ACCESS SERVICE

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 The Verizon Telephone Companies are set forth in this Tariff F.C.C. No. 1, Section 14.7; Tariff F.C.C. No. 11, Section 15.3; and Tariff F.C.C. No. 14, Section 19.1.

Each contract tariff includes a serving area that is comprised of one or more MSAs within the operating territories of one or more Verizon Operating Telephone Companies. This tariff provides for service within the operating companies of Verizon Pennsylvania LLC, Verizon Delaware LLC, Verizon Maryland LLC, Verizon Virginia LLC, Verizon Washington, D.C. Inc., and Verizon New Jersey Inc. whose operating territories are specified in Sections 14.1 - 14.3 preceding. The remaining Verizon Operating Telephone Companies participate in either Tariff F.C.C. No. 11, No. 14, and/or No. 20 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 Verizon Operating Telephone Company, that contract aggregates services, rates and charges, incentives and other contract-specific terms and conditions for MSAs within all of the Verizon Operating Telephone Companies participating in that contract. The Verizon Operating Telephone Companies and tariffs which contain MSAs are:

Tariff F.C.C. No. 1	Tariff F.C.C. No. 14	
Verizon Delaware LLC		(D)
Verizon Maryland LLC		(D)
Verizon New Jersey Inc.	Verizon North LLC	
Verizon Pennsylvania LLC	Verizon South Inc.	
Verizon Virginia LLC		(D)
Verizon Washington, DC Inc.		

Tariff F.C.C. No. 11
Verizon New England Inc.
Verizon New York Inc.

21. Contract Tariffs (Cont'd)

21.1 General (Cont'd)

Tariff F.C.C. No. 20

(D)

Verizon Delaware LLC	Verizon Pennsylvania LLC
	Verizon South Inc. (D)
Verizon Maryland LLC	(D)
Verizon New England Inc.	Verizon Virginia LLC
Verizon New York Inc.	Verizon Washington, DC Inc.
Verizon North LLC	

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) (N)

21.2 Contract Tariff Option 1

(A) Scope

(1) Contract Tariff Option 1 is offered for a period of 36 months. The contract effective date will be the first day of the month following subscription to Contract Tariff Option 1.

(2) The regulations, terms, conditions and incentives provided in this Section 21.2 apply to customers who subscribe to Contract Tariff Option 1 in the Metropolitan Statistical Areas (MSAs) specified in (C) following.

(3) A customer may subscribe to Contract Tariff Option 1 within thirty (30) days following the effective date of this option.

(B) Contract Term and Renewal Options

(1) The contract term under Option 1 is 36 months. At the end of the contract term, the incentives provided in (G) following shall be discontinued.

(2) To subscribe to Contract Tariff Option 1, the customer must provide the Telephone Company with a written order, signed by an authorized representative of the customer, that specifies the date for this Contract Tariff Option to commence, and the Access Customer Name Abbreviations (ACNAs) within the serving area of the contract. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

(N)

21.2 Contract Tariff Option 1 (Cont'd)

(C) Serving Area for Contract Tariff Option 1

The serving area of Contract Tariff Option 1 is comprised of the following Telephone Company MSAs.

(X)

Metropolitan statistical Area	Pricing Status
Albany-Schenectady-Troy NY	Level 1
Allentown-Bethlehem-Eastern NY	Level 1
Altoona PA	Level 1
Baltimore MD	Level 1
Binghamton NY	Level 1
Buffalo-Niagara Falls NY	Level 1
Burlington VT	Level 1
Charlestown WV	Level 2
Elmira NY	Level 1
Hagerstown MD	Level 2
Harrisburg-Lebanon-Carlisle PA	Level 1
Huntington-Ashland WV-KY-OH	Level 1
Lancaster PA	Level 1
Lynchburg VA	Level 1
Manchester NH	Level 1
New York NY	Level 1
Newport News-Hampton VA	Level 1
No MSA Delaware	Level 2
No MSA Vermont	Level 1
Norfolk-Virginia Beach-Portsmouth	Level 2
Parkersburg-Marietta WV-OH	Level 2
Philadelphia PA-NJ	Level 1
Pittsburgh PA	Level 1

(N) (X)

(X) Filed under authority of Special Permission 02-31 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd) (N)

21.2 Contract Tariff Option 1 (Cont'd)

(C) Serving Area for Contract Tariff Option 1 (Cont'd) (X)

Metropolitan statistical Area	Pricing Status
Portland ME	Level 1
Portsmouth-Rochester NH-ME	Level 1
Providence-Warwick RI-MA	Level 1
Reading PA	Level 2
Richmond VA	Level 1
Roanoke VA	Level 2
Scranton-Wilkes-Barre-Hazelton PA	Level 1
Springfield MA	Level 1
State College PA	Level 1
Syracuse NY	Level 1
Vineland-Millvile-Bridgeton NJ	Level 2
Washington DC-MD-VA-WV	Level 1
Williamsport PA	Level 2
Wilmington-Newark DE-MD	Level 1
Dallas-Fort Worth TX	Level 1
Sarasota FL	Level 1
Tampa-St.Petersburg FL	Level 1

The above Telephone Company MSAs are in effect as of the effective date of this Contract Tariff. Any additions of, or changes to, Telephone Company MSAs (including changes to Level 1/Level 2 pricing status as described in Section 14.7 preceding of this tariff, Section 15.3 of Tariff F.C.C. No. 11 and Section 19.1 of Tariff F.C.C. No. 14) that occur after the effective date of this Contract Tariff do not apply.

(N)(X)

(X) Filed under authority of Special Permission 02-31 of the Federal Communications Commission.

21. Contract Tariffs (Cont'd)

21.2 Contract Tariff Option 1 (Cont'd)

(D) Description of Services

This Contract Tariff shall include revenues for any of the following services which are subject to Level 1 and Level 2 pricing flexibility (as described in Section 14.7 preceding of this tariff, Section 15.3 of Tariff F.C.C. No. 11 and Section 19.1 of Tariff F.C.C. No. 14) as of the date of subscription to this Contract Tariff Option 1. These revenues will be used to calculate the customer's annual minimum billed revenue as specified in (E) following. Rates and charges for these services are set forth in the applicable tariff for the MSA in which these services are provided.

Services Provided in Tariff F.C.C. No. 1

Channel Extension Service
Digital Data Service (DDS)
Facilities Management Service (FMS)
High Capacity DS1 and DS3
IntelliLight Broadband Transport (IBT)
Verizon Dedicated SONET Ring (DSR)
IntelliLight Entrance Facility (IEF)
IntelliLight Shared Assurance Network (ISAN)
IntelliLight Shared Dual Path (ISDP)
IntelliLight Shared Single Path (ISSP)
IntelliMux
LAN Extension Service (LES)
Metallic
Program Audio
Telegraph
Video
Voice Grade
WATS Access Line

(D)
(D)

21. Contract Tariffs (Cont'd)

21.2 Contract Tariff Option 1 (Cont'd)

(D) Description of Services (Cont'd)

Services Provided in Tariff F.C.C. No. 11

Metallic Service
Telegraph Service
Voice Grade Service
WATS Access Line
Program Audio Service
Video and Advanced Video Services
Digital Data Service
High Capacity DS1 and DS3
DIGIPATH digital service II

(D)

NYNEX Enterprise Service
NYNEX Enterprise Network Reconfiguration Service
Verizon Dedicated SONET Ring (Special Access Services only)
IntelliLight Entrance Facility (Special Access Services only)
IntelliLight Shared Assurance Network
IntelliLight Shared Single Path (Special Access Services only)
IntelliLight Broadband Transport
Enterprise SONET Services
Facility Management Service (Special Access Services only)
Channel Extension Service

Services Provided in Tariff F.C.C. No. 14

Voice Grade
Program Audio
Digital Data
High Capacity DS1
High Capacity DS3
High Voltage Protection
Clear Channel Capability

(D)

Optical Networking

21. Contract Tariffs (Cont'd) (N)

21.2 Contract Tariff Option 1 (Cont'd)

(E) Minimum Revenues for Combined MSAs

(1) Minimum Billed Revenue

This Contract Tariff includes a minimum billed revenue which is the combined revenue associated with all services specified in (D) preceding for the combined MSAs set forth in (C) preceding. Minimum billed revenues under this Contract Tariff include only monthly recurring revenues for the services specified in (D) preceding, adjusted to reflect any credits or discounts given under existing pricing plans (i.e., Service Discount Plan or Commitment Discount Plan), if applicable, for the services provided during the contract term. Minimum billed revenues do not include revenue from nonrecurring charges, taxes (e.g., State, Local or Federal), service fees (e.g., interest penalty), any other charges which are not applied on a recurring monthly basis, or any other billed amount for which payment is being withheld by the customer.

The customer must achieve the annual minimum billed revenue specified in (J) following as determined on the anniversary date of the customer’s subscription to the service under this Contract Tariff in order to be eligible for the Annual Incentive.

If the customer does not achieve the annual minimum billed revenue for a year of the contract term, the customer will not receive for such year the Annual Incentive as described in (G)(1) following.

(2) Product Suite Minimum Revenues

This Contract Tariff includes a product suite and product suite total annual minimum revenue as specified in (J) following.

The customer must achieve the product suite total annual revenue as determined on the anniversary date of the customer’s subscription to the service under this Contract Tariff to be eligible for a Product Suite Annual Incentive. If the customer does not achieve the product suite total annual revenue for a year of the contract term, the customer will not receive for (N)
such year the Product Suite Annual Incentive as described in (G)(2) following.

21. Contract Tariffs (Cont'd) (N)

21.2 Contract Tariff Option 1 (Cont'd)

(F) Rates and Charges

The rates and charges for services subject to this Contract Tariff are set forth in The Verizon Telephone Companies Tariff F.C.C. No. 1, Section 7; Tariff F.C.C. No. 11, Section 30; and Tariff F.C.C. No. 14, Sections 5 and 20. The Telephone Company reserves the right to change the rates and charges for services included in the aforementioned tariffs of the Verizon Telephone Companies. Such changes shall not result in modification of Annual Minimum Billed Revenue targets specified in section (J) following. (X)

(G) Contract Tariff Option 1 Incentives

The incentives offered under this Contract Tariff are provided annually and are based on the customer achieving the annual minimum billed revenue and the product suite total annual minimum revenues as specified in (J) following. Minimum revenues for combined MSAs are subject to the regulations set forth in (E) preceding.

There are two levels of incentives: 1) Annual Incentive and 2) Product Suite Annual Incentive. These incentives are described as follows.

(1) Annual Incentive

An Annual Incentive will be applied when customer revenues for eligible services and markets in each contract year exceed the annual minimum-billed revenue. The annual incentive is comprised of two components, fixed and variable. The variable component will be applied to the incremental revenue that exceeds the annual minimum billed revenue for each year of the customer's contract term. The fixed component will be applied in the first plan year when the annual minimum billed revenue is achieved. The Annual Incentive is creditied to the customer's account in quarterly installments payable within forty-five (45) days of the close of each quarter of the contract term, beginning with the close of the first quarter (i.e., first three months) following subscription to this Contract Tariff Option 1. For each contract term year, the first three quarterly installments of the Annual Incentive will be credited on a pro rata basis. The fixed component will be credited to the customer's account in three equal installments within 45 days of the close of the first three quarters of the contract term. (N)

(X) Filed under authority of Special Permission 02-31 of the Federal Communications Commission.

21. Contract Tariffs (Cont'd) (N)

21.2 Contract Tariff Option 1 (Cont'd)

(G) Contract Tariff Option 1 Incentives (Cont'd)

(1) Annual Incentive (Cont'd)

For the last quarter of the contract term year, the Telephone Company will true-up the customer's Annual Incentive using the actual billed revenue for that contract term year, less the pro rata amounts, and fixed component, credited for the previous three calendar quarters. The true-up may result in an additional credit due to the customer or in a charge-up to the customer if the Company credited more Annual Incentive than the customer was entitled to receive. Failure to achieve the minimum billed revenue for the contract term year will result in suspension of future quarterly installments being creditied. However, the customer will still be eligible for the Annual Incentive in the remaining contract term years.

The annual minimum billed revenue and the annual incentive percentages for this Contract Tariff are specified in (J) following.

(2) Product Suite Incentive

The product suite annual incentive applies if the customer first qualifies for the Annual Incentive at the end of the contract term year and also achieves the product suite total annual minimum revenues at the end of the contract term year. The product suite annual incentive is equal to the same incentive dollar amount the customer is credited for the Annual Incentive as described in (1) preceding multiplied by the Product Suite Multiplier as specified in (J) following.

The customer will receive the Product Suite Annual Incentive each contract term year within forty-five days following the anniversary date of the customer's subscription to the service under this Contract Tariff.

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd) (N)

21.2 Contract Tariff Option 1 (Cont'd)

(G) Contract Tariff Option 1 Incentives (Cont'd)

(2) Product Suite Incentive (Cont'd)

Should the customer achieve any Product Suite Annual Incentive level during any of the first three quarters of the contract term year, the Product Suite Multiplier for the level achieved will be applied to all Annual Incentive installments credited for the plan year to date in order to determine the product suite annual incentive. For the last quarter of the contract term year, the Telephone Company will true-up the customer's Product Suite Incentive using the actual billed revenue for that contract term year, less the Product Suite Incentive amounts credited for the previous three calendar quarters. The true-up may result in an additional credit due to the customer or in a charge-up to the customer if the Company credited more Product Suite Incentive than the customer was entitled to receive.

The customer will not receive the product suite annual incentive in any year of the contract term in which the customer fails to achieve the Annual Minimum Billed Revenue and the product suite total annual revenue.

The customer’s product suite for Contract Tariff Option 1 consists of the DS3 level services specified in (D) preceding. The product suite total annual minimum revenues are provided in (J) following. (N)

21. Contract Tariffs (Cont'd) (N)

21.2 Contract Tariff Option 1 (Cont'd)

(H) Restrictions

Unless otherwise permitted under another contract tariff option in this Section 21, a customer may not concurrently subscribe to any other contract tariff option in the MSAs specified in (C) preceding and for the services specified in (D) preceding.

A customer may cancel this contract at any time, however, the customer may not subscribe to any other contract tariff option for the MSAs specified in (C) preceding and for the services specified in (D) preceding for a period of 6 months following the cancellation.

(I) Mergers and Acquisitions

In the event the customer merges with another company, acquires another company or a portion of the business of another company, or is acquired by another company; the following regulations will apply:

- The customer may not combine revenues eligible for incentives provided by this Contract Tariff with revenues from the merged or acquired company or assets for the purpose of obtaining the incentives provided under this Contract Tariff.

- The customer may continue subscribing to this Contract Tariff for the duration of the contract term based on its business with the Verizon Telephone Companies as of the beginning of its subscription to this Contract Tariff, without adding the revenues attributable to expansion of the customer’s purchase of services from the Telephone Company though merger or acquisition action.

- The Telephone Company reserves right to terminate the customer’s subscription to this Contract Tariff if the customer does not adhere to the provisions herein.

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd) (N)

21.2 Contract Tariff Option 1 (Cont'd)

(J) Annual Revenue and Product Suite Annual Incentives

(1) Annual Revenue and Annual Minimum Billed Revenues

The Annual Incentive is comprised of two componeents, fixed and variable. The annual minimum billed revenue and corresponding annual incentive levels for each contract term year are shown below. The customer must achieve the year's minimum billed revenue in order to receive any component of the annual incentive. For example, if the customer achieved revenue of $340,000,000 at the end of the first year's contract term, the annual incentive for the first year would be $9,200,000 {i.e., ($3,800,000 + ($325,000,000 - $301,000,000) x 10% + ($340,000,000 - $325,000,000) x 20%}.

Annual Minimum Billed Revenue

Year 1	Year 2	Year 3
$301,000,000	$346,000,000	$386,000,000

Annual Incentive Component Values

Fixed	$3,800,000	$0	$0
Variable 1	10%	15%	15%
Variable 2	20%	30%	30%

Actual Billed Annual Revenue Incentive

Variable 1	>$301,000,000 up to $325,000,000	>$346,000,000 up to $378,000,000	>$386,000,000 up to $426,000,000
Variable 2	$325,000,000	>$378,000,000	$426,000,000

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd) (N)

21.2 Contract Tariff Option 1 (Cont'd)

(J) Annual Revenue and Product Suite Annual Incentives (Cont'd)

(2) Product Suite and Product Suite Annual Minimum Billed Revenues

The product suite, product suite annual minimum billed revenues, and Product Suite Multiplier for each contract term year are shown below. The customer must achieve the year's Annual Minimum Billed Revenue as well as the product suite annual minimum billed revenue in order to receive the annual product suite incentive which is equivalent to the amount the customer recieved for the annual incentive as specified in (1) preceding multiplied by the Product Suite Multiplier. For example, if the customer achieved revenues of $340,000,000 as used in the example under (1), above, and also achieved product suite annual billed revenues of $135,500,000 at the end of the first year's contract term, the product suite annual incentive for the first year would be $7,360,000 (i.e., $9,200,000 (an amount equal to the annual incentive in (1) preceding) x .80).

