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FACILITIES FOR INTERSTATE ACCESS

21. Contract Tariffs (Cont'd)21.37 Contract Tariff Option 36

(A) Scope

Contract Tariff Option 36 (Option 36) provides a customer with certain Billing Credits (as defined following) on certain services offered by the Telephone Company when the customer satisfies the terms and conditions of this Option 36.

(B) Specific Terms

Unless otherwise defined in this Section 21.37, the following terms are used in this Option 36:

- (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, Tariff FCC No. 1 (FCC 1), and Tariff FCC No. 11 (FCC 11) with respect to any of the services covered by this Option 36.
- (2) BANs shall mean Billing Account Numbers of the customer which shall be used to provide the Billing Credits, if any, to the customer.
- (3) Billed DS1 Service Revenue shall mean the Qualifying Monthly Recurring Charges (as defined in Section (F) following) billed under one of the Customer ACNAs provided under Section (C)(3) following for Special Access DS1 Services which are paid by the customer.
- (4) Billed DS3 CLF Service Revenue shall mean the Qualifying Monthly Recurring Charges (as defined in Section (F) following) billed under one of the Customer ACNAs provided under Section (C)(3) following for Special Access DS3 CLF Services which are paid by the customer.
- (5) Billed DS3 CLS Service Revenue shall mean the Qualifying Monthly Recurring Charges (as defined in Section (F) following) billed under one of the Customer ACNAs provided under Section (C)(3) following for Special Access DS3 CLS Services which are paid by the customer.
- (6) Billed Qualifying TDM Service Revenue shall mean the sum of Billed DS1 Service Revenue, Billed DS3 CLF Service Revenue, and Billed DS3 CLS Service Revenue.
- (7) Billing Credits shall mean the applicable Billing Credits as described in Section (G) following.
- (8) Buy-Up Amount shall mean the applicable Buy-Up Amount as described in Section (O) following.
- (9) Delayed Billing Grace Period shall mean the sixty (60) day period immediately following the end of each Plan Year.

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21. Contract Tariffs (Cont'd)21.37 Contract Tariff Option 36 (Cont'd)

(B) Specific Terms (Cont'd)

- (10) **Delayed Billing Revenue** shall mean customer identified amounts billed during the Delayed Billing Grace Period for Qualifying TDM Services that, in the ordinary course of the Telephone Company's standard billing practice for the subject Qualifying TDM Services should have occurred during the immediately preceding Plan Year.
- (11) **Delayed Billing Preceding Plan Year** shall mean the Plan Year immediately preceding the Delayed Billing Grace Period.
- (12) **Disputed Amounts** shall mean Qualifying Monthly Recurring Charge amounts billed for any time period during the Service Period that are under dispute, regardless of whether the amounts have been paid in full by customer.
- (13) **Plan Year** shall mean each of the following periods during the Service Period: (1) Plan Year 1 shall commence on October 1, 2014 and end on September 30, 2015; (2) Plan Year 2 shall commence on October 1, 2015 and end on September 30, 2016; (3) Plan Year 3 shall commence on October 1, 2016 and end on September 30, 2017.
- (14) **Qualifying Monthly Recurring Charges** shall have the meaning as described in Section (F) following.
- (15) **Qualifying TDM Service** shall mean Special Access DS1 Service, Special Access DS3 CLF Service, and Special Access DS3 CLS Service.
- (16) **Qualifying TDM Services Annual Revenue Commitment** shall mean the annual minimum required Billed Qualifying TDM Service Revenue and shall be equal to \$14.0M.
- (17) **Regulatory Change** shall mean any legislative, regulatory, judicial, or other governmental decision, order, determination, complaint (whether formal or informal) or action or any change in applicable laws which affects any term or condition of Option 36, or otherwise prohibits or interferes with the Telephone Company's ability to offer the Services, or prohibits or interferes with the Telephone Company's ability to perform its obligations under this Option 36.
- (18) **Regulatory Termination** shall mean the termination or withdrawal of this Option 36, Option 67 of FCC 1 and Option 67 of FCC11 as a result of a Regulatory Change as defined in Section (B)(17) preceding.

