly Billing Credits as set forth in (I) following and other benefits of this Option 63.

(1) During the twelve (12) month period ending on December 31, 2011, the customer must have achieved a minimum of $250M in aggregate billed monthly recurring charges for all Qualifying Services purchased by the customer from the Telephone Company.

(2) The customer must subscribe to Option 63 by submitting a written authorization in a manner designated by the Telephone Company during the period that begins January 5, 2013 and ends February 15, 2013. Such subscription must include a list of Customer ACNA(s) as defined in (B)(11) preceding.

(3) The customer must concurrently subscribe to Option 2 of FCC 2, this Option 63, and (X)
Option 32 of FCC 5. (X)

(4) As of January 1, 2013, the customer must be concurrently subscribed, and must remain concurrently subscribed during the Service Period, to the Commitment Discount Plan (as set forth in Section 25.1 preceding and the Eight-and Ten-Year DS1 Term and Volume Plan (ETTVP) as set forth in Section 5.6.14 of FCC 5), (collectively, **Existing Plans**). (X)

(5) As of January 1, 2013, the customer may not be subscribed to the National Discount Plan ("NDP") as set forth in this tariff, FCC 5, and FCC 6. (X)

(N)

(X) Issued under authority of Special Permission No. 12-039.

21. Contract Tariffs (Cont'd)

(N)

21.11 Contract Tariff Option 63 (Cont'd)

(D) Terms and Conditions

(1) If the customer is currently subscribed to a contract tariff option that provides a discount, credit, or other reduction in rates or terms based on achievement of revenue or volume targets/levels by the customer, the customer's subscription to such contract tariff option shall be cancelled coincident with the customer's subscription to this Option 63, Option 2 of FCC 2, and Option 32 of FCC 5, and the Telephone Company will conduct a final true-up of any billing credits the customer was entitled to through the date of cancellation. (X)

(2) Except for the Existing Plans and any FMS Services to which the customer subscribes to as of January 1, 2013, the customer may not concurrently subscribe the Qualifying Services to any other tariff arrangement, contract tariff option, specialized service arrangement, or Individual Case Basis (**ICB**) arrangement offered by the Telephone Company under this tariff, FCC 2, or FCC 5 and available to the customer either currently or at any time during the Service Period, which 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 any of the Qualifying Services during the Service Period. Except as set forth in this (D)(2) and (D)(1) preceding, the customer's subscription to any such Alternate Tariff Arrangement as of January 1, 2013 shall be terminated upon subscription to this Option 63, Option 2 of FCC 2, and Option 32 of FCC 5. The Telephone Company shall perform any final review/true-up that it determines to be necessary to reconcile any credits and debits that remain outstanding under such Alternate Tariff Arrangement. (X) (X)

(3) To the extent the customer, as of January 1, 2013 or at any time during the Service Period, is not subscribed to the Existing Plans (i.e., with respect to the applicable Qualifying Services that the Telephone Company offers under the respective Existing Plans), the applicable Qualifying Services shall not be eligible to receive the Flat Rate pricing set forth in (H) following.

(N)

(X) Issued under authority of Special Permission No. 12-039.

21. Contract Tariffs (Cont'd)

(N)

21.11 Contract Tariff Option 63 (Cont'd)

(E) Service Period

(1) Subject to terms and conditions set forth in (E)(2) following and all other applicable terms set forth herein, the **Service Period** of this Option 63 shall commence on the date the customer subscribes to this Option 63 and end on December 31, 2015 (except that the Service Period shall include any extensions that take effect pursuant to (E)(2) following).

(2) At the expiration of Plan Year 3 of the Service Period, and unless otherwise terminated as set forth herein, the customer may elect to extend the Service Period for one (1) year beyond expiration of the initial three (3) Plan Years of the Service Period at the Flat Rates and Premium Spend Target for Plan Year 3. Two (2) of such one (1) year extensions are permitted. The customer must notify the Telephone Company in writing of its election to extend the Service Period at least thirty (30) calendar days prior to the expiration date of Plan Year 3 or the end of first one (1) year extension period, as applicable.

(F) Qualifying Services

(1) Qualifying Services will be comprised of the following:

(a) Special Access 1.544 Mbps Services as set forth in Section 7.8 of FCC 1, Section 7.2.6 (X)
of FCC 2, Section 5.2.2 of FCC 3, Section 7.2.9 preceding of this tariff, Section 5.3.6 of (X)
FCC 5, Section 7.11.1 of FCC 6, and Section 7 of FCC 10, in each case as the same (X)
may be amended from time to time (collectively, **DS1 Services**); and

(b) Special Access 44.736 Mbps Services as set forth in Section 7.8 of FCC 1, Section 7.2.6 (X)
of FCC 2, Section 5.2.2 of FCC 3, Section 7.2.9 preceding of this tariff, Section 5.3.6 of (X)
FCC 5, Section 7.11.1 of FCC 6, and Section 7 of FCC 10, in each case as the same (X)
may be amended from time to time (collectively, **DS3 Services**); and

(c) Special Access 1.544 Mbps and 44.736 Mbps Facilities Management Services, as described in Section 7.2.13 preceding of this tariff as the same may be amended from time to time (**FMS Services**).