Product Suite Annual Minimum Billed Revenue- Year 1

Product Suite DS3 Services	Year 1 ($)	Product Suite Multiplier
Level 6	>137,000,000	1.00
Level 5	136,000,000 - 136,999,999	0.90
Level 4	135,000,000 - 135,999,999	0.80
Level 3	134,000,000 - 134,999,999	0.60
Level 2	133,000,000 - 133,999,999	0.30
Level 1	132,000,000 - 132,999,999	0.10
Level 0	<132,000,000	0

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd) (N)

21.2 Contract Tariff Option 1 (Cont'd)

(J)(2) Cont'd

Product Suite Annual Minimum Billed Revenue - Year 2

Product Suite DS3 Services	Year 2 ($)	Product Suite Multiplier
Level 6	>165,000,000	1.00
Level 5	164,000,000 - 164,999,999	0.90
Level 4	163,000,000 - 163,999,999	0.80
Level 3	162,000,000 - 162,999,999	0.60
Level 2	161,000,000 - 161,999,999	0.30
Level 1	160,000,000 - 160,999,999	0.10
Level 0	<168,000,000	0

Product Suite Annual Minimum Billed Revenue - Year 3

Product Suite DS3 Services	Year 2 ($)	Product Suite Multiplier
Level 6	>191,000,000	1.00
Level 5	190,000,000 - 190,999,999	0.90
Level 4	189,000,000 - 189,999,999	0.80
Level 3	188,000,000 - 188,999,999	0.60
Level 2	187,000,000 - 187,999,999	0.30
Level 1	186,000,000 - 186,999,999	0.10
Level 0	<186,000,000	0

(N)

21. Contract Tariffs (Cont'd) (N)

21.2 Contract Tariff Option 1 (Cont'd)

(K) Customer Desired Due Date (CDDD) Reports

A customer who subscribes to Contract Tariff Option 1 may choose to receive monthly reports that set out the Telephone Company's results in provisioning the services set out in this paragraph, measured on a Customer Desired Due Date (CDDD) basis. The Telephone Company will provide these reports for the first twelve months of customer's subscription to this Contract Tariff. The reports will be available in subsequent years only if the customer has met the annual minimum billed revenue voulme specified in (J) for the previous year. For Telelphone Companies under Tariff FCC No 14, the reports will cover all DS3, DS1, and DS0 special access services. For the remaining Telephone Coompanies, one set of reports will cover DS1 and DS3 special access services, excluding those orders 1.) where an interval less than nine business days is requested, or 2.) where orders have been queried back to the customer and the amended order has not been changed to reflect an interval of nine business days or more. All interval calculations for this first set of reports will be measured from the receipt of a clean ASR. These reports will begin with results for April, 2002. A second set of reports for the same remaining Telephone Companies will be identical except thay will not include the exclusions mentioned above. Separate reports will be provided for the grouping of Telephone Companies under each of the three tariffs noted above, and will cover provisioning for the specified services for the entire area served by those Telephone Companies. In addition, within ten days of customer's request for the reports described in this paragraph, the Telephone Company will provide the customer with monthly projections, and the reports will also measure results against the projections. The reports will be provided to measure the Telephone Company's performance, and there are no liabilities, financial or otherwise, assoiated with the results of these metrics. (X) (X) (X) (X)

(N)

(X) Filed under authority of Special Permission 02-31 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.3 Contract Tariff Option 2 (N)

The IntelliLight East Renewal Plan (East Plan/Option 2) provides for the application of a discount to the qualifying monthly recurring rates on (1) IntelliLight month-to-month billed services that are converted to an East Plan under this Section 21.3 or (2) existing IntelliLight Service term plans that are renewed as East Plans under this Section 21.3.

21.3.1 IntelliLight East Renewal Plan Eligibility

(A) To be eligible for this Plan, the customer must have minimum total billed annual access revenues for calendar year 2001 of $45,000,000.00 or greater for all of its IntelliLight services listed in (C) following within all of the operating territories of this tariff and of The Verizon Telephone Companies Tariff (X) F.C.C. No. 11. The customer must also maintain a minimum total (X) billed annual access revenue for calendar year 2003 and for calendar year 2004 of $40,000,000.00 or greater for all of its IntelliLight services listed in (D) following within all of the operating territories of this tariff and of the Verizon (X) Telephone Companies Tariff F.C.C. No. 11. Total billed annual (X) access revenues are determined using IntelliLight Services billed at price band rates and at all other rates. Failure to maintain the annual minimum revenue volume will result in termination of the customer’s East Plan.

(B) Beginning with the effective date of this tariff and ending December 31, 2003, each month-to-month billed service that is converted to an East Plan and each existing term plan that is renewed as an East Plan will be subject to the terms and conditions set forth in this Section 21.3. For conversion of a month-to-month billed service or renewal of an existing term plan, the service must have been billable as of September 30, 2002. For purposes of this regulation, a billable service is defined as a service that received a monthly bill for all or part of the September 2002 bill period.

To subscribe to Contract Tariff Option 2, the customer must provide the Telephone Company with a written order, signed by an authorized representative of the customer, that specifies the date for this Contract Tariff Option to commence, and the Access Customer Name Abbreviations (ACNAs) within the serving area of the contract.

A customer subscribing to Contract Tariff Option 2 may concurrently subscribe to Contract Tariff Option 1, regardless of any restrictions to the contrary that may appear in Contract Tariff Option 1. (N)

(X) Filed under authority of Special Permission No. 02-142 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

(N)

21.3 Contract Tariff Option 2 (Cont'd)

21.3.1 IntelliLight East Renewal Plan Eligibility (Cont'd)

(C) Serving Area for Contract Tariff Option 2

The serving area of Contract Tariff Option 2 is comprised of the following Telephone Company MSAs.

(X)

Metropolitan statistical Area	Pricing Status
Albany-Schenectady-Troy NY	Level 1
Allentown-Bethlehem-Eastern NY	Level 1
Altoona PA	Level 1
Baltimore MD	Level 1
Binghamton NY	Level 2
Buffalo-Niagara Falls NY	Level 1
Burlington VT	Level 1
Charlestown WV	Level 2
Elmira NY	Level 1
Hagerstown MD	Level 2
Harrisburg-Lebanon-Carlisle PA	Level 2
Huntington-Ashland WV-KY-OH	Level 2
Lancaster PA	Level 2
Lynchburg VA	Level 1
Manchester NH	Level 1
New York NY	Level 1
Newport News-Hampton VA	Level 1
No MSA Delaware	Level 2
No MSA Vermont	Level 1
Norfolk-Virginia Beach-Portsmouth	Level 2
Parkersburg-Marietta WV-OH	Level 2
Philadelphia PA-NJ	Level 1
Pittsburgh PA	Level 2

(N) (X)

(X) Filed under authority of Special Permission 02-142 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd) (N)

21.3 Contract Tariff Option 2 (Cont'd)

21.3.1 IntelliLight East Renewal Plan Eligibility (Cont'd)

(C) Serving Area for Contract Tariff Option 2 (Cont'd)

Metropolitan statistical Area	Pricing Status
Portland ME	Level 1
Portsmouth-Rochester NH-ME	Level 1
Providence-Warwick RI-MA	Level 1
Reading PA	Level 2
Richmond VA	Level 2
Roanoke VA	Level 2
Scranton-Wilkes-Barre-Hazelton PA	Level 2
Springfield MA	Level 1
State College PA	Level 2
Syracuse NY	Level 1
Vineland-Millvile-Bridgeton NJ	Level 2
Washington DC-MD-VA-WV	Level 1
Williamsport PA	Level 2
Wilmington-Newark DE-MD	Level 2

(X)

The above Telephone Company MSAs are in effect as of the effective date of this Contract Tariff. Any additions of or changes to Telephone Company MSAs (including changes to Level 1/Level 2 pricing status as described in Section 14.7 preceding of this tariff and Section 15.3 of Tariff F.C.C. No. 11) that occur after the effective date of this Contract Tariff do not apply. (N) (X)

(X) Filed under authority of Special Permission 02-142 of the Federal Communications Commission.

21. Contract Tariffs (Cont'd)

21.3 Contract Tariff Option 2 (Cont'd)

21.3.1 IntelliLight East Renewal Plan Eligibility (Cont'd)

(D) The following Special Access IntelliLight Services are eligible for conversion or renewal to an East Plan:

Service	Service Reference in F.C.C. No. 1	Service Reference in F.C.C. No. 11	
IntelliLight Broadband Transport	8.2	26.1.5	
Verizon Dedicated SONET Ring	23.1	34.1	(T)
IntelliLight Entrance Facility	7.2.15	26.1.4	
IntelliLight Shared Dual Path	7.2.14(C)(2)	Not Offered	
IntelliLight Shared Single Path	8.3	26.1.6	

(E) When establishing an East Plan, the customer must specify the term commitment period from those offered in 21.3.2(A) following for the specific type of service involved.

Nonrecurring charges and termination liabilities under tariff provisions applicable to customer's current subscription to the services that are converted are not applicable to services converted to an East Plan or to services under a term plan that are renewed as an East Plan. Restrictions in other tariff provisions concerning cancellation and/or eligibility for other discount programs are not applicable to a transfer to the East Renewal Plan.

(F) With the exception of converting a month-to-month billed service to an East Plan or renewal of an existing term plan to an East Plan, no other changes may be made to the physical characteristics of the service (e.g., no change of speed, type or capacity).

21. Contract Tariffs (Cont'd)

21.3 Contract Tariff Option 2 (Cont'd)

21.3.2 IntelliLight East Renewal Plan Terms and Conditions

(A) Term Commitment Periods

The customer must select a term commitment period based on the following options.

	East Plan Term Commitment Periods				
Service	2 Year	3 Year	5 Year	7 Year	
IntelliLight Broadband Transport		X	X		
Verizon Dedicated SONET Ring		X	X	X	(T)
IntelliLight Entrance Facility		X	X		
IntelliLight Shared Dual Path (Available under FCC 1 only)	X	X	X		
IntelliLight Shared Single Path		X	X		

21. Contract Tariffs (Cont'd)

21.3 Contract Tariff Option 2 (Cont'd)

21.3.2 IntelliLight East Renewal Plan Terms and Conditions (Cont'd)

(B) The rate elements that are included in an East Plan are the recurring rate elements specified below for each type of service:

IntelliLight Broadband Transport Rate Elements
- Terminations, Mileage and Ports

Verizon Dedicated SONET Ring Rate Elements (T)
- Nodes, Mileage and Ports

IntelliLight Entrance Facility Rate Elements
- Terminations and Interfaces

IntelliLight Shared Dual Path Rate Elements
- ISDP Terminations and Standby Mileage

IntelliLight Shared Single Path Rate Elements
- Channel Terminations, Channel Mileage and Optional Features and Functions

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.3 Contract Tariff Option 2 (Cont'd)

21.3.2 IntelliLight East Renewal Plan Terms and Conditions (Cont'd)

(C) Except as set forth in this Section 21.3, the terms and conditions for each individual service term plan apply as set forth in the following sections:

Service	Term Plan Reference in F.C.C. No. 1	Term Plan Reference in F.C.C. No. 11	
IntelliLight Broadband Transport	8.2(C)	26.1.5	
Verizon Dedicated SONET Ring	23.1	34.1	(T)
IntelliLight Entrance Facility	7.2.15(D)	26.1.4(D)&(E)	
IntelliLight Shared Dual Path	7.2.14(C)(2)(a)	Not Offered	
IntelliLight Shared Single Path	8.3(C)	26.1.6(C)&(D)	

(D) The following terms and conditions apply in addition to, or in lieu of, the terms and conditions that apply under the term plan for the specific type of service involved.

(1) Under the East Plan, the customer will receive a discount of twenty-one and one half percent (21.5%) applied to the qualifying monthly recurring rates and charges for the type and duration of service involved which is provided within the MSAs set forth in (C) preceding. Service under an East Plan is not eligible for additional discount under any other sections of this tariff. Customers that are in an existing East Plan will not be subject to Telephone Company initiated rate increases or rate decreases. In the event that the Telephone Company initiates a change to the monthly recurring rates and charges for a service under the East Plan, the Telephone Company will file a schedule of vintage rates and charges in 21.3.2(E) for customers in existing East Plans.

For term commitment periods of twenty-four (24) months, the discount will be calculated for the entire term commitment period using the rates in effect on the day that the East Plan was established/renewed and applied to the customer's bill as a lump sum credit no later than the first bill period following the date of conversion or renewal to the East Plan.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.3 Contract Tariff Option 2 (Cont'd) (N)

21.3.2 IntelliLight East Renewal Plan Terms and Conditions (Cont'd)

(D) (Cont'd).

(1) (Cont'd)

For term commitment periods in excess of twenty-four months, the discount for the first twenty-four (24) months of the term commitment period will be calculated using the rates in effect on the day that the term plan is established/renewed and applied to the customer's bill as a lump sum adjustment no later than the first bill period following the date of conversion or renewal to an East Plan. No further discount, other than the discount inherent in the term plan prices, will be applied during the initial 24 months' billing of the term commitment period.

Beginning on month twenty-five (25) and continuing through the end of the term commitment period, the discount will be applied as a monthly adjustment to the customer's bill.

(2) No later than December 31, 2003, the customer may, at its option, renew its initial East Plan to a new East Plan of the same or of a different commitment period. No adjustment will be made to the rates billed for the months prior to the date of renewal or to the lump sum adjustment already applied. The customer will pay the tariff rates in effect commencing with the renewal date. The application of the monthly discount starting on the twenty-fifth month will be based on the start date of the initial East Plan commitment. The discount will be applied to the monthly rates of the plan in effect at the twenty-fifth month.

After December 31, 2003, the customer may, at its option renew the term commitment period of a service under the East Plan to the terms and conditions of the standard term plan (i.e., the non-East Plan) for the service involved. Upon renewal to a non-East Plan, such service will no longer be subject to the terms and conditions or discounts provided under this Section 21.3. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.3 Contract Tariff Option 2 (Cont'd) (N)

21.3.2 IntelliLight East Renewal Plan Terms and Conditions (Cont'd)

(D) (Cont'd).

(3) Additional services or rate elements may be added during the term commitment period subject to the terms and conditions set forth for service additions in the standard term plan for the service and will not be subject to the discount applied under an East Plan.

(4) Upon completion of the East Plan term commitment period, the customer has the following options.

(a) Continue with the service at the non-East Plan rates in effect with the application of the 21.5% discount. The customer must provide the Telephone Company with written notice prior to subsequent disconnection of the service.

(b) Disconnect the service.

In all cases, the 21.5% discount will cease upon disconnection of the service or renewal of the expiring East Plan to the standard term plan for the type of service involved. (N)

21. Contract Tariffs (Cont'd)

21.3 Contract Tariff Option 2 (Cont'd)

21.3.2 IntelliLight East Renewal Plan Terms and Conditions (Cont'd)

(D) (Cont'd)

(5) Except as set forth in (a) and (b) following, termination liability applies in accordance with the terms and conditions set forth in the following sections for the specific type of service involved.

Service	Term Plan Reference in F.C.C. No. 1	Term Plan Reference in F.C.C. No. 11	
IntelliLight Broadband Transport	8.2(C)(1)	26.1.5(C)	
Verizon Dedicated SONET Ring	23.1	34.1	(T)
IntelliLight Entrance Facility	7.2.15(E)	26.1.4(E)	
IntelliLight Shared Dual Path	7.2.14(C)(2)(a)	Not Offered	
IntelliLight Shared Single Path	8.3(D)	26.1.6(D)	

(a) In the event that service under an East Plan is disconnected within the first 24 months of the term commitment period, or the customer cancels its East Plan within the first 24 months of the term commitment period, the customer will be billed the pro-rated portion of the lump sum adjustment from the date of disconnection or cancellation through the balance of the initial 24 months of the term commitment period. The billed pro-rated portion of the lump sum adjustment is in addition to any termination liability that may be applied under the terms and conditions set forth for the specific type of service involved.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.3 Contract Tariff Option 2 (Cont'd)

(N)

21.3.2 IntelliLight East Renewal Plan Terms and Conditions (Cont'd)

(D) (Cont'd)

(5) (Cont'd)

(b) For purposes of assessing termination liability under this East Plan, the Telephone Company will grant time-in-service credit (TISC) on a per rate element basis for all rate elements for which termination liability applies (as set out in this section) for the period of time that the service was in effect prior to the date that its current East Plan was established when the customer's end user disconnects service under the East Plan. The customer will provide to the Telephone Company written documentation once per month, no later than the date of issuance of the Access Order and 30 days prior to the date of disconnection, that certifies that the discontinuance of the service was the result of a disconnection order from the customer's end user. TISC will not be granted when service is disconnected (even if at the request of the customer's end user) in order to rearrange the service on to the customer's own network or on to the network of another service provider. The monthly certification will contain, where necessary, specific exceptions to detail those cases where service is disconnected in order to rearrange service on to the customer's own network or on to the network of another service provider.

When the conditions above are met, TISC will be granted as follows. For month-to-month billed service that was converted to an East Plan, the amount of TISC is equal to the number of months the service was in place and may not exceed a period of twelve months. For renewal of an existing term plan to an East Plan, the amount of TISC is equal to the number of months the original term plan was in effect prior to conversion to the East Plan. If a second renewal occurred under (D)(2) preceding, the amount of TISC is equal to the number of months the original term plan was in effect prior to conversion to the East Plan plus the number of months the first renewal was in effect prior to the second renewal.