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21. Contract Tariffs (Cont'd)21.37 Contract Tariff Option 36 (Cont'd)

(B) Specific Terms (Cont'd)

(19) Service Period shall have the meaning set forth in Section (D) following.(20) Special Access DS1 Services shall mean DS1 Service of 1.544 Mbps bandwidth, as described in Section 5.3.6 of this tariff, FCC 1 (Section 7.2.9), FCC 11 (Section 7.2.9) and Tariff FCC No. 16 (FCC 16) (Section 7.11.1), but shall not include MetroLAN service.(21) Special Access DS3 CLF Services shall mean DS3 Service of 44.736 Mbps bandwidth, as described in Section 5.3.6 of this tariff, FCC 1 (Section 7.2.9), FCC 11 (Section 7.2.9) and FCC 16 (Section 7.11.1) which has a facilities formatted circuit identifier in accordance with the Common Language Circuit Identifier (CLCI™) format administered by Telcordia (e.g., 967 T3Z PITBPADTHPE PITBPADTK18).(22) Special Access DS3 CLS Services shall mean DS3 Service of 44.736 Mbps bandwidth, as described in Section 5.3.6 of this tariff, FCC 1 (Section 7.2.9), FCC 11 (Section 7.2.9) and FCC 16 (Section 7.11.1) which has a serial number formatted circuit identifier in accordance with the Common Language Circuit Identifier (CLCI™) format administered by Telcordia (e.g., 95.HFGS.634683..NE).

(C) Eligibility

The customer must meet all of the following criteria in order to be eligible to receive the rates, terms, and conditions of this Option 36. All references to amounts represented in dollars followed by the letter "M" shall refer to such number in millions (e.g., \$10M shall mean \$10,000,000.00), and all references to amounts represented in dollars followed by the letter "K" shall refer to such number in thousands (e.g., \$10K shall mean \$10,000.00).

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21. Contract Tariffs (Cont'd)21.37 Contract Tariff Option 36 (Cont'd)

(C) Eligibility (Cont'd)

- (1) As of October 1, 2014, the customer must:
 - (a) have billed a minimum of \$14.0M of Billed Qualifying TDM Service Revenue for the twelve (12) months immediately prior to October 1, 2014; and
 - (b) be subscribed to the DS1 Term Volume Plan (Section 5.6.14(G) of this tariff), the Commitment Discount Plan (Section 25.1 of FCC 1 and FCC 11), (collectively, Existing Plans); and
 - (c) have at least five thousand (5,000) circuits of Special Access DS1 Service at locations other than Commercial Mobile Radio Service (CMRS) cell sites.
- (2) Except for Existing Plans, customer may not concurrently subscribe to, or within three (3) years prior to October 1, 2014, have subscribed to, an Alternative Tariff Arrangement which provides discounts, credits, or other reductions in rates or terms based upon the achievement of total billed revenue. If customer wishes to subscribe to such an Alternative Tariff Arrangement, then customer shall not receive any Billing Credits under this Option 36, and such subscription shall be considered a termination by customer of this Option 36, subject to Section (L) following.
- (3) The customer must subscribe to this Option 36 in a manner designated by the Telephone Company during the thirty (30) day period beginning October 1, 2014 and ending October 31, 2014. 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 36. Subscription to this Option 36 shall be an automatic subscription to Option 67 of FCC 1 and Option 67 of FCC 11.

(D) Service Period

The Service Period of this Option 36 shall commence on October 1, 2014 and end on September 30, 2017, unless this Option 36 is earlier terminated.

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21. Contract Tariffs (Cont'd)21.37 Contract Tariff Option 36 (Cont'd)

(E) Serving Area

The Billing Credits and the Buy-Up Amount will be provided only in the Metropolitan Statistical Areas (MSAs) that have achieved Phase I or Phase II pricing flexibility under this tariff, FCC 1, or FCC 11. Wire centers for the Phase II MSAs are listed in Section 19.1 preceding of this tariff, Section 15.3 of FCC 11, and Section 14.7 of FCC 1. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 19.1 preceding of this tariff, Section 15.3 of FCC 11, and Section 14.7 of FCC 1) that occur during the Service Period will apply. No Billing Credits and no Buy-Up Amount will be provided in the operating territories of FCC 16.

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(F) Qualifying Monthly Recurring Charges

Subject to the exclusions set forth following as well as all other terms of this Option 36 (including Section (H) following), Qualifying Monthly Recurring Charges include total monthly recurring charges (MRCs) billed to customer by the Telephone Company with respect to a particular service for a particular timeframe. Qualifying Monthly Recurring Charges do not include any of the following (among other items that are not MRCs, the following list is by way of example only):

