

## ACCESS SERVICE

32. Contract Tariffs (Cont'd)32.71 Contract Tariff Option 70

## (A) Scope

Contract Tariff Option 70 (**Option 70**) provides Billing Credits on certain services.

## (B) Specific Terms

Unless otherwise defined in this Section 32.71, the following terms are used in this Option 70:

- (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 Customer pursuant to this tariff, Tariff FCC No. 1 (FCC1), Tariff FCC No. 14 (FCC14) with respect to any of the Services covered by this Option 70.
- (2) 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)(1) following for Special Access DS1 Service and which are paid by the Customer.
- (3) 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)(1) following for Special Access DS3 CLF Service and which are paid by the Customer.
- (4) 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)(1) following for Special Access DS3 CLS Service and which are paid by the Customer.
- (5) 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.
- (6) Billing Credits shall mean the applicable TDM Shortfall Credits as described in Section (I) following.
- (7) 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.

(N)

(x)  
(x)

(N)

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- (8) DS1 Equivalent Circuit shall mean Equivalent DS1 Channel Termination as defined in Section 25.2.4 of this tariff, FCC1 (Section 25.3.4(a)), FCC14 (Section 23.1.4) and FCC16 (Section 22.1.4). (x)  
(x)  
(x)
- (9) Effective Date and the start of the Service Period shall be the first day following the date that the contract tariffs are deemed effective as of such date following a fifteen-day filing period with the FCC. The Telephone Company will inform the customer in writing upon filing of such contract tariffs.
- (10) Groom(s) shall mean a change in the connecting facility assignment ("CFA") or termination point of a DS3 Service, and shall include, without limitation, 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 Telephone Company provided facility or a collocation).
- (11) Initial DS1 Equivalent Circuit Quantity shall mean the number of DS1 Equivalent Circuits that the Customer had in service as of February 28, 2015.
- (12) Plan Year shall mean each of the following periods during the Service Period: (1) Plan Year 1 shall commence on the Effective Date and end on the date that is one day prior to the first anniversary of the Effective Date; (2) Plan Year 2 shall commence on the date that is the first anniversary of the Effective Date and end on the date that is one day prior to the second anniversary of the Effective Date; (3) Plan Year 3 shall commence on the date that is the second anniversary of the Effective Date and end on the date that is one day prior to the third anniversary of the Effective Date.
- (13) Qualifying Monthly Recurring Charges shall have the meaning as described in Section (F) following.
- (14) Qualifying TDM Service shall mean Special Access DS1 Service, Special Access DS3 CLF Service and Special Access DS3 CLS Service.

(N)

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32. Contract Tariffs (Cont'd)32.71 Contract Tariff Option 70 (Cont'd)(B) Specific Terms (Cont'd)

- (15) Qualifying TDM Services Annual Revenue Commitment shall mean the annual minimum required Billed Qualifying TDM Service Revenue for each Plan Year during the Service Period, and shall be equal to the aggregate amount of Qualifying Monthly Recurring Charges the Customer was billed for the Qualifying TDM Services during the twelve (12) month period commencing on January 1, 2014 and ending on December 31, 2014.
- (16) Service Plan Requirements shall mean the three (3) requirements (i.e., the Minimum Annual Revenue Commitment, the Minimum Average DS1 Equivalent Circuit Quantity and Grooms Limitations) set forth in Section (G) following.
- (17) Service Period shall have the meaning set forth in Section (D) following.
- (18) Special Access DS1 Service shall mean DS1 Service of 1.544 Mbps bandwidth, as described in this tariff (Section 7.2.9), FCC1 (Section 7.2.9), FCC14 (Section 5.3.6) and FCC16 (Section 7.11.1). (x)  
(x)  
(x)
- (19) Special Access DS3 CLF Service shall mean DS3 Service of 44.736 Mbps bandwidth, as described in this tariff (Section 7.2.9), FCC1 (Section 7.2.9), FCC14 (Section 5.3.6), and FCC16 (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., 968 T3Z PITBPADTHPE PITBPABTK18). (x)  
(x)  
(x)
- (20) Special Access DS3 CLS Service shall mean DS3 Service of 44.736 Mbps bandwidth, as described in this tariff (Section 7.2.9), FCC1 (Section 7.2.9), FCC14 (Section 5.3.6), and FCC16 (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., 94.HFGS.634783..NE). (x)  
(x)  
(x)
- (21) TDM Shortfall Credit Threshold shall mean seventy-five percent (75%) of Customer's total Initial DS1 Equivalent Circuit Quantity. (N)