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.3 Contract Tariff Option 2 (Cont'd) (N)

21.3.2 IntelliLight East Renewal Plan Terms and Conditions (Cont'd)

(D) (Cont'd)

(5) (Cont'd)

(b) (Cont'd)

When calculating any termination liability charge that may be assessed for early disconnection of service or cancellation of the renewed plan, TISC will be applied to the beginning of the period that termination liability is assessed (i.e., beginning with the date of disconnection or cancellation).

For example: Assume (1) the term commitment for the service is 60 months; (2) the termination liability for the service is 100% of the monthly rate for the first 12 months of service and 25% of the monthly rate for the remaining months in the term commitment; (3) the service was in effect for 9 months before conversion to the East Plan, resulting in 9 months of TISC; and (4) the customer's end user disconnects after 6 months of receiving service under the East Plan.

TISC of 9 months would be added to the 6 months of service under the current East Plan, for a total of 15 months service. Termination liability would then apply to the remaining 45 months, and would be computed at the 25% rate.

(N)

21. Contract Tariffs (Cont'd)

21.4 Contract Tariff Option 3

(A) Scope

Contract Tariff Option 3 is an offering exclusively for new installations of Special Access High Capacity 1.544 Mbps (DS1) and 44.736 Mbps (DS3) Services ordered during a specific period and connecting a premises in New Jersey to a premises in New York or a premises in New Jersey to a wire center hub in New York. Both premises must be located within the New Jersey and New York Corridor (NJ/NY Corridor).

The regulations, terms and conditions provided in this Section 21.4 apply to customers who subscribe to Contract Tariff Option 3 during the subscription period specified in (B)(2) following. The wire centers of the NJ/NY Corridor are within the New York Metropolitan LATA and the North Jersey LATA, collectively within the New York NY Metropolitan Statistical Area (MSA). The specific wire centers of the MSA that are included in Option 3 are specified in (C) following.

(B) General

(1) DS1 and DS3 services may be ordered under Contract Tariff Option 3 on a month-to-month basis or for a term plan of 3 or 5 years. This Contract Tariff is applicable to newly installed DS1 or DS3 services ordered during the subscription period specified in (2) following.

(2) The first subscription period during which the customer may subscribe to Contract Tariff Option 3 begins on April 10, 2003 and ends June 10, 2003. The second subscription period during which the customer may subscribe to Contract Tariff Option 3
begins on June 12, 2003 and ends July 27, 2003. The third (C)
subscription period during which the customer may subscribe to (C)
Contract Tariff Option 3 begins on July 28, 2003 and ends (C)
December 31, 2003. (C)

A confirmed due date for installation of DS1 and DS3 services ordered during the subscription period must be (1) within sixty (60) days of the date of ordering or (2) in accordance with a negotiated schedule of service dates requested by the customer and agreed to by the Telephone Company. Failure to accept service on the confirmed due date will result in cancellation of the order and the application of cancellation charges in accordance with Section 5.2 preceding, except when such failure to accept service is due to the Telephone Company’s failure to provide service on the confirmed due date.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.4 Contract Tariff Option 3 (Cont'd) (N)

(C) Serving Area for Contract Tariff Option 3

The serving area of Contract Tariff Option 3 is comprised of the following Telephone Company wire centers which are within the New York NY Metropolitan Statistical Area.

New York Wire Centers

NYCKNY14	NYCMNY42	NYCQNYFR
NYCKNY71	NYCMNY50	NYCQNYHS
NYCKNY77	NYCMNY56	NYCQNYIA
NYCKNYAI	NYCMNY73	NYCQNYJA
NYCKNYAL	NYCMNY79	NYCQNYLI
NYCKNYAR	NYCMNY97	NYCQNYLN
NYCKNYAU	NYCMNYBS	NYCQNYNJ
NYCKNYAY	NYCMNYBW	NYCQNYNW
NYCKNYBR	NYCMNYCA	NYCQNYOP
NYCKNYBU	NYCMNYMN	NYCQNYRH
NYCKNYCL	NYCMNYPS	NYCRNYND
NYCKNYFA	NYCRNYNS	NYCRNYSS
NYCKNYFT	NYCMNYTH	NYCRNYWS
NYCKNYKP	NYCMNYVS	NYCXNYCI
NYCKNYLA	NYCMNYWA	NYCXNYCR
NYCKNYRA	NYCMNYWS	NYCXNYGC
NYCKNYTY	NYCMNYZO	NYCXNYHO
NYCKNYWM	NYCQNYAS	NYCXNYJE
NYCMNY13	NYCQNYBA	NYCXNYKB
NYCMNY18	NYCQNYBH	NYCXNYMH
NYCMNY30	NYCQNYCO	NYCXNYTB
NYCMNY36	NYCQNYFH	NYCXNYTR
NYCMNY37	NYCQNYFL	

(N

21. Contract Tariffs (Cont'd)

21.4 Contract Tariff Option 3 (Cont'd)

(C) Serving Area for Contract Tariff Option 3 (Cont'd) (N)

New Jersey Wire Centers

BYNNNJ02	JRCYNJBR	PSSCNJPS
BLVLNJBE	JRCYNJJO	PTSNNJAR
BLFDNJBL	KRNYNJKN	PLFDNJPF
CFTNNJCF	LNDNNJ01	RCPKNJ02
CLWLNJCW	LTFLNJLF	RGWDNJRW
CFPKNJCS	LTFYNJLF	RHWYNJRA
CLSTNJCO	LVTNNJLI	RMSYNJRM
CNFRNJCR	MLBNNJMB	RSLLNJRL
DUMTNJDM	MTCLNJMC	RVDLNJPL
ELZBNJEL	MTVWNJMV	RTFRNJRU
ENWDNJEN	NBRGNJNB	SORGNJSO
EORNNJEO	NWPVNJMH	UNCYNJ02
ERLKNJEL	NWRKNJ03	UNINNJUV
FRLNNJFL	NWRKNJIR	WMFRNJ01
FRFDNJFA	NWRKNJ02	WORNNJWO
FTLENJLE	NWRKNJWA	WSFDNJWS
HCKNNJHK	NFLDNJNF	WYCKNJWK
HLDNNJ01	NTLYNJNU	
HLDLNJWE	OKLDNJ01	
IVTNNJES	RVEDNJOR	

The above Telephone Company wire centers in the New York NY MSA are in effect as of the effective date of this Contract Tariff. Any additions of, or changes to, Telephone Company MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 14.7 preceding of this tariff that occur after April 10, 2003 will apply.

(D) Description of Services

Contract Tariff Option 3 is an offering exclusively for new installations of Special Access DS1 and DS3 Services ordered during the subscription period and connecting a premises in New Jersey to a premises in New York or to a wire center hub in New York, with both premises located within the New Jersey and New York Corridor (NJ/NY Corridor).

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.4 Contract Tariff Option 3 (Cont'd) (N)

(E) Application of Rates and Charges

For each DS1 or DS3 Service under this Contract Tariff, a Corridor Channel Termination shall apply for the New Jersey portion of the service and a Corridor Channel Termination shall apply for the New York portion of the service.

The Corridor Channel Termination provides the communications path from the customer’s designated premises to the interconnection point between the facilities of the two Exchange Telephone Companies. Each Exchange Telephone Company shall bill its channel termination in accordance with the regulations set forth in Section 2.4.7 preceding of this tariff.

This Contract Tariff also provides for DS3 to DS1 multiplexing optional features in wire centers designated in (C) preceding within the New Jersey and New York Corridor in accordance with the Facility Hub regulations set forth in Section 7.4.7 preceding. All other optional features and functions or BSE applicable to High Capacity DS1 and DS3 will be provided in accordance with the regulations set forth in Section 7.2.9(D) preceding. These optional features and functions or BSEs are provided under the rates set forth in Section 7.5.9(C) preceding.

The DS1 and DS3 Services provided under this Contract Tariff are not eligible for any other service, term or volume discount offered in other sections of this tariff.

Shared use as set forth in Section 5.2.8 preceding of this tariff is not allowed on services ordered under this Contract Tariff.

Rates and charges for these services are set forth in (G) following of this tariff.

(N)

21. Contract Tariffs (Cont'd)

21.4 Contract Tariff Option 3 (Cont'd)

(F) Terms and Conditions

(1) DS1 and DS3 services may be ordered under this Contract Tariff during the subscription period on a month-to-month basis or as a 3 or 5-year term plan. (T)

All rates and charges for services ordered during the first subscription period under this contract, whether month-to-month or in a term plan, will expire by June 10, 2013. All (S)(x) rates and charges for services ordered during the second subscription period under this contract, whether month-to-month or in a term plan, will expire by July 27, 2013. (S)(x) All rates and charges for services ordered during the third (C) subscription period under this contract, whether month-to- (C) month or in a term plan, will expire by December 31, 2013. (C)

(2) The minimum periods for DS1 and DS3 services ordered under this Contract Tariff Option 3 are the same minimum periods that apply for DS1 and DS3 services specified in other sections of this tariff.

(3) Except as specified in (4) following, termination liability charges apply if service under this Contract Option is disconnected in full or in part prior to the end of one year on a 3-year term plan or three years on a 5-year term plan. The termination liability charge applies as follows:

- For disconnects on or prior to the end of the minimum period and prior to the end of the first year on a 3-year plan or prior to the end of the third year on a 5-year plan, the termination liability charge is 50% of the applicable monthly rates for each month and fraction thereof remaining between the end of the minimum period and the end of the first or third year, respectively.

- For disconnects after the end of the minimum period but prior to the end of the first year on a 3-year plan or prior to the end of the third year on a 5-year plan, the termination liability charge is 50% of the applicable monthly rates for each month and fraction thereof remaining between the date of termination and the end of the first or third year, respectively.

The termination liability charge applies in addition to applicable minimum period charges.

(x) Reissued material originally filed under Transmittal No. 334 and scheduled to become effective July 18, 2003.

Certain material formerly appearing on this page currently appears on Original Page 21-32.1.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.4 Contract Tariff Option 3 (Cont'd)

(F) Terms and Conditions (Cont'd)

(4) Termination liability will not apply if a customer changes from a 3-year term plan to a 5-year term plan. Time-in-service credit on the lesser plan will be granted on a month-for-month basis towards the term of the longer plan. The term plan rate for the longer plan shall commence effective with the first bill date following the order to change to a longer plan. No credit will be applied to the monthly rates previously billed for the lesser plan. (M)

(M) Certain material currently appearing on this page formerly appeared on 2nd Revised Page 21-32.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.4 Contract Tariff Option 3 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(4) Replacements, rearrangements, upgrades or any other physical change to service provided under this Contract Tariff will constitute termination of the existing service from this Contract Tariff and installation of service as offered under other sections of this tariff. Termination liability charges apply if service under this Contract Option is disconnected in full or in part prior to the end of one year on a 3-year term plan or three years on a 5-year term plan, unless all of the following conditions are met.

- The customer orders new service to replace the terminated service.
- The commitment period of the new service commences with the installation of the new service.
- The replacing service is provided under an equal or longer term (as offered under other sections of this tariff) than the terminated service.
- The new service is provided between the same customer and/or Company locations as the service being replaced.

The customer remains responsible for satisfying any outstanding minimum period obligations on the terminated service.

(5) Upon expiration of the initial term, customers subscribing to Contract Tariff Option 3 may subscribe to this contract for an additional term of 3 or 5 years. Only one additional subscription is allowed. Upon expiration of the initial term, the customer may also convert service under this contract tariff to any other payment option offered for the applicable service under other sections of this tariff or may discontinue the service. If the customer does not notify the Telephone Company of its election prior to expiration of the term plan, the customer's current plan will be automatically renewed upon expiration. The renewed plan will have a term equal to that originally selected by the customer and the plan will be considered new. Only one renewal will occur. The customer may cancel the renewed plan within the first sixty (60) days of the date of automatic renewal without termination liability. Such cancellation will not incur termination liability. Except as set forth in (F)(4) preceding, cancellation after that date will incur termination liability. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.4 Contract Tariff Option 3 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(6) (Cont'd)

Upon final expiration of the term of service under this Contract Tariff, the customer may continue with service under any other payment plan offered in other sections of this tariff or may discontinue service without termination liability.

(7) To subscribe to Contract Tariff Option 3, the customer must provide the Telephone Company with a written request for service that must be received during the period of subscription as specified in (B)(2) preceding and must be signed by an authorized representative of the customer. The written request must also include the term option that the customer must specify as either month-to-month, 3 years or 5 years.

(8) Billing of rates and charges for DS1 or DS3 service ordered under this Contract Tariff Option 3 will consist of rates and charges for service within the North Jersey LATA under this tariff. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.4 Contract Tariff Option 3 (Cont'd) (N)

(G) Rates and Charges

Rates apply per Corridor Channel Termination or per DS3/DS1 Multiplexing arrangement, as applicable. The following rates apply in all price bands as determined in Section 14.7 preceding.

Service	USOC	Monthly Rate	Nonrecurring Charge
DS1 Corridor CT			
- Month-to-month	-----	$250.00	None
- 3 Year	-----	180.00	None
- 5 Year	-----	170.00	None
DS3 Corridor CT			
- Month-to-month	-----	$2,750.00	None
- 3 Year	-----	2,000.00	None
- 5 Year	-----	1,650.00	None
DS3/DS1 Multiplexer			
- Month-to-month	-----	$675.00	None
- 3 Year	-----	600.00	None
- 5 Year	-----	435.00	None

(N)

21. Contract Tariffs (Cont'd)

21.5 Contract Tariff Option 4

(A) Scope

Contract Tariff Option 4, the New Connect Discount Plan, is an offering exclusively for new installations of certain Special Access services ordered during a specific period of time.

The regulations, terms and conditions provided in this Section 21.5 automatically apply to all customers who install new services offered under the New Connect Discount Plan in the applicable MSAs during the specified subscription period. The qualifying services are listed in (B) following and the applicable Metropolitan Statistical Areas (MSAs) are specified in (C) following.

A Customer qualifies for Contract Tariff Option 4, the New Connect Discount Plan (the Plan), only during the following subscription periods. An initial subscription period begins on April 16, 2003 and ends July 11, 2003. A second subscription period begins on July 12, 2003 and ends December 31, 2003. In order for a service to be included in the Plan:

1) An order for the new service must be placed during the subscription period and the service must be one of the services specified in (B) following.

2) The customer must accept the service on the original service date.

3) If the customer does not accept service on the original service date, any change to a later date will make the service ineligible for the discount, unless the change is initiated by the Telephone Company

(B) Eligible Services

The New Connect Discount Plan is an offering exclusively for new installations of Special Access services listed below:

- Facilities Management Service (FMS)
- High Capacity Services (DS1 and DS3)
- IntelliLight Broadband Service (IBT)
- Verizon Dedicated SONET Ring (DSR) (T)
- IntelliLight Entrance Facility (IEF)
- IntelliLight Shared Dual Path (ISDP)
- IntelliLight Shared Single Path (ISSP)

21. Contract Tariffs (Cont'd)

21.5 Contract Tariff Option 4 (Cont'd)

(C) Serving Area

The serving area of the New Connect Discount Plan is comprised of the following Metropolitan Statistical Areas. Wire centers for each MSA are listed in Section 14.7.

Washington, DC-MD-VA	MSA #8
Baltimore, MD	MSA #14
Norfolk, VA Beach-Portsmouth VA/NC	MSA #43
Newport News-Hampton VA	MSA #104

Any additions or changes to the wire centers included in the MSAs listed above that occur after April 16, 2003 will apply and be included in the Plan.

(D) Description of the New Connect Discount Plan

The New Connect Discount Plan offers an automatic additional discount on all eligible services ordered from Sections 7 and 8 of this tariff that meet the conditions outlined in (A), (B) and (C) preceding. The additional discount will be applied to the monthly recurring rate elements associated with transport of the service (e.g., Channel Terminations, Ports, Terminations, Mileage, Channel Mileage), and to the DS3 to DS1, DS1 to Digital, DS1 to DS0, and DS1 to Voice Central Office Multiplexing optional features. Application of the additional discount on mileage is limited to those instances where the serving wire center of one end is within an MSA identified in (C) above, and the serving wire center of the other end is a Level 1 or Level 2 wire center of the same MSA or of a different MSA specified in Section 14.7 preceding.

The services and the associated rate elements may be ordered on a month-to-month (MTM) basis or as a term plan as allowed for that particular service as described in Section 7 or 8.

Under the Plan, the customer will receive a discount applied to the MTM rates or to the monthly rates of the term plan as described in Section 7 or 8. Except for service provided under another contract tariff in this Section 21 for which minimum billed revenue is measured on a contract level basis, service provided under the Plan is not eligible for any other circuit specific service, term or volume discount offered under other sections of this tariff. (N)

- For Facilities Management Service (FMS) and any 7-year term plan, the Plan discount is 10%.
- The Plan discount for all other eligible services and all other term plans is 20%.