- (1) Charges for special construction;
- (2) Nonrecurring charges, surcharges, interest, late payment charges, credits (including any credits provided under the Contract Tariffs), 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 Plan Year of the Service Period;
- (3) Taxes, fees, surcharges, charges, or other tax-like amounts imposed by a federal, state, local, or other governmental entity (e.g., Federal Universal Service Fund);
- (4) Service or administrative fees or charges (e.g., interest penalty, late payment penalty);
- (5) Any other billed amount for which payment is being withheld or under dispute by the customer or that is otherwise a Disputed Amount; provided, however, that if an amount would have been included in Qualifying Monthly Recurring Charges but for the fact that it was disputed, and if such dispute is then resolved in favor of the Telephone Company, then the amount paid by the customer as a result of such resolution shall be included in Qualifying Monthly Recurring Charges in the month in which the customer pays such amount;
- (6) Shortfall or overage charges associated with term plan true-ups (e.g., charges assessed for failure to satisfy commitment levels); and
- (7) Any amounts associated with any service (or any portion of a service) that is not a Qualifying TDM Service.

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21. Contract Tariffs (Cont'd)21.37 Contract Tariff Option 36 (Cont'd)

(G) Annual Review; Billing Credits

The Telephone Company shall determine Billing Credits as follows:

(1) Plan Year 1

- (a) By December 1, 2015, the Telephone Company shall calculate the customer's Billed Qualifying TDM Service Revenue for Plan Year 1.
- (b) If the customer's Billed Qualifying TDM Service Revenue is equal to or greater than \$14.5M, the Telephone Company shall apply a Billing Credit of \$100K to customer's CABS billing by no later than ninety (90) days following the end of Plan Year 1.
- (c) Subject to Section (O) following, if the customer's Billed Qualifying TDM Service Revenue is less than \$14.0M for Plan Year 1, Option 36 shall immediately terminate, and the true-up process will be re-activated for Existing Plans.

(2) Plan Year 2

- (a) By December 1, 2016, the Telephone Company shall calculate the customer's Billed Qualifying TDM Service Revenue for Plan Year 2.
- (b) If the customer's Billed Qualifying TDM Service Revenue is equal to or greater than \$14.5M, the Telephone Company shall apply a Billing Credit of \$300K to customer's CABS billing by no later than ninety (90) days following the end of Plan Year 2.
- (c) Subject to Section (O) following, if the customer's Billed Qualifying TDM Service Revenue is less than \$14.0M for Plan Year 2, Option 36 shall immediately terminate, and the true-up process will be re-activated for Existing Plans.

(3) Plan Year 3

- (a) By December 1, 2017, the Telephone Company shall calculate the customer's Billed Qualifying TDM Service Revenue for Plan Year 3.
- (b) If the customer's Billed Qualifying TDM Service Revenue is equal to or greater than \$14.5M, the Telephone Company shall apply a Billing Credit of \$600K to customer's CABS billing by no later than ninety (90) days following the end of Plan Year 3.
- (c) Subject to Section (O) following, if the customer's Billed Qualifying TDM Service Revenue is equal to or greater than \$14.0M, the customer will have the option of resetting its CDP and TVP commitment levels in accordance with the guidelines established in the Commitment Discount Plan (Section 25.1.3 of FCC 1 and FCC 11) and the Term Volume Plan (Section 5.6.14(F) of FCC 14).

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21. Contract Tariffs (Cont'd)21.37 Contract Tariff Option 36 (Cont'd)

(H) Disputes

Notwithstanding any other provisions of this Option 36 and except as otherwise provided in FCC 16, the Telephone Company's calculation of the customer's Billed Qualifying TDM Service Revenue shall be subject to the following additional requirements (as well as other terms of this Option 36):

- (1) The Telephone Company shall not include in the calculation of the customer's Billed Qualifying TDM Service Revenue any amounts which are unpaid and/or disputed by customer as of the sixtieth (60th) day following the applicable Plan Year.
- (2) If any portion of an amount invoiced to customer under this Option 36 is subject to a good faith dispute, customer shall give written notice to the Telephone Company of the amounts it disputes (Disputed Amount) through the Telephone Company dispute submission process and include in such notice the specific details and reasons for disputing each item. Customer shall undertake a reasonable good faith effort to review an invoice received from the Telephone Company under this Option 36 within sixty (60) days following the due date to determine whether there are any Disputed Amounts. Customer shall pay on or before the due date all undisputed amounts.
- (3) If the Telephone Company denies a dispute submitted by customer, customer shall have thirty (30) days by which either to pay the Disputed Amount or escalate the dispute no higher than the Vice President level. The Telephone Company may deny such escalation if customer does not provide new or additional detailed information supporting its dispute.
- (4) Charges due to the Telephone Company that are not paid on or before the due date shall be subject to a late payment charge. The late payment charge shall be calculated utilizing a rate of one-and-one-half percent (1.5%) of the overdue amount (including any unpaid previously billed late payment charges) per month. No late payment charge shall apply to Disputed Amounts that are allowed by the Telephone Company through the dispute submission process or to Disputed Amounts not owed to the Telephone Company after resolution of the dispute.