(N)

(X) Issued under authority of Special Permission No. 12-039.

21. Contract Tariffs (Cont'd)

21.11 Contract Tariff Option 63 (Cont'd) (N)

(F) Qualifying Services (Cont'd)

(1) Qualifying Services will be comprised of the following: (Cont'd)

(d) Special Access Dedicated SONET Entrance Facilities Service with a 44.736 Mbps electrical interface, as described in Section 7.2.15 preceding, Section 20.4 of FCC 5, and (X) Section 20.4 of FCC 6, in each case as the same may be amended from time to time (X) (collectively, **DSEF Services**).

Any services other than the services explicitly listed in this (F)(1) (including any Telephone Company provided SONET entrance facility service) are not included herein as a Qualifying Service. Additionally, Qualifying Services do not include any Switched Access Services.

For purposes of this Option 63: (i) all Qualifying Service volumes and revenues are quantified according to three categories (DS1 Units, Multiplexed DS3 Units, and PTP DS3 Units) as described further in (F)(2) following; and (ii) subject to (F)(2)(d) and (F)(4) following, the USOCs set forth in (F)(2) following reflect the entire list of USOCs included in the definition of Qualifying Services and counted as contributory toward Billed Qualifying Service Revenue.

(2) Revenues Included in Calculation of Billed Qualifying Service Revenue

Subject to the exceptions and requirements set forth in this Section (F), Billed Qualifying Service Revenue includes monthly recurring charges billed to the customer under the Customer ACNAs for Billed Qualifying Service Units in the operating territories of this tariff, FCC 1, FCC 2, FCC 3, FCC 5, FCC 6, and FCC 10. **Billed DS1 Qualifying** (X) **Service Revenue** is described in (F)(2)(a) following, subject to (F)(2)(d) and (F)(3) following. **Billed Multiplexed DS3 Qualifying Service Revenue** is described in (F)(2)(b) following, subject to (F)(2)(d) and (F)(3) following. **Billed PTP DS3 Qualifying Service Revenue** is described in (F)(2)(c) following, subject to (F)(2)(d) and (F)(3) following.

(N)

(X) Issued under authority of Special Permission No. 12-039.

21. Contract Tariffs (Cont'd)

21.11 Contract Tariff Option 63 (Cont'd) (N)

(F) Qualifying Services (Cont'd)

(2) Revenues Included in Calculation of Billed Qualifying Service Revenue (Cont'd)

(a) Billed DS1 Units

With respect to Billed DS1 Units, Billed Qualifying Service Revenue includes only MRCs billed under rate elements using one or more of the following USOCs:

1A4YS	1A5ZS	1CF21	1CF22	1CF23	1CF25
1CF33	1CF35	1CF3W	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	1CFR8	1CFRJ	1CFS8
1CFSJ	1CFT8	1CFTJ	1CFU8	1CFUJ	1CFV8
1CFVJ	1CKDF	1CKDX	1J53S	1J54S	1L5LS
1L5XX	1LFMX	1LFSX	1OX1X	1OX2X	1OX3X
1OX5X	1OXTX	1T58S	1X7VX	1XCDX	1Y3AC
1YWPS	7CT15	7CTDC	7FT01	7FT60	7OFFV
7TD60	A1VA1	C2X9A	C6H6X	C6H7X	CCO
CTG	DVA	EU4DF	EU4DX	EU7VX	EUEU7VX
EUEUW	EUU21	EUU22	EUU23	EUU25	EUU33
EUU35	EUU3W	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	EUUR8	EUURJ	EUUS8	EUUSJ
EUUT8	EUUTJ	EUUU8	EUUUJ	EUUV8	EUUVJ
EUW	HCCMF	HCCMT	HCCT4	HCCTA	HCCTV
HCHCCMT	HCHCCT4	HCHCMLT	HCM10	HCM1V	HCMF5
HCMLT	HGV1X	HGVTX	MQ1	MQ6	MQK
MXN12	MXN13	MXN15	MXN17	MXNF3	MXNF5
MXNFX	PR9PX	PR9SX	QMU	TJ4DX	TJ4DY
TJ4DZ	TMECS	TMTMECS	TNJZX	TNT3X	TNT4X
TNT8X	TNTNT3X	TNTNT4X	TNTNT8X	TQ2KM	TRG
TSP	TWTF6	TYF1X	TZGHX	VPQSP	