Shared use as set forth in Section 5.2.8 preceding is allowed under the Plan; however, only the special access portion of a service is eligible to receive the Plan discount.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.5 Contract Tariff Option 4 (Cont'd)

(E) Terms and Conditions (Cont'd)

All terms and conditions, including termination liability and minimum periods, as stated in Sections 7 & 8 preceding, apply for the respective services, except for those terms and conditions which involve the additional discount provided under the New Connect Discount Plan as stated following:

(1) For service ordered during the initial or second subscription period on a Month-to-Month basis under the New Connect Discount Plan, the Plan’s additional discount will expire effective with the first bill period date after December 31, 2017.

(2) For service ordered during the initial or second subscription period in a term plan under the New Connect Discount Plan, the Plan’s discount expires at the end of the initial term. The customer may extend the Plan for an additional term(s) of less, equal, or greater length than the expiring term plan. In all cases, the additional discount provided under the Plan will expire effective with the first bill period date following December 31, 2017.

(D)
|
|
(D)

(3) When service is disconnected prior to completing the minimum period, the Plan’s discount is not used in calculating the minimum period charges for the remainder of the minimum period. (T)

(4) With the exception of adding or removing a node to a DSR or IOTS dedicated ring, replacements, rearrangements, upgrades or any other physical change to service under the New Connect Discount Plan will result in termination of the Plan’s additional discount. The Plan’s discount will not apply to any obligations of termination liability or to charges applicable to the remaining minimum period obligation. (T)

(5) When termination liability applies to a service in accordance with the terms and conditions as stated in either Section 7 or 8, the additional discount provided under the Plan will not apply and will thus be excluded from any calculation of the termination liability for the remainder of the term plan. (T)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 5

(A) Scope

Contract Tariff Option 5, the New Connect Discount Plan B, is an offering exclusively for new installations of certain Special Access SONET and optical services ordered during a specific period of time.

The regulations, terms and conditions provided in this Section 21.6 automatically apply to all customers who install new services offered under the New Connect Discount Plan B in the applicable MSAs during the specified subscription period. The qualifying services are listed in (B) following and the applicable Metropolitan Statistical Areas (MSAs) are specified in (C) following.

The initial subscription period during which the customer qualifies for Contract Tariff Option 5, the New Connect Discount Plan B (Plan B), begins on May 6, 2003 and ends August 3, 2003. A second subscription period during which the customer qualifies for Contract Tariff Option 5 begins August 4, 2003 and ends December 31, 2003. In order for a service to be included in Plan B:

1) An order for the new service must be placed during the subscription period and the service must be one of the services specified in (B) following.

2) The customer must accept the service on the original service date.

3) If the customer does not accept service on the original service date, any change to a later date will make the service ineligible for the discount, unless the change is initiated by the Telephone Company

(B) Eligible Services

The New Connect Discount Plan B is an offering exclusively for new installations of Special Access and SONET services listed below:

- IntelliLight Broadband Service (IBT)
  - Point-to-point/non-multiplexed only
- Verizon Dedicated SONET Ring (DSR) (T)
- IntelliLight Entrance Facility (IEF)
- IntelliLight Optical Transport Service (IOTS)

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 5 (Cont'd)

(C) Serving Area

The serving area of the New Connect Discount Plan B is comprised of the following Metropolitan Statistical Areas. Wire centers for the MSAs are listed in Section 14.7.

Philadelphia PA_NJ	MSA #4
Pittsburgh PA	MSA #13
New York NY	MSA #1
Vineland-Millville-Bridgeton NJ	MSA #228
Wilmington-Newark DE-MD	MSA #69

Any additions or changes to the wire centers included in the MSAs listed above that occur after May 6, 2003 will apply and be included in Plan B.

(D) Description of New Connect Discount Plan B

The New Connect Discount Plan B offers an automatic additional discount on all eligible services ordered from Sections 7 and 8 of this tariff that meet the conditions outlined in (A), (B) and (C) preceding. The additional discount will be applied to the monthly recurring rate elements associated with transport of the service (e.g., Nodes, OCn Ports, Optical Transport Channels, Ring Mileage). Application of the additional discount on mileage is limited to those instances where the serving wire center of one end is within an MSA identified in (C) above, and the serving wire center of the other end is a Level 1 or Level 2 wire center of the same MSA or of a different MSA specified in Section 14.7 preceding.

The services and the associated rate elements may be ordered on a month-to-month (MTM) basis or as a term plan as allowed for that particular service as described in Section 7 or 8.

Under Plan B, the customer will receive a discount applied to the MTM rates or to the monthly rates of the term plan as described in Section 7 or 8. Except for service provided under another contract tariff in this Section 21 for which minimum billed
revenue is measured on a contract level basis or under Contract (C)
Tariff Option 6 following,, service provided under Plan B is not (C)
eligible for any other circuit-specific service, term, or volume discount offered under other sections of this tariff.

- For any 7-year term plan, the Plan B discount is 10%
- The Plan B discount for all other eligible services and all other term plans is 20%.

Shared use as set forth in Section 5.2.8 preceding is allowed under Plan B; however, only the special access portion of a service is eligible to receive the Plan B discount.

21. Contract Tariffs (Cont'd)

21.6 Contract Tariff Option 5 (Cont'd)

(E) Terms and Conditions

All terms and conditions, including termination liability and minimum periods, as stated in Sections 7 & 8 preceding, apply for the respective services, except for those terms and conditions which involve the additional discount provided under New Connect Discount Plan B as stated following:

(1) For service ordered during the initial or second subscription period on a Month-to-Month basis under the New Connect Discount Plan B, the additional discount provided under Plan B will expire effective with the first bill period date after December 31, 2017.

(2) For service ordered during the initial or second subscription period in a term plan under the New Connect Discount Plan B, the discount of Plan B expires at the end of the initial term. The customer may extend Plan B for an additional term(s) of less, equal, or greater length than the expiring term plan. In all cases, the additional discount provided under Plan B will expire effective with the first bill period date following December 31, 2017.

(3) When service is disconnected prior to completing the minimum period, the Plan B discount is not used in calculating the minimum period charges for the remainder of the minimum period.

(4) With the exception of adding or removing a node to a DSR or IOTS dedicated ring, replacements, rearrangements, upgrades or any other physical change to service under the New Connect Discount Plan B will result in termination of the Plan B's additional discount. The Plan B's discount will not apply to any obligations of termination liability or to charges applicable to the remaining minimum period obligation. (T)

(5) When termination liability applies to a service in accordance with the terms and conditions as stated in either Section 7 or 8, the additional discount provided under the Plan B will not apply and will thus be excluded from any calculation of the termination liability for the remainder of the term plan.

21. Contract Tariffs (Cont'd)

21.7 Contract Tariff Option 6 (N)

(A) Scope

Contract Tariff Option 6, the New Connect Discount Plan C, is an offering exclusively for new installations of certain Special Access SONET and optical services ordered during a specific period of time.

The regulations, terms and conditions provided in this Section 21.7 automatically apply to all customers who install new services offered under the New Connect Discount Plan C in the applicable MSAs during the specified subscription period. The qualifying services are listed in (B) following and the applicable Metropolitan Statistical Areas (MSAs) are specified in (C) following.

The subscription period during which the customer qualifies for Contract Tariff Option 6, the New Connect Discount Plan C (Plan C), begins on August 19, 2003 and ends December 31, 2003. In order for a service to be included in Plan C:

1) An order for the new service must be placed during the subscription period and the service must be one of the services specified in (B) following. A new service can not be a service that was disconnected from another contract option or discount plan in order to include that service in this plan.

2) The customer must accept the service on the original service date.

3) If the customer does not accept service on the original service date, any change to a later date will make the service ineligible for the discount, unless the change is initiated by the Telephone Company (N)

21. Contract Tariffs (Cont'd)

21.7 Contract Tariff Option 6

(B) Eligible Services

The New Connect Discount Plan C is an offering exclusively for new installations of certain Special Access and SONET services listed below:

- IntelliLight Broadband Transport (IBT)
  - Point-to-point service configurations at OC48/OC48c
  - Multiplexing Capability optional features including OC3, OC12 or OC48 multiplexing nodes and low speed ports. DS1, DS3 and STS1 low speed ports are only available when the associated DS1, DS3 or STS1 service is located within MSA #8, #14, #43, #59 or #104 as described in (C) following.
  - Point-to-point service configurations at OC3/OC3c or OC12/OC12c are available under the New Connect Plans A and B preceding and under the New Connect Plan D following.

- Verizon Dedicated SONET Ring (DSR) (T)
  - Enhanced nodes at OC12, OC48 and OC192
  - DS1 ports on enhanced OC12, OC48 and OC192 nodes. These ports are only available when the associated DS1 service is located in MSA #8, #14, #43, #59 or #104 as described in (C) following.
  - Gigabit Ethernet ports (GigE1 through GigE24) on an Enhanced OC12, OC48 or OC192 node
  - DSR standard nodes, mileage and Optical Carrier level (OCn) ports and concatenated Optical Carrier Level (OCnc) ports are available under the New Connect Plans A and B preceding and under the New Connect Plan D following. (T)

- IntelliLight Optical Transport Service (IOTS)
  - 4-Channel primary or expansion nodes
  - Protected and unprotected multi-port optical transport arrangements (facility channels and multi-port channels)
  - 16-Channel primary or expansion nodes, ring mileage, network amplification and all remaining protected and unprotected optical transport channels are available under the New Connect Plan B preceding.

21. Contract Tariffs (Cont'd)

21.7 Contract Tariff Option 6 (N)

(C) Serving Area

The serving area of the New Connect Discount Plan C is comprised of the following Metropolitan Statistical Areas. Wire centers for the MSAs are listed in Section 14.7.

Philadelphia PA-NJ	MSA #4
Pittsburgh PA	MSA #13
New York NY	MSA #1
Vineland-Millville-Bridgeton NJ	MSA #228
Wilmington-Newark DE-MD	MSA #69
Washington, DC-MD-VA	MSA #8
Baltimore, MD	MSA #14
Norfolk, VA Beach-Portsmouth VA/NC	MSA #43
Newport News-Hampton VA	MSA #104
Richmond VA	MSA #59

Any additions or changes to the wire centers included in the MSA listed above that occur after August 19, 2003 will apply and be included in Plan C.

(D) Description of New Connect Discount Plan C

The New Connect Discount Plan C offers an automatic additional discount on all eligible services ordered from Sections 7 and 8 of this tariff that meet the conditions outlined in (A), (B) and (C) preceding. The additional discount will be applied to the monthly recurring rate elements associated with the options and categories listed in (B) preceding. The additional discount will not be applied to cross-connect services to collocation arrangements.

The services and the associated rate elements may be ordered on a month-to-month basis or as a term plan as allowed for that particular service as described in Section 7 or 8.

Under Plan C, the customer will receive a discount applied to the month-to-month rates or to the monthly rates of the term plan as described in Section 7 or 8. Except for service provided under another contract tariff in this Section 21 for which minimum billed revenue is measured on a contract level basis or under Contract Tariff Option 4 or 5 preceding or Option 7 following, service provided under Plan C is not eligible for any other circuit-specific service, term or volume discount offered under other sections of this tariff.

- For any 7-year term plan, the Plan C discount is 10%
- The Plan C discount for all other eligible services and all other term plans is 20%.

Shared use as set forth in Section 5.2.8 preceding is allowed under Plan C; however, only the special access portion of a service is eligible to receive the Plan C discount. (N)

21. Contract Tariffs (Cont'd)

21.7 Contract Tariff Option 6

(E) Terms and Conditions

All terms and conditions, including termination liability and minimum periods, as stated in Sections 7 & 8 preceding, apply for the respective services, except for those terms and conditions which involve the additional discount provided under New Connect Discount Plan C as stated following:

(1) For service ordered during the subscription period on a Month-to-Month basis under the New Connect Discount Plan C, the additional discount provided under Plan C will expire effective with the first bill period date following December 31, 2017.

(2) For service ordered in a term plan under the New Connect Discount Plan C, the discount of Plan C expires at the end of the initial term. The customer may extend Plan C for an additional term(s) of less, equal, or greater length than the expiring term plan. In all cases, the additional discount provided under Plan C will expire effective with the first bill period date following December 31, 2017.

(3) When service is disconnected prior to completing the minimum period, the Plan C discount is not used in calculating the minimum period charges for the remainder of the minimum period.

(4) With the exception of adding or removing a node to a DSR or IOTS dedicated ring, replacements, rearrangements, upgrades or any other physical change to service under the New Connect Discount Plan C will result in termination of the Plan C additional discount. The Plan C discount will not apply to any obligations of termination liability or to charges applicable to the remaining minimum period obligation. (T)

(5) When termination liability applies to a service in accordance with the terms and conditions as stated in either Section 7 or 8, the additional discount provided under Plan C will not apply and will thus be excluded from any calculation of the termination liability for the remainder of the term plan.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 7

(A) Scope

Contract Tariff Option 7, the New Connect Discount Plan D, is an offering exclusively for new installations of certain Special Access and SONET services ordered during a specific period of time.

The regulations, terms and conditions provided in this Section 21.8 automatically apply to all customers who install new services offered under the New Connect Discount Plan D in the applicable MSAs during the specified subscription period. The qualifying services are listed in (B) following and the applicable Metropolitan Statistical Areas (MSAs) are specified in (C) following.

The subscription period during which the customer qualifies for Contract Tariff Option 7, the New Connect Discount Plan D (Plan D), begins on August 1, 2003 and ends December 31, 2003. In order for a service to be included in Plan D:

1) An order for the new service must be placed during the subscription period and the service must be one of the services specified in (B) following. A new service can not be a service that was disconnected from another contract option or discount plan in order to include that service in this plan.

2) The customer must accept the service on the original service date.

3) If the customer does not accept service on the original service date, any change to a later date will make the service ineligible for the discount, unless the change is initiated by the Telephone Company

(B) Eligible Services

The New Connect Discount Plan D is an offering exclusively for new installations of Special Access and SONET services listed below:

- Facilities Management Service (FMS)
- High Capacity Services (DS1 & DS3)
- IntelliLight Broadband Transport (IBT): Point-to-Point/non-multiplexed services only. Plan D excludes multiplexing capability and point-to-point OC48/OC48c service configurations, which are offered under the New Connect Discount Plan C preceding.
- Verizon Dedicated SONET Ring (DSR): excluding enhanced nodes, DS1 ports on enhanced OC12, OC48 and OC192 nodes, and Gigabit Ethernet ports on enhanced nodes (GigE1 through GigE24). Enhanced nodes and Gigabit Ethernet ports (GigE1 through GigE24) are offered under the New Connect Discount Plan C preceding. (T)
- IntelliLight Entrance Facility (IEF)
- IntelliLight Shared Dual Path (ISDP)
- IntelliLight Shared Single Path (ISSP)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 7 (Cont'd) (N)

(C) Serving Area

The serving area of the New Connect Discount Plan D is comprised of the following Metropolitan Statistical Area. Wire centers for the MSA are listed in Section 14.7.

Richmond VA	MSA #59

Any additions or changes to the wire centers included in the MSA listed above that occur after August 1, 2003 will apply and be included in Plan D.

(D) Description of New Connect Discount Plan D

The New Connect Discount Plan D offers an automatic additional discount on all eligible services ordered from Sections 7 and 8 of this tariff that meet the conditions outlined in (A), (B) and (C) preceding. The additional discount will be applied to the monthly recurring rate elements associated with transport of the service (e.g., Channel Terminations, Ports, Terminations, Mileage, Channel Mileage), and to the DS3 to DS1, DS1 to Digital, DS1 to DS0, and DS1 to Voice Central Office Multiplexing optional features. Application of the additional discount on mileage is limited to those instances where the serving wire center of one end is within an MSA identified in (C) above, and the serving wire center of the other end is a Level 1 or Level 2 wire center of the same MSA or of a different MSA specified in Section 14.7 preceding.

The services and the associated rate elements may be ordered on a month-to-month basis or as a term plan as allowed for that particular service as described in Section 7 or 8.

Under Plan D, the customer will receive a discount applied to the month-to-month rates or to the monthly rates of the term plan as described in Section 7 or 8. Except for service provided under another contract tariff in this Section 21 for which minimum billed revenue is measured on a contract level basis, service provided under Plan D is not eligible for any other circuit-specific service, term, or volume discount offered under other sections of this tariff.

- For Facilities Management Service (FMS) and any 7-year term plan, the Plan discount is 10%
- The Plan discount for all other term plans is 20%.

Shared use as set forth in Section 5.2.8 preceding is allowed under Plan D; however, only the special access portion of a service is eligible to receive the Plan D discount. (N)

21. Contract Tariffs (Cont'd)

21.8 Contract Tariff Option 7 (Cont'd)

(E) Terms and Conditions

All terms and conditions, including termination liability and minimum periods, as stated in Sections 7 & 8 preceding, apply for the respective services, except for those terms and conditions which involve the additional discount provided under New Connect Discount Plan D as stated following:

(1) When service is ordered on a Month-to-Month basis under the New Connect Discount Plan D, the Plan D additional discount will expire effective with the first bill period date following December 31, 2017.

(2) When service is ordered in a term plan under the New Connect Discount Plan D, the Plan D discount expires at the end of the initial term. The customer may extend Plan D for an additional term(s) of less, equal, or greater length than the expiring term plan. In all cases, the additional discount provided under Plan D will expire effective with the first bill period date following December 31, 2017.