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## (C) Eligibility for Benefits

(N)

Customer must meet all of the following criteria in order to be eligible for Option 70. In this Option 70, all references to amounts represented in dollars followed by the letter "M" shall refer to such number in millions (e.g., \$1M shall mean \$1,000,000), 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).

- (1) The customer must subscribe to Option 70 in a manner designated by the Telephone Company no later than fifteen (15) days following the Effective Date. Such subscription must include a list of the customer's access customer name abbreviations (**Customer ACNAs**) that the Telephone Company agrees to, in writing, for inclusion in this Option 70. Subscription to Option 70 shall be an automatic subscription to Option 70 of FCC 1 and Option 38 of FCC 14.

(x)  
(x)

- (2) As of the Effective Date, customer must:

- (a) During the twelve (12) month period commencing on January 1, 2014 and ending on December 31, 2014, Customer must have purchased from the Telephone Company a minimum of \$6M in aggregate Billed Qualifying TDM Service Revenue;
- (b) be subscribed to the National Discount Plan at the Deluxe Commitment Level as defined in this tariff (Section 25.2), FCC1 (Section 25.3), FCC14 (Section 23.1) and FCC16 (Section 22.1) ("Existing Plan"); and
- (c) have been subscribed to the Existing Plan for at least the twelve (12) months immediately prior to the Effective Date.

(x)  
(x)

- (3) Except for the Existing Plan, 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. If customer wishes to subscribe to such an Alternative Tariff Arrangement, then customer shall not be eligible to receive any Billing Credits under this Option 70, and such subscription shall be considered a termination by customer of this Option 70, subject to Section (L) following.

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32. Contract Tariffs (Cont'd)32.71 Contract Tariff Option 70 (Cont'd)

## (D) Service Period

The Service Period of Option 70 shall be the period commencing on the Effective Date and ending on the date that is one day prior to the third anniversary of the Effective Date, unless this Option 70 is earlier terminated.

(N)

## (E) Serving Area

The Billing Credits (if applicable) will be provided only in the Metropolitan Statistical Areas (**MSAs**) that have achieved Phase I or Phase II pricing flexibility under the Telephone Company's tariffs in accordance with applicable law. Wire centers for the Phase II MSAs are listed in Section 15.3 of this tariff, Section 14.7 of FCC 1, and Section 19.1 of FCC 14. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in the Tariffs) that occur during the Service Period of this Option 70 will apply. For the avoidance of doubt, no Billing Credits will be provided in the operating territories of FCC 16.

(x)

(x)

## (F) Qualifying Monthly Recurring Charges

Subject to the exclusions set forth following, as well as other terms of this Option 70 (including, by way of example, Section (L), Disputes, following), **Qualifying Monthly Recurring Charges** include total monthly recurring charges (**MRCs**) billed to Customer with respect to a particular Qualifying TDM Service for a particular Plan Year. Qualifying Monthly Recurring Charges do not include any of the following (among other items that are not MRCs, the following list being illustrative only):

- (1) Charges for special construction;
- (2) Nonrecurring charges, surcharges, interest, late payment charges, credits (including any credits provided under this Option 70), fractional debit/credit amounts, adjustments 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);

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32. Contract Tariffs (Cont'd)32.71 Contract Tariff Option 70 (Cont'd)

## (I) TDM Shortfall Credit

Provided that customer has satisfied all applicable eligibility requirements and subject to all other applicable terms set forth in this Option 70, at the end of each Plan Year of the Service Period, customer shall qualify to receive a TDM Shortfall Credit as described in this Section (I).