(N)

21. Contract Tariffs (Cont'd)

21.11 Contract Tariff Option 63 (Cont'd) (N)

(F) Qualifying Services (Cont'd)

(2) Revenues Included in Calculation of Billed Qualifying Service Revenue (Cont'd)

(b) Billed Multiplexed DS3 Units

With respect to Billed Multiplexed DS3 Units, Billed Qualifying Service Revenue includes only MRCs billed under rate elements using one or more of the following USOCs:

1A4ZS	1A59S	1A5LX	1A5YS	1A87S	1A88S
1A89S	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	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
1CFL3	1CFL5	1CFL7	1CFM1	1CFM3	1CFM5
1CFM7	1CFN1	1CFN3	1CFN5	1CFN7	1CKMF
1CKNX	1CKPF	1CKSX	1L5H3	1L5LS	1L5RS
1L5XX	1LFSX	1U5PS	1Y3AD	1YA8S	1YAMS
1YWQS	7CT45	7D3D1	7OF01	7OF18	7OF36
7OF60	7OT18	7OT36	7OT60	A1VXG	ABVBA
B2CDP	B2CDV	B2CEP	B2CEV	B2CFP	C2X8A
CCO	DVA	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	EU4MF	EU4NX	EU4PF	EU4SX
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	FQYU1	FQYU2
FQYU3	FQYU4	FQYU5	FQYU6	GMGX3	HCM31

(N)

21. Contract Tariffs (Cont'd)

21.11 Contract Tariff Option 63 (Cont'd) (N)

(F) Qualifying Services (Cont'd)

(2) Revenues Included in Calculation of Billed Qualifying Service Revenue (Cont'd)

(b) Billed Multiplexed DS3 Units (Cont'd)

HF12A	HF12F	HF3EA	HF3OA	HF3OF	HFCMF
HFCMT	HFCT1	HFCT4	HFCTA	HFCTV	HFHFCMT
HFHFCT4	HFMF1	HFMF3	HFMF5	HFOT4	HFOTA
HFUEA	HFUEF	HFUOA	HFUOF	HKTJS	HKTJX
HKTLS	MKM	MKW3X	MQ3	MXNM3	MXNM5
MXNMX	MXNRX	N2M	NDPCM	NDPDM	P8T13
P8T15	P8T33	P8T35	PR9SX	SLHA1	SLHA3
SLHA5	SLHA7	SLHB1	SLHB3	SLHB5	SLHB7
SLHC1	SLHC3	SLHC5	SLHC7	SLHD1	SLHD3
SLHD5	SLHD7	SLHE1	SLHE3	SLHE5	SLHE7
T7TAX	T8XJ3	T8XJ5	TJ4EX	TJ4EY	TJ4EZ
TJ59X	TKTPX	TNW3X	TNW5X	TNWZX	TQ2LM
TRG	TSP	TUTFX	TUTPX	TUTUTPX	TWBNX
TWBPX	TWTF7	TYF3S	TYF3X	TYF8S	TYF8X
TYFLS	TYFLX	TYFMS	TYFMX	TYFNX	TYFOX
TYFPX	TYFQX	TYFRX	TYFSX	TYFTX	TYFUX
TYFVS	TYFVX	TYFWS	TYFWX	TYTYF8X	TYTYFLS

DSEF USOCs mapped to Billed Multiplexed DS3 Units will be included in the Billed Qualifying Service Revenue for those Units.

(N)

21. Contract Tariffs (Cont'd)

21.11 Contract Tariff Option 63 (Cont'd) (N)

(F) Qualifying Services (Cont'd)

(2) Revenues Included in Calculation of Billed Qualifying Service Revenue (Cont'd)

(c) Billed PTP DS3 Units

With respect to Billed PTP DS3 Units, Billed Qualifying Service Revenue includes only MRCs billed under rate elements using one or more of the following USOCs:

1A4ZS	1A59S	1A5LX	1A5YS	1A87S	1A88S
1A89S	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	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
1CFL3	1CFL5	1CFL7	1CFM1	1CFM3	1CFM5
1CFM7	1CFN1	1CFN3	1CFN5	1CFN7	1CKMF
1CKNX	1CKPF	1CKSX	1L5H3	1L5LS	1L5RS
1L5XX	1LFSX	1U5PS	1Y3AD	1YA8S	1YAMS
1YWQS	7CT45	7OF01	7OF18	7OF36	7OF60
7OT18	7OT36	7OT60	A1VXG	ABVBA	B2CDP
B2CDV	B2CEP	B2CEV	B2CFP	C2X8A	CCO
DVA	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	EU4MF	EU4NX	EU4PF	EU4SX	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	FQYU1	FQYU2	FQYU3