(D)
|
|
(D)

(3) When service is disconnected prior to completing the minimum period, Plan D discount is not used in calculating the minimum period charges for the remainder of the minimum period. (T)

(4) With the exception of adding or removing a node to a DSR or IOTS dedicated ring, replacements, rearrangements, upgrades or any other physical change to service under the New Connect Discount Plan D will result in termination of the Plan D additional discount. The Plan D discount will not apply to any obligations of termination liability or to charges applicable to the remaining minimum period obligation. (T)

(5) When termination liability applies to a service in accordance with the terms and conditions as stated in either Section 7 or 8, the additional discount provided under Plan D will not apply and will thus be excluded from any calculation of the termination liability for the remainder of the term plan. (T)

21. Contract Tariffs (Cont'd)

21.9 Contract Tariff Option 8

(A) Scope

Contract Tariff Option 8, (Option 8) is an offering exclusively for customers with two existing and separate Special Access Verizon (T) Dedicated SONET Ring (DSR) services with each in a 5-year term (T) commitment period, and who replace such services with two new DSR (T) services equipped with enhanced nodes under the terms and conditions specified in (B) following. Under Option 8, the customer will receive a twenty percent (20%) discount applied to the 5-year rates for DSR set forth in Section 23.1 following. (T)

(B) Eligibility

To be eligible for Option 8, the following criteria must be met:

(1) The customer must subscribe to two new DSR Services with (T) enhanced nodes under Section 23.1 following and the nodes must (T) be located at the same customer designated premises and Telephone Company wire centers as the DSR nodes on the existing (T) services being replaced.

(2) Each new DSR Service must have a commitment period of 5 years. (T) The commitment period on each DSR shall commence upon (T) notification that construction on that DSR is complete and the (T) customer issues the required Access Service Request to commence billing in accordance with Section 5.2 preceding.

(3) The customer must meet a projected total billed revenue commitment of at least $4,000,000.00 during the service period. The service period begins on the date specified in (2) preceding and ends 60 months later. The minimum revenue commitment is inclusive of the monthly recurring charges for all enhanced DSR (T) nodes, ring mileage and ports associated with the two DSR (T) services, excluding any state, local and federal taxes and surcharges as they may apply.

(4) One of the DSR services must be within the Pittsburgh PA (T) Metropolitan Statistical Area (MSA) and one must be within the Washington DC-MD-VA MSA. Any additions or changes to the wire centers included in these MSAs that occur after will apply and be included in Option 8.

(5) The new DSR Services must be equipped with enhanced nodes and (T) configured with the following components.

Pittsburgh PA MSA	Washington DC-MD-VA MSA
10 - 13 Enhanced OC12 Nodes	4 - 6 Enhanced OC12 Nodes
55 - 65 OC12 total ring miles	5 - 10 OC12 total ring miles
160 - 200 DS1 ports	30 - 40 DS1 ports
4 - 8 DS3 Ports	3 - 6 DS3 Ports

(6) The customer must subscribe to the new DSRs during the (T) subscription period ending December 21. 2003. A customer subscribes to Option 8 by submitting a written or electronic order to the Telephone Company for each DSR authorizing (T) construction of the DSR to commence. The written or electronic (T) order provided to the Telephone Company must be signed by an authorized representative of the customer and must include the components specified in (5) preceding.

21. Contract Tariffs (Cont'd)

21.9 Contract Tariff Option 8 (Cont'd)

(C) Terms and Conditions

All terms and conditions, including termination liability and minimum periods, as stated in Section 23.1 following, apply to service under Option 8, with the following exceptions: (T)

(1) Option 8 offers an automatic additional discount on all DSR enhanced node, ring mileage and port rate elements ordered from Section 23.1 following of this tariff that meet the conditions outlined in (A) and (B) preceding. (T) (T)

(2) The services and associated rate elements must be ordered with a term commitment period of 5 years.

(3) The additional discount percentage under Option 8 is 20% and is applied to the 5-year rates set forth in Section 23.1 following. (T)

(4) Shared use as set forth in Section 5.2.8 preceding is allowed under Option 8. However, only the special access portion of a service is eligible to receive the Option 8 discount.

(5) When termination liability applies in accordance with the terms and conditions stated in Section 23.1 following, the additional discount provided under Option 8 will not apply and will therefore be excluded from any calculation of the termination liability for the remainder of the term plan. The customer may be eligible for reduced termination liability under the provisions set forth for business downturn in (D) following. Termination liability under Option 8 is calculated in accordance with (E) following. If service is disconnected prior to completing the minimum period for DSR, the Option 8 discount is not used in calculating the minimum period charges for the remainder of the minimum period. (T) (T)

(6) The Option 8 additional discount will terminate upon expiration of the term commitment period. At the end of the term commitment period, the customer has the following options.
    (a) Disconnect service upon written notification to the Telephone Company; or
    (b) Continue with the service at the 5-year rate without the application of the additional discount afforded under this Option 8; or
    (c) Subscribe to any then offered contract tariff option for which the customer is eligible.

(7) Replacements, rearrangements, upgrades or any other physical change to service under Option 8 will result in termination of the Option 8 additional discount. The Option 8 discount will not apply to any obligations of termination liability or to charges applicable to the remaining minimum period obligation.

(8) Cancellation charges as set forth in Section 5.2 preceding apply if an order for service is cancelled in whole or in part under this Option 8.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.9 Contract Tariff Option 8 (Cont’d) (N)

(D) Business Downturn

This Contract Tariff Option 8 includes a reduction in termination liability as set forth in (E) following in the event that the customer terminates portions of the service due to business downturn as described following. To be eligible for reduction in termination liability under business downturn, the customer must meet an overall minimum revenue commitment of $4,000,000.00 as specified in (B)(2) preceding.

In the event the customer, despite reasonable efforts, is unable to meet the commitments under this Contract Tariff Option 8, and such inability is the result solely of either of the following: (i) divestiture, merger, sale or other disposition of a subsidiary, division or other significant business unit; or (ii) consolidation of business operations or reduction in the number of employees (“Business Downturn”), and the customer terminates portions of the service affected by the Business Downturn, the customer will pay reduced Termination Liability as set forth in (E)(1) following. In order for reduced termination liability to apply, the customer must first give the Telephone Company prior written notice of the Business Downturn. Business Downturn allowances shall not apply to any reduction in service resulting from the customer’s use of substitute products or services that are provided by any party other than the Telephone Company, including outsourcing by the customer to third parties. The customer will continue to pay the applicable current monthly recurring rates set forth in this Option 8 following for those elements of service not affected by the Business Downturn.

(N)

21. Contract Tariffs (Cont'd)

21.9 Contract Tariff Option 8 (Cont'd)

(E) Termination Liability

Termination liability applies to DSR under the terms and conditions set forth in Section 23.1 following, except that such liability under this Contract Tariff Option 8 is calculated as follows. (T) (T)

(1) Termination Liability with Business Downturn

Except as set forth in (2) following, if the service or any portion of the service is terminated prior to expiration of the commitment period and for any reason specified for a business downturn in (D) preceding, the customer will incur termination liability equal to a percentage of the 5-year rate set forth in Section 23.1 following multiplied by the number of elements terminated, multiplied by the number of months remaining in the commitment period. The percentage applied to termination of service is dependent on the year of the commitment period in which the termination occurs as follows. (T)

Year of Commitment Period	Percentage Applied
Year 1	75%
Year 2	50%
Years 3 through 5	10%

Terminations of service resulting from a Business Downturn shall not be subtracted from the customer's projected actual revenue commitment.

(2) Termination without Business Downturn

If the service or any portion of the service is terminated prior to expiration of the commitment period and for any reason other than a business downturn as specified in (D) preceding, the customer will incur termination liability equal to 100% of the 5-year rate set forth in Section 23.1 following for the unexpired portion of the first two years of service and 25% of the monthly charges for the 5-year rate set forth in Section 23.1 following for the remainder of the commitment period. (T) (T)

Terminations of Service not resulting from a business downturn as described in (1) above shall, when effective, be subtracted from the customer's projected actual revenue for the remainder of the commitment period. If, after such subtraction, the customer's total projected actual revenue under this Option 8 is less than the customer's minimum revenue commitment specified in (D) preceding, then the customer will incur termination liability as set forth in this section (E)(2) for all subsequent terminations of service, whether or not caused by a business downturn.

21. Contract Tariffs (Cont'd)

21.10 Contract Tariff Option 9

(A) Scope

Contract Tariff Option 9 is an offering exclusively for customers currently subscribing to Frame Relay Service within the interstate corridor between New Jersey and New York, as defined in Section 14.3.2 preceding, who replace the Frame Relay Service with Verizon Dedicated (T) SONET Ring (DSR) service at the same locations and in the quantities (T) specified herein.

Rate Element	Initial Quantity	
DSR OC12 nodes	5	(T)
DSR OC12 mileage	9	(T)
DS3 Ports	24	

The customer's existing Frame Relay Service network must consist of 200 to 275 Frame Relay ports with eighty percent (80%) utilizing 56 kbps ports.

In order to be eligible for the Contract Tariff Option 9, the customer must also subscribe to a specified quantity of interstate DS1 Channel Terminations connecting to the DSR service. The end points of the (T) DS1s must be located within the New Jersey and New York Corridor.

Rate Element	Initial Quantity
DS1 Channel Terminations	16

The regulations, terms and conditions provided in this Section 21.10 apply to customers who subscribe to Contract Tariff Option 9 during the subscription period specified in (B) following. The wire centers of the New Jersey and New York corridor are within the North Jersey LATA and the New York Metropolitan LATA, collectively within the New York NY Metropolitan Statistical Area (MSA 1). The specific wire centers of the MSA that are included in Option 9 are specified in (C) following.

Billing of the initial quantity of DSR services (OC12 nodes and (T) mileage) ordered during the subscription period will begin ninety (90) days after they are installed and operational. Any rate elements added to the installed DSR service after the subscription period ends and (T) which are installed and operational from day ninety and after will be billed from the date of their respective installation to the end of their respective five year service period. Billing of existing Frame Relay Services will continue until they are disconnected. Frame Relay Services will be deemed disconnected effective the date provided by the customer. Customer must notify the Telephone Company a minimum of five (5) business days prior to the effective date of disconnection.

The minimum period for services ordered under this Contract Tariff is the same minimum period that applies to services specified in other sections of this tariff. The term period for services ordered under this Contract Tariff is five years.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.10 Contract Tariff Option 9 (Cont'd)

(B) General

The subscription period during which the customer qualifies for Contract Tariff Option 9 begins on February 10, 2004 and ends on March 11, 2004.

After the subscription period ends, the customer may add to the installed DSR service up to the maximum quantities of the rate elements specified herein at the same locations. Each new rate element will have its own term commitment period of five years. (T)

Rate Element	Quantity Range	
DSR OC12 nodes	5 - 10	(T)
DSR OC12 mileage	1 - 18	(T)
DS3 Ports	20 – 24	
DS1 Channel Terminations	15 – 65	

During the subscription period, the customer must provide the Telephone Company with a written request, signed by an authorized representative of the customer, for Contract Tariff Option 9 DSR service. The service date will be negotiated between the Telephone Company and the customer. The customer must accept the service on the original service date. If the customer does not accept service on the original service date, any change to a later date will make the service ineligible for Contract Tariff Option 9, unless the change is initiated by the Telephone Company. (T)

Upon expiration of the five-year term, the rates and charges applicable under Contract Tariff Option 9 will expire, and services will continue on a month-to-month basis at the rates and charges applicable in other sections of this tariff unless the customer requests in writing that the Telephone Company discontinue the service.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.10 Contract Tariff Option 9 (Cont'd) (N)

(C) Serving Area

The serving area of Contract Tariff Option 9 is comprised of the following Telephone Company wire centers which are within the New York NY Metropolitan Statistical Area.

New Jersey Wire Centers

BYNNNJ02	JRCYNJBR	PSSCNJPS
BLVLNJBE	JRCYNJJO	PTSNNJAR
BLFDNJBL	KRNYNJKN	PLFDNJPF
CFTNNJCF	LNDNNJ01	RCPKNJ02
CLWLNJCW	LTFLNJLF	RGWDNJRW
CFPKNJCS	LTFYNJLF	RHWYNJRA
CLSTNJCO	LVTNNJLI	RMSYNJRM
CNFRNJCR	MLBNNJMB	RSLLNJRL
DUMTNJDM	MTCLNJMC	RVDLNJPL
ELZBNJEL	MTVWNJMV	RTFRNJRU
ENWDNJEN	NBRGNJNB	SORGNJSO
EORNNJEO	NWPVNJMH	UNCYNJ02
ERLKNJEL	NWRKNJ03	UNINNJUV
FRLNNJFL	NWRKNJIR	WMFRNJ01
FRFDNJFA	NWRKNJ02	WORNNJWO
FTLENJLE	NWRKNJWA	WSFDNJWS
HCKNNJHK	NFLDNJNF	WYCKNJWK
HLDNNJ01	NTLYNJNU	
HLDLNJWE	OKLDNJ01	
IVTNNJES	RVEDNJOR	

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.10 Contract Tariff Option 9 (Cont'd) (N)

(C) Serving Area (Cont'd)

New York Wire Centers

NYCKNY14	NYCMNY42	NYCQNYFR
NYCKNY71	NYCMNY50	NYCQNYHS
NYCKNY77	NYCMNY56	NYCQNYIA
NYCKNYAI	NYCMNY73	NYCQNYJA
NYCKNYAL	NYCMNY79	NYCQNYLI
NYCKNYAR	NYCMNY97	NYCQNYLN
NYCKNYAU	NYCMNYBS	NYCQNYNJ
NYCKNYAY	NYCMNYBW	NYCQNYNW
NYCKNYBR	NYCMNYCA	NYCQNYOP
NYCKNYBU	NYCMNYMN	NYCQNYRH
NYCKNYCL	NYCMNYPS	NYCRNYND
NYCKNYFA	NYCRNYNS	NYCRNYSS
NYCKNYFT	NYCMNYTH	NYCRNYWS
NYCKNYKP	NYCMNYVS	NYCXNYCI
NYCKNYLA	NYCMNYWA	NYCXNYCR
NYCKNYRA	NYCMNYWS	NYCXNYGC
NYCKNYTY	NYCMNYZO	NYCXNYHO
NYCKNYWM	NYCQNYAS	NYCXNYJE
NYCMNY13	NYCQNYBA	NYCXNYKB
NYCMNY18	NYCQNYBH	NYCXNYMH
NYCMNY30	NYCQNYCO	NYCXNYTB
NYCMNY36	NYCQNYFH	NYCXNYTR
NYCMNY37	NYCQNYFL	

The preceding Telephone Company wire centers in the New York NY MSA are in effect as of February 10, 2004. Any additions of, or changes to, Telephone Company MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 14.7 preceding of this tariff that occur after February 10, 2004 will apply. (N)

21. Contract Tariffs (Cont'd)

21.10 Contract Tariff Option 9 (Cont'd)

(D) Application of Rates and Charges

Monthly recurring charges based on a five-year term plan apply for the enhanced nodes, ports and mileage between the nodes.

For each DS1 Service under this Contract Tariff, a Corridor Channel Termination monthly recurring charge shall apply for the New Jersey portion of the service and a Corridor Channel Termination monthly recurring charge shall apply for the New York portion of the service.

The Corridor Channel Termination provides the communications path from the customer's designated premises to the interconnection point between the facilities of the two Exchange Telephone Companies. Each Exchange Telephone Company shall bill its channel termination in accordance with the regulations set forth in Section 2.4.7 preceding of this tariff.

Except for service provided under another contract tariff in this Section 21 for which minimum billed revenue is measured on a contract level basis, service provided under Contract Tariff Option 9 is not eligible for any other circuit-specific service, term or volume discount offered under other sections of this tariff.

Rates and charges are set forth in Section (F) following.

(E) Terms and Conditions

All DSR terms and conditions as stated in Section 23.1 following (T)
apply, including termination liability and minimum periods.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.10 Contract Tariff Option 9 (Cont'd) (N)

(F) Rates and Charges

The following rates apply in all price bands as determined in Section 14.7 preceding.

Service	USOC	Monthly Rate	Nonrecurring Charge
Enhanced OC12 Node, Per Node - 5 Year Term	-----	$2,160.00	N/A
OC12 Mileage, Per mile between nodes - 5 Year Term	-----	287.20	N/A
DS3 Ports, Per Node - 5 Year Term	-----	115.00	N/A
DS1 Corridor CT, Per CT - 5 Year Term	-----	170.00	$1.00

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.11 Contract Tariff Option 10 (N)

(A) Scope

(1) Contract Tariff Option 10 (Option 10) is offered for a service period of twelve (12) months and provides a customer with a one-time credit(s) when it achieves total billed revenue (TBR) during the service period of between $49,000,000 ($49M) and $56,000,000 ($56M) in qualifying services, as defined in (B) following.

(2) Eligible customers who wish to subscribe to Option 10 must do so by submitting a written request, in a form prescribed by the Telephone Company and signed by an authorized representative of the customer, during the subscription period that begins May 27, 2004 and ends July 26, 2004. Eligibility for Option 10 is set forth in (B) following. The twelve month service period (service period) commences on the first day of the month following receipt of the customer's written authorization.

