

Issued: Illustrative

Effective:

FACILITIES FOR INTERSTATE ACCESS

21. Contract Tariffs (Cont'd)

21.39 Contract Tariff Option 38

(A) Scope

Contract Tariff Option 38 (**Option 38**) provides Billing Credits on certain services.

(B) Specific Terms

Unless otherwise defined in this Section 21.39, the following terms are used in this Option 38:

- (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. 11 (FCC11) with respect to any of the Services covered by this Option 38.
- (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.

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21. Contract Tariffs (Cont'd)

21.39 Contract Tariff Option 38 (Cont'd)

(B) Specific Terms (Cont'd)

- (8) DS1 Equivalent Circuit shall mean Equivalent DS1 Channel Termination as defined in Section 23.1.4 of this tariff, FCC1 (Section 25.3.4(a)), FCC11 (Section 25.2.4), and FCC16 (Section 22.1.4).
- (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. 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.

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(C) Eligibility for Benefits

Customer must meet all of the following criteria in order to be eligible for Option 38. In this Option 38, 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 38 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 38. Subscription to Option 38 shall be an automatic subscription to Option 70 of FCC 1 and Option 70 of FCC 11. (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 23.1), FCC1(Section 25.3), FCC11 (Section 25.2), and FCC16 (Section 22.1) ("Existing Plan"); and (x)
 - (c) have been subscribed to the Existing Plan for at least the twelve (12) months immediately prior to the Effective Date.
- (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 38, and such subscription shall be considered a termination by customer of this Option 38, subject to Section (L) following. (N)

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(J) Mergers and Acquisitions of Customer

If, after the Effective Date, customer merges with another company, acquires a company or a portion of the business of another company (including, by way of example, acquisition of any ACNAs other than those submitted with customer's subscription to Option 38), the company with which customer merges and the company or portion of the business thereof that customer acquires (including, by way of example, acquisition of any ACNAs other than those submitted with customer's subscription to Option 38) 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 TDM Services in connection with such Customer Acquired Properties, then such Customer Acquired Properties shall not be included in calculations associated with the Service Plan Requirements or the TDM Shortfall Credit Threshold in this Option 38.

(L) Termination of Option 38

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 38 shall be deemed to be an automatic termination of Option 70 of FCC1 and Option 70 of FCC11.

(2) The benefits of Option 38 shall cease to apply upon its termination.

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