(N)

21. Contract Tariffs (Cont'd)

21.11 Contract Tariff Option 63 (Cont'd) (N)

(F) Qualifying Services (Cont'd)

(2) Revenues Included in Calculation of Billed Qualifying Service Revenue (Cont'd)

(c) Billed PTP DS3 Units (Cont'd)

FQYU4	FQYU5	FQYU6	GMGX3	HF12A	HF12F
HF3EA	HF3OA	HF3OF	HFCMF	HFCMT	HFCT1
HFCT4	HFCTA	HFCTV	HFHFCMT	HFHFCT4	HFMF1
HFMF3	HFMF5	HFOT4	HFOTA	HFUEA	HFUEF
HFUOA	HFUOF	HKTJS	HKTJX	HKTLS	MXNM5
N2M	NDPCM	NDPDM	P8T13	P8T15	P8T33
P8T35	PR9SX	SLHA1	SLHA3	SLHA5	SLHA7
SLHB1	SLHB3	SLHB5	SLHB7	SLHC1	SLHC3
SLHC5	SLHC7	SLHD1	SLHD3	SLHD5	SLHD7
SLHE1	SLHE3	SLHE5	SLHE7	T7TAX	T8XJ3
T8XJ5	TJ4EX	TJ4EY	TJ4EZ	TJ59X	TKTPX
TNW3X	TNW5X	TNWZX	TQ2LM	TRG	TSP
TUTFX	TUTPX	TUTUTPX	TWBNX	TWBPX	TWTF7
TYF3S	TYF3X	TYF8S	TYF8X	TYFLS	TYFLX
TYFMS	TYFMX	TYFNX	TYFOX	TYFPX	TYFQX
TYFRX	TYFSX	TYFTX	TYFUX	TYFVS	TYFVX
TYFWS	TYFWX	TYTYF8X	TYTYFLS		

DSEF USOCs mapped to Billed PTP DS3 Units will be included in the Billed Qualifying Service Revenue for those Units.

(d) If any of the USOCs listed in (F)(2)(a) through (F)(2)(c) preceding bill both MRCs and other charges (e.g., NRCs), then only the MRC amounts (i.e., only those amounts appearing in the MRC section of the customer's bill from the Telephone Company) of such USOCs shall be counted towards the calculation of Billed Qualifying Service Revenue.

(N)

21. Contract Tariffs (Cont'd)

21.11 Contract Tariff Option 63 (Cont'd) (N)

(F) Qualifying Services (Cont'd)

(3) Examples of Revenues Not Included in Calculation of Billed Qualifying Service Revenue

Billed Qualifying Service Revenue does not include (the following list being illustrative only) any of the following:

(a) 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;

(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 amount that appears in the Other Charges and Credits section of the Telephone Company's bill to the customer (e.g., prorated charges);

(e) any other charges that are not applied on a monthly recurring basis and/or do not appear in the MRC section (typically labeled "Monthly Access Charges") of the Telephone Company's bill to the customer;

(f) any amount for which payment is being withheld by the customer or for which the Telephone Company has issued a credit in response to a customer dispute;

(g) any amount billed under a particular bill for services provided outside of the service period that is ordinarily covered by such bill;

(h) shortfall or overage charges associated with Existing Plan scheduled reviews/true-ups (e.g., for failure to satisfy commitment levels pursuant to a CDP);

(i) billed amounts associated with any service (or any portion of a service) that is not a Qualifying Service;

(j) any Quarterly Billing Credits or other Credits that the customer receives in connection with (H) following.

(N)

21. Contract Tariffs (Cont'd)

21.11 Contract Tariff Option 63 (Cont'd) (N)

(F) Qualifying Services (Cont'd)

(4) USOC Updates

If, during the Service Period, the Telephone Company revises Section 7 preceding of this tariff, Section 7 of FCC 1, Section 7 of FCC 2, Section 5 of FCC 3, Section 5 of FCC 5, (X) Section 7 of FCC 6, or Section 7 of FCC 10 to (i) replace or substitute a USOC for a rate (X) element of a Qualifying Service as set forth in (F)(2) preceding; or (ii) add a USOC for a rate element of a Qualifying Service as used herein that was inadvertently omitted from this tariff, then (effective as of the date on which such revision becomes effective) such new USOC shall be included in the definition of the applicable Qualifying Service(s) and such new USOC, provided it otherwise qualifies to be contributory under (F)(2) and (F)(3) preceding and all other terms set forth herein, will be counted as contributory towards Billed Qualifying Service Revenue.