(B) Eligibility and Qualification for Option 10

All of the following apply in order to subscribe to Option 10.

(1) The customer must achieve TBR for qualifying services, as defined in (2) following, that is between $45,000,000 ($45M) and $56M during the service period. TBR for qualifying services is subject to (2) through (7) following.

(2) TBR for qualifying services are comprised of (a) Special Access Voice Grade Services, Digital Data Services, High Capacity 1.544 Mbps Services, and High Capacity 44.736 Mbps Services and (b) Switched Access DS1 and DS3 Direct Trunked Transport services which the customer subscribes to in all operating territories under this tariff and under the Telephone Company's Tariff F.C.C. Nos. 11, 14, (x)
and 16. The customer may subscribe to these services under other (x)
term and commitment discount plans as they may be offered under general sections of this tariff and under the general sections of (x)
the other Telephone Company tariffs included in this Option 10. (x)
The customer's TBR shall be calculated using only monthly recurring charges billed by the Telephone Company to the customer for the qualifying services. Any reductions and discounts associated with other term and commitment plans for the qualifying services will be included in the total TBR for qualifying services under this Option 10.

(3) The portion of the TBR for qualifying services attributable to the customer's Switched Access DS1 and DS3 Direct Trunked Transport services must be at least $350,000 ($350K), but may not exceed $2,000,000 ($2M). (N)

(x) Issued under authority of Special Permission No. 04-037 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.11 Contract Tariff Option 10 (Cont'd)

(B) Eligibility and Qualification for Option 10 (Cont'd)

(4) TBR for qualifying services does not include any revenue other than monthly billed recurring revenue as set forth in (2) above, including without limitation, any of the following: (N)

- nonrecurring charges
- taxes or other charges (e.g., Federal Universal Service Fund) imposed by federal, state, local or other government entity
- service or administrative fees or charges (e.g., interest penalty, late payment penalty)
- other charges which are not applied on a recurring monthly basis
- any other billed amount for which payment is being withheld by the customer
- any billed amounts that are under dispute by the customer
- revenues, credits or adjustments associated with services other than those specified in (2) preceding
- credits or adjustments assessed by the Telephone Company that are associated with periods outside of the service period as defined in (1) preceding
- shortfall or overage charges associated with other term or commitment plans
- termination liabilities assessed under other term or commitment plans
- amounts billed for intrastate services
- amounts billed for non-tariffed services

(5) Other than as set forth in (6) below, the customer may not concurrently subscribe to any other 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 provides a discount, credit, or other reduction in rates or terms based on achievement of certain total billed revenue by the customer for the qualifying services in (2) preceding.

(6) Provided that the customer meets all of the criteria set forth in this Option 10, the customer will be allowed to terminate this Option 10 and subscribe to a New Plan, as defined below, without paying the termination charges set forth in (E) following. A New Plan shall mean another contract tariff option, ICB arrangement, or special service arrangement for the qualifying services in (2) preceding and offered by the Telephone Company during the service period with identical or greater total billed revenue levels than those provided under this Option 10. If the customer elects to terminate this Option 10 in order to subscribe to a New Plan, then (1) the customer must so elect in writing; (2) the customer must subscribe to the New Plan concurrently with or prior to the termination date of this Option 10; and (3) the customer must independently qualify and be eligible for such new plan. The customer shall not be afforded any credit in the New Plan for any portion of the elapsed service period under this Option 10. (N)

21. Contract Tariffs (Cont'd)

21.11 Contract Tariff Option 10 (Cont'd)

(B) Eligibility and Qualification for Option 10 (Cont'd)

(7) In the event the customer merges with another company, acquires another company, or acquires a portion of the business of another company, or is acquired by another company, either in whole or in part, the following regulations will apply: (N)

(a) The customer may not include in the calculation of TBR for the qualifying services any revenues of the merged or acquired company or assets for the purpose of obtaining the credit provided under this Option 10.

(b) The customer may continue subscribing to this Option 10 for the duration of the service period based on its business with the Telephone Company as of the beginning of its subscription to this Option 10, without adding the revenues attributable to expansion of the customer's purchase of services from the Telephone Company through merger or acquisition action.

(c) The Telephone Company reserves the right to terminate the customer's subscription to this Option 10 if the customer does not adhere to the provisions herein. Customer shall not be eligible for any credits in such event.

(C) Serving Area

The serving area of Option 10 is comprised of all Telephone Company Phase 1 and Phase 2 Metropolitan Service Areas (MSAs).

Any additions or changes to the wire centers included in the MSAs described above that occur after May 27, 2004 will apply and be included in Option 10.

(D) Application of Credits Under Option 10

The customer may receive a one-time credit under this Option 10 depending on the actual TBR for qualifying services achieved at the end of the service period. The one-time credit shall consist of a Billing Credit or a Billing Credit and an Incremental Credit, as described below. The actual TBR for qualifying services is determined in accordance with (B)(1) through (B)(7) preceding. Based on the actual TBR for qualifying services, the following applies. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.11 Contract Tariff Option 10 (Cont'd)

(D) Application of Credits Under Option 10 (Cont'd)

(1) If the TBR for qualifying services for the service period was less than $45M (i.e., the minimum TBR for qualifying services), a shortfall penalty equal to fifty percent (50%) of the difference between the minimum TBR for qualifying services and the actual TBR for qualifying services will apply. For example, if the customer achieved actual TBR for qualifying services of $44,000,000 ($44M), the shortfall penalty would be 50% of the difference between the minimum TBR for qualifying services ($45M) and the actual TBR for qualifying services ($44M) or $500,000 in shortfall penalty. The shortfall penalty is due to the Telephone Company within sixty (60) days of the end of the service period. No Billing Credit or Incremental Credit will be applied under this Option 10 when the minimum TBR for qualifying services has not been met. (N)

(2) If the TBR for qualifying services for the service period was between $45M and $48,999,999.00, the customer is not eligible for a credit, and no shortfall penalty applies under this Option 10.

(3) If the TBR for qualifying services for the service period was between $49M and $56M, a single Billing Credit of $1,000,000 ($1M) will apply under this Option 10. The Billing Credit for the qualifying services shall be provided in Phase 1 and Phase 2 MSAs. Credit will be applied to the customer's account(s) in accordance with (E)(1) following.

(4) If the TBR for qualifying services for the service period was between $51,000,000 ($51M) and $56M, the customer will also receive an Incremental Credit in addition to the Billing Credit specified in (D)(3) preceding. The Incremental Credit amount will be applied in the same manner as the Billing Credit. The amount of Incremental Credit is determined by the amount of TBR for qualifying services actually achieved as follows.

TBR for Qualifying Services Achieved During Service Period	One-time Incremental Credit
$51,000,000 - $52,000,000	$ 250,000
$52,000,001 - $53,000,000	500,000
$53,000,001 - $54,000,000	1,000,000
$54,000,001 - $55,000,000	1,500,000
$55,000,001 - $56,000,000	2,000,000

(5) If the TBR for qualifying services for the service period was in excess of $56M, the customer is not eligible to receive a credit under this Option 10. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.11 Contract Tariff Option 10 (Cont'd)

(E) Terms and Conditions (N)

(1) Subject to the terms and conditions of this Option 10, if the customer is eligible for the Billing Credit or the Incremental Credit under (D)(3) or (D)(4) preceding, the Billing Credit or Incremental Credit will be credited to the customer's account within sixty (60) days after the end of the service period. The amount of the credit is contingent on (a) resolution of outstanding billing disputes related to qualifying services provided by the Telephone Company to the customer no later than the 60th day after the end of the service period; and (b) payment in full by the customer of all undisputed billed amounts for qualifying services. After the 61st day following the end of the service period, any amounts that remain disputed or are withheld by the customer (even if the amount is resolved in favor of the customer or paid by the customer at a later date) shall not be used in calculation of the TBR for qualifying services, the Billing Credit, or the Incremental Credit. The amount of the Billing Credit and the Incremental Credit shall not be subject to any interest penalty.

(2) The customer may discontinue individual services during the service period subject to the terms and conditions, including any applicable termination or shortfall liabilities that may be applicable, for the specific service involved as set forth in the applicable sections of this tariff and of the other Telephone (x)
Company tariffs under which TBR for qualifying services is (x)
determined.

(3) In the event that the customer cancels its subscription to this Option 10, cancellation penalty equal to one hundred percent (100%) of the difference between the minimum TBR for qualifying services ($45M) and the actual TBR for qualifying services achieved by the customer at the time of cancellation shall apply. Cancellation penalty is due to the Telephone Company within sixty (60) days of the date of cancellation of Option 10. If the actual TBR for qualifying services on the date of cancellation is in excess of $45M, the customer shall not be eligible for any credit(s) under this Option 10. (N)

(x) Issued under authority of Special Permission No. 04-037 of the Federal Communications Commission.

21. Contract Tariffs (Cont'd)

21.12 Contract Tariff Option 11

(A) Scope

(1) Contract Tariff Option 11, the New Connect Discount Plan F (Plan F), is an offering exclusively for new installations of IntelliLight Optical Transport Service (IOTS), as set forth Section 7.2.14(C)(4) preceding, ordered during a specific period of time.

(2) The regulations, terms, and conditions provided in this Section 21.12 automatically apply to all customers who order new services offered under Plan F in the applicable Metropolitan Statistical Areas (MSAs) during the specified subscription periods. The qualifying services are listed in (B) following and the applicable MSAs are specified in (C) following. (C)

(3) Customers who wish to subscribe to Plan F must do so during the following subscription periods. An initial subscription period begins on June 12, 2004 and ends on December 31, 2004 (initial subscription period). A second subscription period begins on January 1, 2005 and ends February 28, 2005 (second subscription period). In order for a service to be included in Plan F: (C)

(a) An order for the new service must be placed during either the initial or second subscription period, and the service must be one of the services specified in (B) following. A new service can not be a service that was disconnected from another contract option, discount plan, or tariff arrangement and subsequently ordered under this plan in order to include that service in this plan. (C)

(b) The customer must accept the service on the original service date.

(c) If the customer does not accept service on the original service date, any change to a later date will make the service ineligible for the discount, unless the change is initiated by the Telephone Company.

21. Contract Tariffs (Cont'd)

21.12 Contract Tariff Option 11 (Cont'd)

(B) Eligible Services (N)

Plan F is an offering exclusively for new installations of the following IOTS services.

- 4-Channel Nodes, Primary or Expansion Customer Premises Nodes
- 4-Channel Nodes, Primary or Expansion Central Office Nodes
- 16-Channel Nodes, Primary or Expansion Customer Premises Nodes
- 16-Channel Nodes, Primary or Expansion Central Office Nodes
- Ring Mileage, Miles 1-20 and Miles 21 and Over
- Network Optimization, At-Node Amplification Devices and Mid-Span Amplification Devices
- Point-to-Point Optical Transport Channels
  - Protected and Unprotected Optical Transport Channels
  - Protected and Unprotected Multi-Port Optical Transport Channels (Multi-Port Facilities and Multi-Port Channels) (N)

21. Contract Tariffs (Cont'd)

21.12 Contract Tariff Option 11 (Cont'd)

(C) Serving Area (N)

The serving area of Plan F is comprised of the following MSAs. Wire centers for the MSAs are listed in Section 14.7 preceding.

New York NY	MSA #1
Newport News-Hampton VA	MSA #104
Philadelphia PA-NJ	MSA #4
Lancaster PA	MSA #105
Washington DC-MD-VA	MSA #8
Huntington-Ashland WV-KY-OH	MSA #110
Pittsburgh PA	MSA #13
Reading PA	MSA #118
Baltimore MD	MSA #14
Charleston WV	MSA #140
Norfolk-Virginia Beach-Portsmoth VA/NC a.k.a Norfolk	MSA #43
Roanoke VA	MSA #157
Scranton-Wilkes Barre-Hazelton PA a.k.a Scranton	MSA#56
Lynchburg VA	MSA #203
Allentown-Bethlehem-Easton PA a.k.a Allentown	MSA #58
Altoona PA	MSA #225
Richmond VA	MSA #59
VINELAND-MILLVILLE-BRIDGETON NJ a.k.a. Vineland	MSA #228
Wilmington-Newark DE-MD	MSA #69
State College PA	MSA #259
Harrisburgh-Lebanon-Carlisle PA a.k.a Harrisburgh	MSA #84

Any additions or changes to the wire centers included in the MSAs listed above that occur after June 12, 2004 will apply and will be included in Plan F. (N)

21. Contract Tariffs (Cont'd)

21.12 Contract Tariff Option 11 (Cont'd)

(D) Description of Plan F

(1) Plan F offers an automatic additional discount on all eligible IOTS services ordered from Section 7.2.14(C)(4) preceding of this tariff that meet the conditions outlined in (A), (B), and (C) above. The discount will apply to new installations of IOTS rate elements (Nodes, Amplifiers, and Mileage). In addition, the discount will apply to new installations of Optical Transport Channels ordered during either the initial or second subscription period on any new (C) or existing IOTS service. The additional discount will be applied to the monthly recurring rate elements associated with the options and categories listed in (B) above. The additional discount will not be applied to cross-connect services or to Collocated Interconnection arrangements. Application of the discount on Ring Mileage rate elements is limited to those instances where serving wire centers at each end of the mileage are within an MSA identified in (C) above.

(2) The services and the associated rate elements may be ordered only on a term plan as allowed for IOTS as described in Section 7.2.14(C)(4) preceding.

(3) Under Plan F, the customer will receive a discount applied to the monthly recurring rate elements of the term plan in effect from time to time as described in Section 7.2.14(C)(4) preceding. Except for service provided under another contract tariff in this Section 21 for which minimum billed revenue is measured on a contract level basis or under Contract Tariff Option 6 preceding, service provided under Plan F is not eligible for any other circuit-specific service, term, or volume discount offered under other sections of this tariff.

- For any 3-year, 5-year, or 7 year term plan, the Plan F discount is 33%.

(4) Shared use as set forth in Section 5.2.8 preceding is allowed under Plan F; however, only the special access portion of a service is eligible to receive the Plan F discount.

21. Contract Tariffs (Cont'd)

21.12 Contract Tariff Option 11 (Cont'd)

(E) 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 7.2.14(C)(4) preceding, apply to the respective services subject to this Plan F:

(1) At the expiration of the initial term plan, if a new agreement for the service is not effective and the customer has not requested a discontinuance of the service in writing, the Telephone Company will automatically renew the service, and the discount of Plan F will automatically be extended for one additional term of equal length to the expiring term plan. The automatic extension will not apply if the customer notifies the Telephone Company within sixty (60) days after the expiration of the initial term that it wishes to select a new term plan or disconnect the service. Upon expiration of the renewal term of Plan F, the customer’s rates will revert to the then current tariff rates for the same term.

(2) When service is disconnected prior to completing the minimum period, the Plan F discount is not used in calculating the minimum period charges for the remainder of the minimum period, and the customer shall be responsible for any cancellation charges and/or termination liabilities as set forth in Section 7.2.14(C)(4) preceding.

(3) With the exception of adding or removing a node to a Verizon Dedicated SONET Ring or an IOTS dedicated ring, replacements, rearrangements, or any other physical change to service under the Plan F will result in termination of the Plan F additional discount. The Plan F discount will not apply to any obligations or calculations of cancellation charges, termination liability, or charges applicable to the remaining minimum period obligation. (T)

(4) Only additional IOTS Optical Transport Channel rate elements may be added to an existing IOTS service or an IOTS service already under Plan F. Firm orders for such additional rate elements placed during either the initial or second subscription period will receive the discounts available under Plan F.

(5) Billing for Plan F will commence for all rate elements of the IOTS service simultaneously at the start of the 5-Year term plan. When such billing commences, billing will cease, without term liability, for the existing optical network service that is being replaced by the IOTS service.

21. Contract Tariffs (Cont'd)

21.13 Contract Tariff Option 12

(A) Scope

(1) Contract Tariff Option 12, the New Connect Discount Plan G (Plan G), is an offering exclusively for new installations as set forth below of Verizon Dedicated SONET Ring (DSR) service, as set forth in Section 23.1 following, ordered during a specific period of time. (T) (T)

(2) The regulations, terms, and conditions provided in this Section 21.13 apply to all customers who order new services offered under Plan G in the applicable Metropolitan Statistical Areas (MSAs) during the specified subscription periods. The qualifying services are listed in (B) following, and the applicable MSAs are specified in (C) following.

(3) Customers who wish to subscribe to Plan F must do so during the following subscription periods. An initial subscription period begins on June 12, 2004 and ends on December 31, 2004 (initial subscription period). A second subscription period begins on January 1, 2005 and ends February 28, 2005 (second subscription period). In order for a service to be included in Plan G:

(a) An order for the new service must be placed during either the initial or second subscription period, and the service must be one of the services specified in (B) following. A new service can not be a service that was disconnected from another contract option, discount plan, or tariff arrangement and subsequently ordered under this plan in order to include that service in this plan.

(b) The customer must accept the service on the original service date.