- (1) After the end of each Plan Year, the Telephone Company will determine whether, for each month during the subject Plan Year, customer achieved the TDM Shortfall Credit Threshold.
- (2) If, for a given Plan Year, customer has met the TDM Shortfall Credit Threshold with respect to each month of that Plan Year, then the Telephone Company will determine the total amount that customer, during that just-completed Plan Year, paid to the Telephone Company in the form of shortfall payments for Special Access DS1 and DS3 Services under customer's Existing Plan pursuant to this tariff (Section 25.2), FCC1 (Section 25.3), FCC14 (Section 23.1, and FCC16 (Section 22.1) (the "Total Annual Shortfall Payment"), and the Telephone Company will issue a credit ("TDM Shortfall Credit") in an amount equal to the Total Annual Shortfall Payment that customer paid to the Telephone Company during that just-completed Plan Year. For example, if the customer met the TDM Shortfall Credit Threshold with respect to each month of Plan Year 2, and the customer incurred and paid to the Telephone Company a shortfall payment for Special Access DS1 and DS3 Services with respect to the "Plan Year" under customer's Existing Plan that ended on January 31 of Plan Year 2, then the Telephone Company will issue a TDM Shortfall Credit in an amount equal to the Total Annual Shortfall Payment that customer paid to the Telephone Company with respect to the "Plan Year" under customer's Existing Plan that ended on January 31 of Plan Year 2.
- (3) If customer did not meet the TDM Shortfall Credit Threshold with respect to each month of a given Plan Year, or did not pay any NDP shortfall payments to the Telephone Company during that Plan Year as described in Section (I)(2) preceding, then customer will not receive a TDM Shortfall Credit for that Plan Year.
- (4) If customer receives a TDM Shortfall Credit for a given Plan Year, customer may not thereafter dispute or receive a refund of any shortfall payments that were paid during the Plan Year for which customer received a TDM Shortfall Credit. Once the Telephone Company issues a TDM Shortfall Credit, customer may not later dispute the amount of such credit.

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32. Contract Tariffs (Cont'd)32.71 Contract Tariff Option 70 (Cont'd)

## (K) Sale of Verizon Operating Telephone Company (Cont'd)

(N)

Based on the above assumptions:

- (1) The average monthly Billed Qualifying TDM Service Revenue for Verizon New York is \$300K (\$900K / 3)
- (2) There are four (4) months remaining in Plan Year 2 (12 months - 8 months)
- (3) The Plan Year 2 Qualifying TDM Services Annual Revenue Commitment would be reduced by \$1.2M (\$300K \* 4)
- (4) The adjusted Qualifying TDM Services Annual Revenue Commitment for Plan Year 2 is \$4.7M (\$5.9.0M - \$1.2M)
- (5) The Qualifying TDM Services Annual Revenue Commitment for the Plan Year 3 will be reduced by the \$3.6M (\$300K x 12) resulting in a revised Qualifying TDM Services Annual Revenue Commitment of \$2.3M (\$5.9M - \$3.6M)

## (L) Termination of Option 70

If Customer fails to satisfy any of the Service Plan Requirements set forth in this Option 70 as determined by the Telephone Company in its sole discretion at the conclusion of an Annual Review conducted in accordance with Section (H) preceding, then the Telephone Company may immediately terminate this Option 70. The Telephone Company shall provide notice of its termination intent to terminate Option 70 within one hundred twenty (120) calendar days after the end of the applicable Plan Year. In the event of termination of Option 70 under this Section (L)(1), customer shall not be eligible to receive the TDM Shortfall Credit for the Plan Year in which Option 70 is terminated (e.g., if in Plan Year 2 customer fails to satisfy any of the Service Plan Requirements and the Telephone Company accordingly provides notice of termination under (L), then customer shall not receive any TDM Shortfall Credit for Plan Year 2 nor for Plan Year 3).

- (1) Termination of Option 70 shall be deemed to be an automatic termination of Option 70 of FCC1 and Option 38 of FCC14.
- (2) The benefits of Option 70 shall cease to apply upon its termination.

(x)

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