(G) Serving Area

Notwithstanding any other provision set forth herein, any Quarterly Billing Adjustments or other credits will be provided only in the MSAs that have achieved Phase I or Phase II pricing flexibility under Section 14.3 preceding, Section 15 of FCC 2, and Section 19.1 of FCC 5. (X) Wire centers for the Phase II MSAs are listed in Section 14.3 preceding and Section 19.1 of FCC 5. Any additions of, or changes to, the MSAs (including changes to wire centers or Level (X) 1/Level 2 pricing status as described in Section 14.3 preceding and Section 19.1 of FCC 5) (X) that occur during the Service Period will apply. No Quarterly Billing Adjustments or other credits will be provided in the operating territories of FCC 1, FCC 3, FCC 6, or FCC 10. (X)

(X) Issued under authority of Special Permission No. 12-039. (N)

21. Contract Tariffs (Cont'd)

21.11 Contract Tariff Option 63 (Cont'd) (N)

(H) Calculation and Payment of Quarterly Billing Adjustments

The customer will receive a Final Quarterly Billing Adjustment based on a two phase process. Phase 1 consists of a Flat Rate Billing Adjustment, and Phase 2 consists of a Premium Spend Adjustment.

(1) Rate Calculation Methodology for Flat Rate Pricing

The Flat Rate pricing for Qualifying Services under this Option 63 shall be achieved by applying a discount to the average revenue per Billed DS1 Unit, per Billed Multiplexed DS3 Unit, and per Billed PTP DS3 Unit using the calculation [average revenue per Billed Qualifying Service Unit x (1 – discount)] as follows:

(a) DS1 Flat Rate Pricing

(Step 1) Calculate the average revenue per DS1 Unit (**DS1 ARPU**) by summing (i) the total MRC associated with the customer's Qualifying DS1 Services for which the customer was billed by the Telephone Company for the month of July 2012 and dividing by (ii) the total number of the DS1 Units for such DS1 Qualifying Services during the same period of time.

The DS1 ARPU calculated in this Step 1 is used to determine the Flat Rate per DS1 Unit for each Plan Year of the Service Period.

(Step 2) To determine the Flat Rate per Billed DS1 Unit, multiply (i) the DS1 ARPU determined in Step 1; by (ii) 1 minus the discount for the applicable Plan Year from Table 1 below.

Table 1

Plan Year	Discount
1	24.22%
2	24.22%
3	25.13%

(N)

21. Contract Tariffs (Cont'd)

21.11 Contract Tariff Option 63 (Cont'd) (N)

(H) Calculation and Payment of Quarterly Billing Adjustments (Cont'd)

(1) Rate Calculation Methodology for Flat Rate Pricing (Cont'd)

(b) Multiplexed DS3 Flat Rate Pricing

(Step 1) Calculate the average revenue per Multiplexed DS3 Unit (**Multiplexed DS3 ARPU**) by summing (i) the total MRC associated with the customer's Qualifying Multiplexed DS3 Services for which the customer was billed by the Telephone Company for the month of July 2012 and dividing by (ii) the total number of the Multiplexed DS3 Units for such Multiplexed DS3 Qualifying Services during the same period of time.

The Multiplexed DS3 ARPU calculated in this Step 1 is used to determine the Flat Rate per Multiplexed DS3 Unit for each Plan Year of the Service Period.

(Step 2) To determine the Flat Rate per Billed Multiplexed DS3 Unit, multiply (i) the Multiplexed DS3 ARPU calculated in Step 9; by (ii) one (1) minus the discount for the applicable Plan Year from Table 2 below [Multiplexed DS3 ARPU x (1 – discount)].

Table 2

Plan Year	Discount
1	25.80%
2	25.80%
3	25.80%

(N)

21. Contract Tariffs (Cont'd)

21.11 Contract Tariff Option 63 (Cont'd) (N)

(H) Calculation and Payment of Quarterly Billing Adjustments (Cont'd)

(1) Rate Calculation Methodology for Flat Rate Pricing (Cont'd)

(c) PTP DS3 Flat Rate Pricing

(Step 1) Calculate the average revenue per PTP DS3 Unit (**PTP DS3 ARPU**) by summing (i) the total MRC associated with the customer's Qualifying PTP DS3 Services for which the customer was billed by the Telephone Company for the month of July 2012 and dividing by (ii) the total number of the PTP DS3 Units for such PTP DS3 Qualifying Services during the same period of time.

The PTP DS3 ARPU calculated in this Step 1 is used to determine the Flat Rate per PTP DS3 Unit for each Plan Year of the Service Period.

(Step 2) To determine the Flat Rate per Billed PTP DS3 Unit, multiply (i) the PTP DS3 ARPU calculated in Step 9; by (ii) one (1) minus the discount for the applicable Plan Year from Table 2 below [PTP DS3 ARPU x (1 – discount)].