(c) If the customer does not accept service on the original service date, any change to a later date will make the service ineligible for the discount, unless the change is initiated by the Telephone Company.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.13 Contract Tariff Option 12 (Cont'd)

(B) Eligible Services

(1) Plan G is an offering exclusively for new installations as described in (D)(1) below of the following DSR services. (T)

- Enhanced nodes (OC12, OC48, OC192)
- Non-enhanced nodes (OC3, OC12, OC48, OC192)
- Mileage (OC3, OC12, OC48, OC192)
- Ports (DS1, DS3, STS1, OC3/3c, OC12/12c, OC48/48c, GigE1, GigE3, GigE6, GigE9, GigE12, GigE24)

(C) Serving Area

The serving area of Plan G is comprised of the following MSAs. Wire centers for the MSAs are listed in Section 14.7 preceding.

New York NY	MSA #1
Newport News-Hampton VA	MSA #104
Philadelphia PA-NJ	MSA #4
Lancaster PA	MSA #105
Washington DC-MD-VA	MSA #8
Huntington-Ashland WV-KY-OH	MSA #110
Pittsburgh PA	MSA #13
Reading PA	MSA #118
Baltimore MD	MSA #14
Charleston WV	MSA #140
Norfolk-Virginia Beach-Portsmoth VA/NC a.k.a Norfolk	MSA #43
Roanoke VA	MSA #157
Scranton-Wilkes Barre-Hazelton PA a.k.a Scranton	MSA#56
Lynchburg VA	MSA #203
Allentown-Bethlehem-Easton PA a.k.a Allentown	MSA #58
Altoona PA	MSA #225
Richmond VA	MSA #59
Vineland-Millville-Bridgeton NJ a.k.a. Vineland	MSA #228
Wilmington-Newark DE-MD	MSA #69
State College PA	MSA #259
Harrisburgh-Lebanon-Carlisle PA a.k.a Harrisburgh	MSA #84

Any additions or changes to the wire centers included in the MSAs listed above that occur after June 12, 2004 will apply and be included in Plan G.

21. Contract Tariffs (Cont'd)

21.13 Contract Tariff Option 12 (Cont'd)

(D) Description of Plan G

(1) Plan G offers a discount as set forth in (D)(3) following on all eligible DSR services ordered from Section 23.1 following of this (T) tariff that meet the conditions outlined in this Plan G. For the purchase of new DSR Ring arrangements, the Plan G discount will (T) apply to DSR rate elements (Nodes, Ports, and Mileage). In (T) addition, the discount will apply to new installations of DSR Ports (T) ordered during either the initial or second subscription period on any new or existing DSR service. The Plan G discount will be (T) applied to the monthly recurring rate elements associated with the options and categories listed in (B) above. Application of the discount on Ring Mileage rate elements is limited to those instances where serving wire centers at each end of the mileage is within an MSA identified in (C) above.

(2) The services and the associated rate elements may only be ordered on a term plan as allowed for DSR and as described in Section 23.1 (T) following. (T)

(3) Under Plan G, the customer will receive a discount, as set forth below, applied to the monthly recurring rate elements at the term plan and corresponding term plan rate then in effect as described in Section 23.1 following. Except for service provided under (T) another contract tariff in this Section 21 for which minimum billed revenue is measured on a contract level basis or a term plan as described in Section 23.1 following, service subscribed to under (T) Plan G is not eligible for any other service, term, or volume discount offered under this tariff.

- For any 3-year or 5-year term plan, the Plan G discount is 20%.
- For any 7 year term plan, the Plan G discount is 10%.

(4) Shared use as set forth in Section 5.2.8 preceding is allowed under Plan G; however, only the special access portion of a service is eligible to receive the Plan G discount.

21. Contract Tariffs (Cont'd)

21.13 Contract Tariff Option 12 (Cont'd)

(E) 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 respective services subject to this Plan G: (T)

(1) For service ordered with a term plan under Plan G, the Plan G discount expires at the end of the initial term.

(2) When service is disconnected prior to completing the minimum period, the Plan G discount is not used in calculating the minimum period charges for the remainder of the minimum period, and the customer shall be responsible for any cancellation charges and/or termination liabilities as set forth in Section 23.1 following. (T)

(3) Replacements, rearrangements, or any other physical change to service under the Plan G will result in termination of the Plan G discount, with the exception of adding or removing a node and ports to DSR. The Plan G discount will not apply to any obligations or calculations of cancellation charges, termination liability, or charges applicable to the remaining minimum period obligation. (T)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.14 Contract Tariff Option 13

21.14.1 Scope

Contract Tariff Option 13 (Option 13) is an offering exclusively for agencies and branches of the Federal Government (hereinafter "customer" in this Contract Tariff Option 13) who subscribe to three (3) OC192 Special Access Verizon Dedicated SONET Rings (T)
(DSRs) and one IntelliLight Optical Transport Service (IOTS) (T)
within the Metropolitan Statistical Areas (MSAs) specified in 21.14.2 following.

21.14.2 General

(A) A customer subscribes to Contract Tariff Option 13 by submitting an order for service using an ordering procedure designated by the Telephone Company no later than thirty (30) days following the effective date of this Contract Tariff Option 13 (i.e., the subscription period).

(B) The customer must subscribe to three (3) newly installed OC192 DSR services and one (1) newly installed IOTS within the (T)
following MSAs:

Washington DC-MD-VA MSA (T)
Harrisburgh-Lebanon-Carlisle PA MSA (T)

(C) Except as otherwise specified in this Contract Tariff Option 13, the terms and conditions, minimum periods, and termination liability for DSR in Section 23.1 following and IOTS in Section (T)
7.2.14(C)(4) preceding apply. Any other work, services, or facilities required will be provided subject to applicable rates, terms, and conditions in other sections of this tariff.

21. Contract Tariffs (Cont'd)

21.14 Contract Tariff Option 13 (Cont'd)

21.14.3 Terms and Conditions

(A) The customer subscribes to this Contract Tariff Option 13 for a period of five (5) years.

(B) The rates and charges for DSR under this Contract Tariff Option 13 are set forth in 21.14.4(A) following. The rates and charges for IOTS under this Contract Tariff Option 13 are set forth in 21.14.4(B) following. The rates and charges for all other DSR port options and optional features and the rates and charges for all other IOTS nodes, network optimization, and optical transport channel options are set forth in Sections 23.1 following and 7.5.24 preceding, respectively. The rates and charges for other services connecting to DSR and IOTS are the rates and charges specified for the specific type of service as set forth in other sections of this tariff. (T) (T) (T) (T) (T)

(C) The customer may add additional nodes, ports, and optical transport channels at any time during the term of this Option 13. Additions of nodes, ports, and optical transport channels included in this Option 13 are subject to the terms and conditions of this Contract Tariff Option 13, including the rates and charges specified in 21.14.4 following. All other additions to DSR and IOTS services that are not included in this Option 13 are subject to the rates and charges set forth in Sections 23.1 following and 7.5.24 preceding, respectively. (T) (T)

(D) Nodes, network optimization, DSR ports, and IOTS Optical Transport channels are subject to nonrecurring charges on an initial and subsequent basis. The application of rates and charges for all other rate elements associated with DSR and IOTS are set forth in Sections 23.1 following and 7.2.14(C)(4), preceding respectively. (T) (T) (T)

(E) Except as specified in (G) following, a customer subscribing to Contract Tariff Option 13 may not subscribe to any other discount plan, Contract Tariff Option, Individual Case Basis (ICB) arrangement, specialized service arrangement, or other promotional offering offered by the Telephone Company under this tariff for DSR and IOTS ordered pursuant to this Contract Tariff Option 13. (T)

(F) Upon expiration of the term of this Contract Tariff Option 13, the terms and conditions set forth for DSR and IOTS are set forth in Sections 23.1 following and 7.2.14(C)(4) preceding, respectively, apply. (T) (T)

(G) Upon receiving a bona fide request to connect OC192 DSR to an equal speed IOTS optical transport channel, the Telephone Company will analyze the request for such a configuration and, if considered and accepted by the Telephone Company, file such revisions on a general or individual case basis accordingly. (T)

21. Contract Tariffs (Cont'd)

21.14 Contract Tariff Option 13 (Cont'd)

21.14.4 Rates and Charges

(A) Rates and charges for DSR (T)

Rate Element	Monthly Rate	Nonrecurring Charge
OC192 Enhanced Node, each	$8,050.00	
Initial Installation		None
Subsequent Installation		$50.00
OC192 Ring Mileage, per mile		
- Harrisburg-Lebanon-Carlisle PA MSA	895.30	
- All other MSAs	630.00	
Ports		
- OC3 port at OC192 Node, each	175.00	
Initial Installation		None
Subsequent Installation		50.00
- OC12 port at OC192 Node, each		
Harrisburg-Lebanon-Carlisle PA MSA	449.40	
Initial Installation		None
Subsequent Installation		50.00
All Other MSAs	350.00	
Initial Installation		None
Subsequent Installation		50.00
- OC48 port at OC192 Node, each		
Harrisburg-Lebanon-Carlisle PA MSA	980.00	
Initial Installation		None
Subsequent Installation		50.00
All Other MSAs	840.00	
Initial Installation		None
Subsequent Installation		50.00

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21. Contract Tariffs (Cont'd)

21.14 Contract Tariff Option 13 (Cont'd)

21.14.4 Rates and Charges

(B) Rates and charges for IOTS (N)

Rate Element	Monthly Rate	Nonrecurring Charge
16 Channel Primary Node, each	$4,550.00	
Initial Installation		$ 1.00
Subsequent Installation		50.00
16 Channel Expansion Node, each	4,550.00	
Initial Installation		1.00
Subsequent Installation		50.00
Network Optimization, per device		
- At Node	1,855.00	
Initial Installation		1.00
Subsequent Installation		50.00
- Mid Span	1,960.00	
Initial Installation		1.00
Subsequent Installation		50.00
Ring Mileage, per mile		
- Miles 1-20	447.30	
- Miles 21 and Over	210.00	
OC48 Optical Transport Channel, each	1,505.00	
Initial Installation		1.00
Subsequent Installation		50.00
OC12 Optical Transport Channel, each	700.00	
Initial Installation		1.00
Subsequent Installation		50.00 (N)

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21. Contract Tariffs (Cont'd)

21.15 Contract Tariff Option 14 (N)

(A) Scope

Contract Tariff Option 14 is an offering exclusively for new installations of Special Access High Capacity 1.544 Mbps (DS1) and 44.736 Mbps (DS3) Services ordered during a specific time period (subscription period) and connecting a premises in New Jersey to a premises or a wire center hub in New York, with both premises located within the New Jersey and New York Corridor (NJ/NY Corridor).

The regulations, terms and conditions provided in this Section 21.15 apply to customers who subscribe to Contract Tariff Option 14 during the subscription period specified in (B)(2) following. The wire centers of the NJ/NY Corridor are within the New York Metropolitan LATA and the North Jersey LATA, collectively within the New York NY Metropolitan Statistical Area (MSA). The specific wire centers of the MSA that are included in Contract Tariff Option 14 are specified in (C) following. (N)

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21. Contract Tariffs (Cont'd)

21.15 Contract Tariff Option 14 (Cont'd) (N)

(B) General

(1) DS1 and DS3 services may be ordered under Contract Tariff Option 14 on a month-to-month basis or for a term plan of 3 or 5 years. This Contract Tariff Option 14 is applicable to newly installed DS1 or DS3 services ordered during the subscription period specified in (2) following.

(2) The subscription period during which the customer may subscribe to Contract Tariff Option 14 begins on June 12, 2004 and ends September 10, 2004. In order for a service to be included in Contract Tariff Option 14:

(a) A new service cannot be a service that was disconnected from another contract tariff option, discount plan, or tariff arrangement and subsequently ordered under this plan in order to include that service in this plan.

(b) The written request for service must be signed by an authorized representative of the customer and must specify the term option as either month-to-month, 3 years or 5 years.

(c) A confirmed due date for installation of DS1 and DS3 services ordered during the subscription period must be (1) within sixty (60) days of the date of ordering or (2) in accordance with a negotiated schedule of service dates requested by the customer and agreed to by the Telephone Company. Failure to accept service on the confirmed due date will result in cancellation of the order and the application of cancellation charges in accordance with Section 5.2 preceding, except when such failure to accept service is due to the Telephone Company's failure to provide service on the confirmed due date. (N)

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21. Contract Tariffs (Cont'd)

21.15 Contract Tariff Option 14 (Cont'd) (N)

(C) Serving Area for Contract Tariff Option 14

The serving area of Contract Tariff Option 14 is comprised of the following Telephone Company wire centers which are within the New York NY Metropolitan Statistical Area.

New York Wire Centers

NYCKNY14	NYCMNY42	NYCQNYFR
NYCKNY71	NYCMNY50	NYCQNYHS
NYCKNY77	NYCMNY56	NYCQNYIA
NYCKNYAI	NYCMNY73	NYCQNYJA
NYCKNYAL	NYCMNY79	NYCQNYLI
NYCKNYAR	NYCMNY97	NYCQNYLN
NYCKNYAU	NYCMNYBS	NYCQNYNJ
NYCKNYAY	NYCMNYBW	NYCQNYNW
NYCKNYBR	NYCMNYCA	NYCQNYOP
NYCKNYBU	NYCMNYMN	NYCQNYRH
NYCKNYCL	NYCMNYPS	NYCRNYND
NYCKNYFA	NYCRNYNS	NYCRNYSS
NYCKNYFT	NYCMNYTH	NYCRNYWS
NYCKNYKP	NYCMNYVS	NYCXNYCI
NYCKNYLA	NYCMNYWA	NYCXNYCR
NYCKNYRA	NYCMNYWS	NYCXNYGC
NYCKNYTY	NYCMNYZO	NYCXNYHO
NYCKNYWM	NYCQNYAS	NYCXNYJE
NYCMNY13	NYCQNYBA	NYCXNYKB
NYCMNY18	NYCQNYBH	NYCXNYMH
NYCMNY30	NYCQNYCO	NYCXNYTB
NYCMNY36	NYCQNYFH	NYCXNYTR
NYCMNY37	NYCQNYFL	

(N

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.15 Contract Tariff Option 14 (Cont'd)

(C) Serving Area for Contract Tariff Option 14 (Cont'd) (N)

New Jersey Wire Centers

BYNNNJ02	JRCYNJBR	PSSCNJPS
BLVLNJBE	JRCYNJJO	PTSNNJAR
BLFDNJBL	KRNYNJKN	PLFDNJPF
CFTNNJCF	LNDNNJ01	RCPKNJ02
CLWLNJCW	LTFLNJLF	RGWDNJRW
CFPKNJCS	LTFYNJLF	RHWYNJRA
CLSTNJCO	LVTNNJLI	RMSYNJRM
CNFRNJCR	MLBNNJMB	RSLLNJRL
DUMTNJDM	MTCLNJMC	RVDLNJPL
ELZBNJEL	MTVWNJMV	RTFRNJRU
ENWDNJEN	NBRGNJNB	SORGNJSO
EORNNJEO	NWPVNJMH	UNCYNJ02
ERLKNJEL	NWRKNJ03	UNINNJUV
FRLNNJFL	NWRKNJIR	WMFRNJ01
FRFDNJFA	NWRKNJ02	WORNNJWO
FTLENJLE	NWRKNJWA	WSFDNJWS
HCKNNJHK	NFLDNJNF	WYCKNJWK
HLDNNJ01	NTLYNJNU	
HLDLNJWE	OKLDNJ01	
IVTNNJES	RVEDNJOR	

The above Telephone Company wire centers in the New York NY MSA are in effect as of the effective date of this Contract Tariff Option 14. Any additions of, or changes to, Telephone Company MSAs, including changes to wire centers or Level 1/Level 2 pricing status as described in Section 14.7 preceding of this tariff that occur after June 12, 2004, will apply. (N)

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21. Contract Tariffs (Cont'd)

21.15 Contract Tariff Option 14 (Cont'd)

(D) Terms and Conditions (N)

Unless superceded by the terms and conditions set forth herein, all terms and conditions, including termination liability and minimum periods, as stated in Section 7.2.9 preceding, apply to the respective services ordered under this Contract Tariff Option 14.

(1) DS1 and DS3 services may be ordered under this Contract Tariff Option 14 during the subscription period on a month-to-month basis or as a 3 or 5-year term plan.

(2) The minimum periods for DS1 and DS3 services ordered under this Contract Tariff Option 14 are the same minimum periods that apply for DS1 and DS3 services specified in other sections of this tariff.

(3) Except as specified in (4) following, termination liability charges apply if service under this Contract Tariff Option 14 is disconnected in full or in part prior to the end of one year on a 3-year term plan or three years on a 5-year term plan. The termination liability charge applies as follows:

- For disconnects on or prior to the end of the minimum period and prior to the end of the first year on a 3-year plan or prior to the end of the third year on a 5-year plan, the termination liability charge is 50% of the applicable monthly rates for each month and fraction thereof remaining between the end of the minimum period and the end of the first or third year, respectively.

- For disconnects after the end of the minimum period but prior to the end of the first year on a 3-year plan or prior to the end of the third year on a 5-year plan, the termination liability charge is 50% of the applicable monthly rates for each month and fraction thereof remaining between the date of termination and the end of the first or third year, respectively.