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21. Contract Tariffs (Cont'd)21.37 Contract Tariff Option 36 (Cont'd)(M) Termination of Option 36

- (1) Subject to the terms set forth in this Section (M), customer may terminate this Option 36 at any time during the Service Period. Customer must provide written notice of termination at least ninety (90) days prior to the requested date of termination of this Option 36. Termination of less than all of the Contract Tariffs (i.e., terminations of the contract option under this tariff or FCC 1 or FCC 11 only) shall be deemed to be an automatic termination of all Contract Tariffs. If customer terminates or cancels this Option 36 at any time during the Service Period for any reason other than by Regulatory Termination (as defined in Section (B) preceding), or a default by the Telephone Company, or if customer breaches the terms or conditions of the Option 36 and fails to cure such breach within thirty (30) days' written notice, then customer shall pay to the Telephone Company by no later than thirty (30) days after such date of termination or breach an amount equal to the percentage of the Billing Credit issued to customer for the prior Plan Year as indicated in the following table.

Month of Termination/Breach	Termination Percentage
13-24	60%
25-36	40%

- (2) Customer will not receive any Billing Credits after receipt of notice of termination.
- (3) The customer and the Telephone Company, by mutual written agreement, may terminate this Option 36 at any time. Except as otherwise mutually agreed in writing by the customer and the Telephone Company: (a) any termination under this Section (M)(3) in Plan Year 1 shall be effective as of October 1, 2014, and customer shall not be eligible for any Billing Credits for Plan Year 1; (b) any termination under this Section (M)(3) in Plan Year 2 or Plan Year 3 shall be effective as of the end of the applicable Plan Year preceding the termination, and customer shall be charged for all Billing Credits applied for the Plan Year preceding termination and shall not be eligible for any Billing Credits for any period of time after the end of such Plan Year.
- (4) CDP and TVP true-up calculations will resume beginning for the tariff review period in which the termination occurred. The review period for TVP true-up calculations is twelve (12) months, and the tariff review period for CDP true-up calculations is six (6) months, both based on the effective date of the contracts.

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21. Contract Tariffs (Cont'd)21.37 Contract Tariff Option 36 (Cont'd)(N) Suspension of True-Ups During Service Period

During the Service Period, the customer and the Telephone Company agree to suspend the true-up requirements for the Existing Plans, including any shortfall payments or penalties that would otherwise result for failure to maintain volume commitments under the Commitment Discount Plan (FCC 1 and FCC 11, Section 25.1.7) and the DS1 Term Volume Plan (FCC 14, Section 5.6.14(G)-(I)). Upon termination of Option 36 for any reason other than noted in Section (G)(3)(c) preceding, the true-up process will be re-activated for the underlying Existing Plans based on original commitments under Existing Plans. Upon expiration of this Option 36 in compliance with Section (G)(3)(c) preceding, the true-up process will be re-activated for the underlying Existing Plans based on then current quantities of TDM Services under Existing Plans.

(O) Buy-Up Amount

- (1) In the event that the Customer's Billed Qualifying TDM Service Revenue during any Plan Year falls short of the Customer's Qualifying TDM Services Annual Revenue Commitment, the Customer may, subject to the limitation set forth in (2) following, pay an amount equal to the amount by which the Customer's Billed Qualifying TDM Service Revenue fell short of the Customer's Qualifying TDM Services Annual Revenue Commitment (the **Buy-Up Amount**). In the event that the Customer pays a Buy-Up Amount within sixty (60) calendar days after (i) the close of such Plan Year or (ii) the date of the Telephone Company's notice to Customer of the Buy-Up Amount of such Plan Year, whichever is later, it will be deemed to have met the Customer's Qualifying TDM Services Annual Revenue Commitment for such Plan Year, and Customer's Billed Qualifying TDM Service Revenue for such Plan Year will be deemed to be \$14.0M. In the event that the Customer does not pay the Buy-Up Amount within sixty (60) calendar days after (i) the close of such Plan Year or (ii) the date of the Telephone Company's notice to Customer of the Buy-Up Amount of such Plan Year, whichever is later, this Service Agreement shall immediately terminate and the true-up process will be re-activated for Existing Plans as of the close date of such Plan Year.
- (2) The Customer shall not be entitled to pay a Buy-Up Amount if the amount of the Buy-Up Amount exceeds \$1.0M.

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