Table 3

Plan Year	Discount
1	23.37%
2	23.37%
3	23.37%

(N)

21. Contract Tariffs (Cont'd)

21.11 Contract Tariff Option 63 (Cont'd) (N)

(H) Calculation and Payment of Quarterly Billing Adjustments (Cont'd)

(2) Phase I: Calculation of the Flat Rate Billing Adjustment

To calculate the Quarterly Flat Rate Billing Adjustment:

Step 1 Determine the total number of Billed DS1 Units, Billed Multiplexed DS3 Units, and Billed PTP DS3 Units for the Quarter in accordance with (H)(1) preceding.

Step 2 Determine the Billed Qualifying Service Revenue for the Quarter for each Qualifying Service type (i.e., based on Billed DS1 Units, Billed Multiplexed DS3 Units, and Billed PTP DS3 Units) in accordance with (H)(1) preceding.

Step 3 Calculate the Flat Rate for the Quarter for each Qualifying Service type (DS1, Multiplexed DS3, and PTP DS3) in accordance with (H)(1) preceding.

Step 4 Calculate the Flat Rate Spend for each Qualifying Service type (DS1, Multiplexed DS3, and PTP DS3) by multiplying the Flat Rate determined in Step 3 by the Billed Units determined in Step 1.

Step 5 Calculate the Quarterly Flat Rate Billing Adjustment for each Qualifying Service type (DS1, Multiplexed DS3, and PTP DS3) by and subtracting the Flat Rate Spend determined in Step 4 from the total of the applicable Billed Qualifying Service Revenue determined in Step 2. This Quarterly Flat Rate Billing Adjustment will be a credit if the Billed Qualifying Service Revenue is higher than the Flat Rate Spend or a debit if the the Billed Qualifying Service Revenue is lower than the Flat Rate Spend.

To the extent that the customer fails to pay any amounts due to Telephone Company for Qualifying Services under this Option 63, excluding bill disputes, Telephone Company may offset such amounts against any Quarterly Billing Adjustments owed to Customer by Telephone Company under this Option 63.

(N)

21. Contract Tariffs (Cont'd)

21.11 Contract Tariff Option 63 (Cont'd) (N)

(H) Calculation and Payment of Quarterly Billing Adjustments (Cont'd)

(3) Phase II: Calculation of the Spend Premium Adjustment

To calculate the Spend Premium Adjustment:

Step 1 Calculate the Total Baseline Reference Spend by multiplying the Billed Units for each Qualifying Service Type (DS1, Multiplexed DS3, and PTP DS3) by the Baseline Unit Reference Cost for each Qualifying Service Type (DS1, Multiplexed DS3, and PTP DS3), and summing the results.

Step 2 Calculate the Quarterly Spend Premium by subtracting the Total Baseline Reference Spend from the Quarterly Total Flat Rate Spend, which is the sum of the Flat Rate Spends by Qualifying Service Type calculated in (H)(2) preceding

Step 3 Compare the Quarterly Spend Premium to the Quarterly Spend Premium Target for the applicable year found in Table 4 below. The resulting difference ("Quarterly Spend Premium Adjustment") will be a credit if the Quarterly Spend Premium is higher than the Quarterly Spend Premium Target or a debit if the Quarterly Spend Premium is lower than the Quarterly Spend Premium Target.

Table 4

Plan Year	Premium Spend Target
1	$3.75M per quarter ($15M Annually)
2	$3.75M per quarter ($15M Annually)
3	$3.25M per quarter ($13M Annually)

(4) Final Quarterly Billing Adjustment

The Telephone Company will net the Quarterly Flat Rate Billing Adjustment and the Quarterly Spend Premium Adjustment determined in (H)(2) and (H)(3) preceding. If the net result is a credit, the Telephone Company will provide a credit on its invoice to the customer within 120 calendar days after the end of the applicable Quarter, and if the net result is a debit, the Telephone Company will bill the net debit to the customer within 120 days after the end of the applicable Quarter.

(N)

21. Contract Tariffs (Cont'd)

21.11 Contract Tariff Option 63 (Cont'd) (N)

(I) Limitation on Grooms

There shall be no limits on number of Grooms for Qualifying Services.

(J) Suspension of True-ups and Extension of Existing Plans During Service Period

During the Service Period, the customer's Existing Plans as defined in (C)(4) preceding, shall be subject to the following provisions (both as to Qualifying Services as well as all other services covered by such Existing Plans):

(1) Suspension of True-ups

The scheduled review/true-up requirements for the customer's Existing Plans, and FMS Plans, if applicable, including any shortfall payments or penalties that would otherwise result for failure to maintain volume commitments, shall be suspended during the Service Period. Upon termination of the customer's subscription to this Option 63, Option 2 of FCC 2, or Option 32 of FCC 5 for any reason, the review/true-up requirements shall be re-activated for the Existing Plans and new commitments shall be established in accordance with the regulations for the type of Existing Plan involved. For Existing Plans, Time-In-Service-Credits (**TISC**), when applicable, will be granted based on credit already earned as of January 1, 2013 plus any additional credit earned during the customer's subscription to this Option 63, Option 2 of FCC 2, or Option 32 of FCC 5, which collectively shall not be greater than the TISC available under the terms of the applicable Existing Plan. (X)

(2) Extension of Existing Plans

Subject to any early termination of the customer's subscription to this Option 63, Option 2 of FCC 2, or Option 32 of FCC 5, the Existing Plans are deemed extended as necessary to be coterminous with the Service Period. Upon expiration of the Service Period, the Existing Plans will be subject to the regulations for the type of Existing Plan involved that ordinarily apply upon expiration of the respective Existing Plans (including establishment of new commitments). TISC will be granted based on credit already earned as of January 1, 2013 plus any additional credit earned during the customer's subscription to this Option 63, Option 2 of FCC 2, or Option 32 of FCC 5, which collectively shall not be greater than the TISC available under the terms of the applicable Existing Plan. (X)

(3) Other Tariff Provisions

All other terms and conditions applicable to the Existing Plans (including discounts and minimum period requirements) remain unchanged by this Section (J). (N)

(X) Issued under authority of Special Permission No. 12-039.

21. Contract Tariffs (Cont'd)

21.11 Contract Tariff Option 63 (Cont'd) (N)

(K) Mergers, Acquisitions, Divestitures, and Other Changes in Control of Customer

(1) Sale or Other Transfer of Ownership From the Customer to an Unaffiliated Third Party

If the customer sells to an unaffiliated third party, or otherwise transfers to an unaffiliated third party its ownership of (collectively, a **Third Party Sale**), one or more Customer ACNA(s), or a line of business, division, affiliate, or license to operate in a particular geographic area (e.g., a Commercial Mobile Radio Service (CMRS) license) (collectively, **Sold Properties**), then the terms and conditions set forth in this Section (K) shall apply to account for the effect of such Third Party Sale on this Option 63:

(a) No later than sixty (60) calendar days prior to closure of the Third Party Sale, the customer shall notify the Telephone Company of such Third Party Sale via a written notice that includes the following information:

(1) the date on which the Third Party Sale is expected to close; and

(2) the affected Customer ACNA(s); and

(3) the affected state(s) or other relevant geographic area(s); and

(4) Information sufficient to begin the identification process of the volumes and circuit identifiers of all DS1 Units, Multiplexed DS3 Units, and PTP DS3 Units associated with the Sold Properties that the customer will no longer obtain from the Telephone Company as a result of the Third Party Sale (**Sold Qualifying Units**). After sending this notification, the customer will work cooperatively with the Telephone Company (and the third-party carrier, if necessary) to complete the exchange of this information.

(b) If the customer provides notice as described in (K)(1)(a) preceding, then effective upon closure of the Third Party Sale if such closure occurs on the first day of a calendar month (or effective upon the first day of the calendar month following closure of the Third Party Sale if such closure occurs on a day other than the first day of a calendar month): (i) all Sold Qualifying Units shall not be counted as Billed Qualifying Service Units, shall not be eligible for the Quarterly Billing Adjustments, and shall cease to be covered by this Option 63 for all other purposes, and (ii) the Flat Rates and Quarterly Spend Premium Targets shall be proportionally adjusted to account for the reduced number of ACNAs covered by this Option 63, Option 2 of FCC 2, and (X)
Option 32 of FCC 5. (X)

(N)

(X) Issued under authority of Special Permission No. 12-039.

21. Contract Tariffs (Cont'd)

21.11 Contract Tariff Option 63 (Cont'd) (N)

(K) Mergers, Acquisitions, Divestitures, and Other Changes in Control of Customer (Cont'd)

(2) Mergers and Acquisitions of the Customer

(a) In the event the customer merges with another company or acquires a company or a portion of the business of another company (including any ACNA(s) that are not Customer ACNAs) (the company with which the customer merges and the company or portion of the business thereof that the customer acquires (including an ACNA(s) that is not a Customer ACNA(s)) may be referred to collectively as the **Customer Acquired Properties** and such merger or acquisition may be referred to in either case as an **Acquisition**), and the Telephone Company provides any Qualifying Services in connection with such Customer Acquired Properties, then the customer shall notify the Telephone Company prior to the closing of the Acquisition and the Parties shall determine whether the Customer Acquired Properties shall be included in or excluded from the terms and conditions (including the calculation of Quarterly Billing Adjustment) of this Option 63, Option 2 of FCC 2, and Option 32 of FCC 5. No Customer Acquired Properties shall be included in these contract tariffs absent the mutual agreement of the Parties. (X)

(b) The Parties shall work cooperatively and in good faith with each other to take such action as may be necessary to achieve the intent of this Section (K), and neither Party shall unreasonably withhold from the other Party any data that is necessary or reasonably required to achieve such intent.

(N)

(X) Issued under authority of Special Permission No. 12-039.

21. Contract Tariffs (Cont'd)

21.11 Contract Tariff Option 63 (Cont'd) (N)

(L) Sale or Acquisition of Properties by the Telephone Company

(1) Sale of an Operating Telephone Company

(a) In the event that the Telephone Company sells all or part of one of its operating telephone companies (a **Sold Operating Company**) that provides Qualifying Services under this tariff, FCC 1, FCC 2, FCC 3, FCC 5, FCC 6 or FCC 10 during the Service Period (a **Property Sale**), the terms and conditions set forth in this Section (L) shall apply. (X)

(b) Prior to closure of the Property Sale or as expeditiously as practical after such closure, the Telephone Company shall notify the customer of such Property Sale via a written notice, which shall include the date on which the Property Sale is expected to close (or has closed) and the affected state(s) or other relevant geographic area(s).

(c) Effective upon closure of the Property Sale if such closure occurs on the first day of a calendar month (or effective upon the first day of the calendar month following closure of the Property Sale if such closure occurs on a day other than the first day of a calendar month), all DS1 Units, Multiplexed DS3 Units, and PTP DS3 Units associated with the Sold Operating Company shall not be counted as Billed Qualifying Service Units, shall not be eligible for the Flat Rates, and shall cease to be covered by this Option 63, Option 2 of FCC 2, and Option 32 of FCC 5 for all other purposes, and the Flat Rates and Quarterly Spend Premium Targets shall be proportionally adjusted to account for the reduced operating territory covered by this Option 63, Option 2 of FCC 2, and Option 32 of FCC 5. (X) (X)

(N)

(X) Issued under authority of Special Permission No. 12-039.

21. Contract Tariffs (Cont'd)

21.11 Contract Tariff Option 63 (Cont'd) (N)

(L) Sale or Acquisition of Properties by the Telephone Company (Cont'd)

(2) Mergers and Acquisitions of the Telephone Company

(a) In the event the Telephone Company 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 company with which the Telephone Company merges, the company or portion of the business thereof that the Telephone Company acquires, and the company that acquires the Telephone Company in whole or in part may be referred to collectively as the **Acquired Properties** and such merger or acquisition may be referred to in either case as a **Telco Acquisition**), the Telephone Company shall determine whether such Acquired Properties shall be included in or excluded from the terms and conditions (including the calculation of Quarterly Billing Adjustments) of this Option 63, Option 2 of FCC 2, and Option 32 of FCC 5 in accordance with (b) following. (X)

(b) The Parties shall work cooperatively to determine whether such Acquired Properties shall be included in or excluded from this Option 63, Option 2 of FCC 2, and Option 32 of FCC 5. No Acquired Properties shall be included in these contract tariffs absent the mutual agreement of the Parties. (X) (X)

(N)

(X) Issued under authority of Special Permission No. 12-039.

21. Contract Tariffs (Cont'd)

21.11 Contract Tariff Option 63 (Cont'd) (N)

(M) Termination

(1) Mutual Agreement

The Parties, by mutual written agreement in their sole discretion, may terminate the customer's subscription to this Option 63. Except as otherwise mutually agreed in writing by the Parties, any termination under this Section (M)(1) shall be effective as of the end of the Plan Year preceding the termination. Termination of the customer's subscription to this Option 63 shall be an automatic termination of the customer's subscription to Option 2 of FCC 2 and Option 32 of FCC 5. Upon any such termination, the customer shall be entitled to all Quarterly Billing Adjustments for the Plan Year preceding the termination, but shall not be eligible for any Quarterly Billing Adjustments for any period of time after the end of such Plan Year. (X)

(N) Expiration of the Service Period

Upon expiration of Service Period (including any extensions permitted under (E)(2) preceding), the customer has the following options:

(1) continue with the services under the Existing Plans, in which case the review/true-up requirements shall be re-activated in accordance with (J)(1) preceding; or

(2) Subject to the re-activation of Existing Plans as set forth in (J) preceding, disconnect the services without the application of termination liability under this Option 63. In accordance with termination requirements set forth in the Existing Plans which the services are subscribed to, termination charges may apply under such Existing Plans upon any such disconnection.

(N)

(X) Issued under authority of Special Permission No. 12-039.