The termination liability charge applies in addition to applicable minimum period charges. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.15 Contract Tariff Option 14 (Cont'd)

(D) Terms and Conditions (Cont'd)

(4) Termination liability will not apply if a customer changes from a 3-year term plan to a 5-year term plan. Time-in-service credit on the shorter plan will be granted on a month-for-month basis towards the term of the longer plan. The term plan rate for the longer plan shall commence effective with the first bill date following the order to change to a longer plan. No credit will be applied to the monthly rates previously billed for the shorter plan. (N)

(5) Replacements, rearrangements, upgrades or any other physical change to service provided under this Contract Tariff Option 14 will constitute termination of the existing service under this Contract Tariff Option 14 and installation of service as offered under other sections of this tariff. Termination liability charges apply as set forth in (D)(3) preceding unless all of the following conditions are met:

- The customer orders new DS1, DS3 or higher bandwidth service to replace the terminated service.
- The commitment period of the new service commences with the installation of the new service.
- The replacing service is provided under an equal or longer term (as offered under other sections of this tariff) than the terminated service.
- The new service is provided between the same customer and/or Company locations as the service being replaced.

The customer remains responsible for satisfying any outstanding minimum period obligations on the terminated service. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.15 Contract Tariff Option 14 (Cont'd) (N)

(D) Terms and Conditions (Cont'd)

(6) Upon expiration of the initial term, customers subscribing to Contract Tariff Option 14 may renew their subscription for one additional term of 3 or 5 years. Only one additional subscription is allowed. Upon expiration of the initial term, the customer may also convert service under this Contract Tariff Option 14 to any other payment option offered for the applicable service under other sections of this tariff, or may discontinue the service. If the customer does not notify the Telephone Company of its election prior to expiration of the initial term plan, the customer's initial term plan will be automatically renewed upon expiration. The renewed plan will have a term equal to that of the original plan, and the plan will be considered new. Only one automatic renewal will occur. The customer may cancel the renewed plan within the first sixty (60) days of the date of automatic renewal without termination liability. Except as set forth in (D)(4) preceding, cancellation after that date will incur termination liability.

All rates and charges for services ordered during the subscription period under this Contract Tariff Option 14, whether month-to-month or in a term plan, will expire no later than September 10, 2014.

Upon final expiration of the term of service under this Contract Tariff Option 14, the customer may continue with service under any other payment plan offered in other sections of this tariff or may discontinue service without termination liability. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.15 Contract Tariff Option 14 (Cont'd) (N)

(E) Application of Rates and Charges

For each DS1 or DS3 Service under this Contract Tariff Option 14, a Corridor Channel Termination shall apply for the New Jersey portion of the service and a Corridor Channel Termination shall apply for the New York portion of the service.

The Corridor Channel Termination provides the communications path from the customer's designated premises to the interconnection point between the facilities of the two Exchange Telephone Companies. Each Exchange Telephone Company shall bill its channel termination in accordance with the regulations set forth in Section 2.4.7 preceding of this tariff.

Optional features and functions or Basic Service Elements (BSEs) applicable to High Capacity DS1 and DS3 will be provided in accordance with the regulations set forth in Section 7.2.9(D) preceding. These optional features and functions or BSEs are provided under the rates set forth in Section 7.5.9(C) preceding.

Except when allowed under another contract tariff option in this Section 21, the DS1 and DS3 Services provided under this Contract Tariff Option 14 are not eligible for any other contract tariff option or service, term or volume discount offered in this and other sections of this tariff.

Shared use as set forth in Section 5.2.8 preceding of this tariff is not allowed on services ordered under this Contract Tariff Option 14.

Rates and charges for these services are set forth in (F) following of this tariff.

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.15 Contract Tariff Option 14 (Cont'd) (N)

(F) Rates and Charges

Rates apply per Corridor Channel Termination. The following rates apply in all price bands as determined in Section 14.7 preceding.

Service	USOC	Monthly Rate	Nonrecurring Charge
DS1 Corridor CT			
- Month-to-month	-----	$ 425.00	None
- 3 Year	-----	200.00	None
- 5 Year	-----	200.00	None
DS3 Corridor CT			
- Month-to-month	-----	$2,750.00	None
- 3 Year	-----	2,050.00	None
- 5 Year	-----	2,050.00	None

(N)

21. Contract Tariffs (Cont'd)

21.16 Contract Tariff Option 15

(A) Scope

Contract Tariff Option 15, (Option 15) is an offering exclusively for customers with two (2) existing and separate Special Access Verizon Dedicated SONET Ring services (DSR) that have been installed (T) and operational for at least five (5) years, and who replace such services with two (2) new DSRs equipped with enhanced nodes under (T) this Option 15. The customer will receive discounts Under Option 15, as set forth in Section (C) following.

(B) Eligibility

To be eligible for Option 15, the following criteria must be met:

(1) The customer must subscribe to two (2) new DSRs with enhanced (T) nodes under Section 23.1 following, and the nodes must be located (T) at the same customer designated premises and Telephone Company wire centers as the DSR nodes on the existing services being (T) replaced.

(2) The customer must subscribe to the new DSRs during the (T) subscription period that begins on June 12, 2004 and ends July 12, 2004. A customer subscribes to Option 15 by submitting a written or electronic order to the Telephone Company for each new DSR (T) authorizing construction of the new DSR to commence. The written (T) or electronic order provided to the Telephone Company must be signed by an authorized representative of the customer and must include the components specified in (5) following.

(3) Each new DSR must have a service period of sixty-six (66) months. (T) The service period of each new DSR shall commence upon (T) notification that construction of that new DSR is complete, and (T) the customer issues the required Access Service Request to commence billing in accordance with Section 5.2 preceding. When such new DSR billing commences, the Telephone Company will stop (T) billing, without termination liability, for the existing DSR. (T)

(4) One of the new DSR must be within the Pittsburgh PA Metropolitan (T) Statistical Area (MSA), and one must be within the Washington DC-MD-VA MSA. Wire centers for these MSAs are listed in Section 14.7 preceding. Any additions or changes to the wire centers included in these MSAs that occur after June 12, 2004 will apply and be included in Option 15.

21. Contract Tariffs (Cont'd)

21.16 Contract Tariff Option 15 (Cont'd)

(B) Eligibility (Cont'd)

(5) The new DSRs must be equipped with enhanced nodes and configured with the following components: (T)

Pittsburgh PA MSA	Washington DC-MD-VA MSA
10 - 15 Enhanced OC12 Nodes	3 - 8 Enhanced OC12 Nodes
55 - 65 OC12 Total Ring Miles	5 - 20 OC12 Total Ring Miles
160 - 200 DS1 Ports	22 - 40 DS1 Ports
4 - 8 DS3 Ports	3 - 8 DS3 Ports

(6) The customer must meet a minimum revenue commitment (MRC) of at least $4,000,000 that is generated by the new DSRs during the (T) service period. The MRC is inclusive of the monthly recurring charges for all enhanced DSR nodes, ring mileage, and ports (T) associated with the two (2) new DSRs, excluding any state, local, (T) and federal taxes and surcharges as they may apply. If the customer terminates all or any portion of the new DSR during the (T) service period, the Telephone Company will compare the customer's projected actual revenue (Actual Revenue) under this Option 15 to the MRC for purposes of calculating termination liability as set forth in (E) following.

(C) Terms and Conditions

All terms and conditions, including termination liability and minimum periods, as stated in Section 23.1 following, apply to (T) service under Option 15, except for the terms and conditions specified under this Option 15.

(1) Option 15 offers discounts on all new DSR enhanced nodes, ring (T) mileage, and port rate elements ordered from Section 23.1 (T) following of this tariff that meet the conditions outlined in (A) (T) and (B) preceding.

(2) The discounts under Option 15 are: forty-four percent (44%) for the first six (6) months of the service period on the new DSR in (T) the Pittsburgh PA MSA, and twenty percent (20%) for the next sixty (60) months of the service period on the new DSR in the Pittsburgh (T) PA MSA; and twenty percent (20%) for the sixty-six (66) month service period on the new DSR in the Washington DC-MD-VA MSA. The (T) foregoing discounts will be applied to the applicable monthly recurring rate elements then in effect as described in Section 23.1 following. (T)

(3) Shared use as set forth in Section 5.2.8 preceding is allowed under Option 15. However, only the Special Access portion of a service is eligible to receive the Option 15 discount.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.16 Contract Tariff Option 15 (Cont'd) (N)

(C) Terms and Conditions (Cont'd)

(4) The Option 15 discounts will terminate upon expiration of the service period. At the end of the service period, the customer has the following options:

(a) Disconnect service upon written notification to the Telephone Company;

(b) Continue with the service at the applicable five (5) year rate without the application of the discounts afforded under this Option 15; or

(c) Subscribe to any then-offered contract tariff option for which the customer is eligible.

(5) Replacements, rearrangements, upgrades, or any other physical change to service under Option 15 will result in termination of the Option 15 discounts. The Option 15 discounts will not apply to any obligations of termination liability or to charges applicable to the remaining minimum period obligation.

(6) Cancellation charges as set forth in Section 5.2 preceding apply if an order for service is cancelled in whole or in part under this Option 15. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.16 Contract Tariff Option 15 (Cont'd) (N)

(D) Business Downturn

In the event the customer, despite reasonable efforts, is unable to meet the MRC under this Option 15, and such inability is the result solely of either of the following: (i) divestiture, merger, sale, or other disposition of a subsidiary, division, or other significant business unit; or (ii) consolidation of business operations or reduction in the number of employees ("Business Downturn"), and the customer terminates portions of the service affected by the Business Downturn, the customer will pay reduced termination liability as set forth in (E)(1) following. In order for reduced termination liability to apply, the customer must first give the Telephone Company prior written notice of the Business Downturn. Business Downturn allowances shall not apply to any reduction in service resulting from the customer's use of substitute products or services that are provided by any party other than the Telephone Company, including outsourcing by the customer to third parties. The customer will continue to pay the applicable monthly recurring rates as set forth in this Option 15 for those elements of service not affected by the Business Downturn. (N)

21. Contract Tariffs (Cont'd)

21.16 Contract Tariff Option 15 (Cont'd)

(E) Termination Liability

(1) Termination liability applies in accordance with the terms and conditions stated in Section 23.1 following. When the termination (T) liability applies, the discounts provided under Option 15 will not apply and will be excluded from the calculation of termination liability. If service is disconnected prior to completing the minimum period for the new DSRs, the Option 15 discounts are not (T) used in calculating applicable minimum period charges.

(2) Termination Liability with Business Downturn

(a) Except as set forth in (3) following, if the new DSR or any (T) portion of the new DSR is terminated prior to expiration of the (T) service period for a Business Downturn as set forth in (D) preceding, the customer will pay termination liability equal to a percentage of the non-discounted five (5) year rate as set forth in Section 23.1 following multiplied by the number of rate (T) elements terminated, multiplied by the number of months remaining in the service period. The percentage applied to termination liability is dependent on the year of the service period in which the termination occurs as follows:

Year of Service Period	Percentage Applied
Year 1	75%
Year 2	50%
Years 3 through 5	10%

(b) Terminations of service resulting from a Business Downturn shall not be subtracted from the customer’s projected Actual Revenue.

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21. Contract Tariffs (Cont'd)

21.16 Contract Tariff Option 15 (Cont'd)

(E) Termination Liability (Cont'd)

(3) Termination without Business Downturn

(a) If the new DSR or any portion of the new DSR is terminated prior to expiration of the service period for any reason other than a Business Downturn as set forth in (D) preceding, the customer will pay termination liability equal to a percentage of the non-discounted five (5) year rate as set forth in Section 23.1 following multiplied by the number of rate elements terminated, multiplied by the number of months remaining in the service period. The percentage applied to termination liability is dependent on the year of the service period in which the termination occurs as follows: (T) (T) (T)

Year of Service Period	Percentage Applied
Years 1 through 2	100%
Years 3 through 5	25%

(b) Terminations of service not resulting from a Business Downturn shall be subtracted from the customer’s projected Actual Revenue for the remainder of the service period. If, after such subtraction, the customer’s total projected actual revenue under this Option 15 is less than the customer’s MRC specified in (D) preceding, then the customer will pay termination liability as set forth in this section (E)(3) for all subsequent terminations of service, whether or not caused by a Business Downturn.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.17 Contract Tariff Option 16 (N)

21.17.1 Scope

Contract Tariff Option 16 (Option 16) is an offering exclusively for customers subscribing to new IntelliLight Entrance Facility (IEF) Special Access Services at fifteen (15) or more different customer designated premises within the Metropolitan Statistical Areas (MSAs) of this tariff and of those specified in the Telephone Company's Tariff F.C.C. No. 11. (x)

21.17.2 General

(A) A customer subscribes to Option 16 by submitting an order for service using an ordering procedure designated by the Telephone Company during the first sixty (60) days following the effective date of this Option 16 (i.e., the subscription period).

(B) The customer must subscribe to a minimum of fifteen (15) new IEF systems with each system configured to include a Fractional OC48 Interface and twelve (12) or more STS1 Terminations. Connection of other access services to IEF systems is described in Section 7.2.15 preceding. Under this Option 16, STS1/51.84 Mbps Termination with a Fractional OC48 Interface IEF system shall be referred to as "STS1 Terminations."

(D) Except as otherwise provided for in this Option 16, the terms and conditions for IEF in Section 7.2.15 preceding apply. Other services required to provide IEF (for example, special construction) will be provided in accordance with the rates and regulations in this tariff and/or other interstate Telephone Company tariffs.

21.17.3 Serving Area

The serving area of the Option 16 is comprised of the Phase I and Phase II MSAs under this tariff and of those specified in the Telephone Company's Tariff F.C.C. No. 11. Wire centers for the Phase II MSAs specified in this tariff are listed in Section 14.7 preceding. Any additions of, or changes to, Telephone Company MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 14.7 preceding of this tariff) that occur during the service commitment period of this Option 16 will apply. (x) (N)

(x) Issued under authority of Special Permission No. 04-043 of the Federal Communications Commission

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21. Contract Tariffs (Cont'd)

21.17 Contract Tariff Option 16 (Cont'd)

21.17.4 Terms and Conditions (N)

(A) An order for the new IEF service must be placed during the subscription period. A new service can not be a service that was disconnected from another contract option, discount plan, or tariff arrangement and subsequently ordered under this option in order to include that service in this option.

(B) Except as otherwise set forth below, the service commitment period for IEF services purchased under this Option 16 is six (6) months. Prior to, or upon expiration of, the service period, the customer must choose one (1) of the following options. The customer must also provide written notification to the Telephone Company at least thirty (30) days prior to the expiration of the service period indicating its election of one of the options set forth below.

(1) Terminate this Option 16 and simultaneously subscribe to another then effective Contract Tariff Option for IEF service offered by the Telephone Company under this tariff (New Option). No termination liability, as set forth in Section 7.2.15 preceding, nor any minimum period obligation as set forth in 21.17.4(C) following and Section 7.2.15 preceding will be assessed by the Telephone Company for such termination. All terms and conditions of the New Option shall apply to such IEF services, including termination liability, as set forth in such New Option.

(2) Terminate this Option 16 and all services purchased pursuant to this Option 16. No termination liability, as set forth in Section 7.2.15 preceding, will be assessed by the Telephone Company for such termination. Minimum period obligations shall apply as set forth in Section 7.2.15 preceding.

(3) Elect to extend this Option 16 for a five (5) year service period. If the customer elects this option, the service period for all services subscribed to under this Option 16 shall be deemed to commence upon its initial subscription to this Option 16. The customer will continue receiving the IEF rate set forth in this Option 16 in 21.17.5 following until the expiration of the five (5) year service period. All other provisions of IEF service, including termination liability, as set forth in Section 7.2.15 preceding, will continue to apply. Minimum period obligations shall apply as set forth in Section 21.17.4(C) following. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.17 Contract Tariff Option 16 (Cont'd)

21.17.4 Terms and Conditions (Cont'd)

(C) IEF services provided under this Option 16 are subject to a six (6) month minimum period which applies in lieu of the minimum period specified in Section 7.2.15 preceding. In any given month during the service period, if the customer fails to maintain a minimum of twelve (12) STS1 Terminations per system, the six (6) month minimum period does not apply to the services during such month, and the minimum period obligation set forth in Section 7.2.15 preceding shall apply in lieu thereof. If a customer subsequently returns to the minimum of twelve (12) STS1 Terminations per system in a subsequent month, the six (6) month period obligation shall again apply to the services. The applicable minimum period obligations shall apply in addition to any applicable termination liability as set forth in Section 7.2.15 preceding. (N)

(D) The rates and charges set forth in 21.17.5 following apply on a recurring monthly basis for each STS1 Termination.

(E) During the service period, the customer must maintain a minimum of twelve (12) STS1 Terminations per system. In any month where the customer fails to maintain a minimum of twelve (12) STS1 Terminations on one or more IEF systems, the rate per in-service STS1 Termination on the affected IEF system(s) for that month will be the monthly rate per STS1 Termination as set forth in Section 7.5.21 preceding in lieu of the rate per STS1 Termination set forth in 21.17.5 following.

(F) Additional IEF systems may be ordered subsequent to the subscription period of this Option 16 subject to the terms and conditions if this Option 16. Each additional IEF system must include a Fractional OC48 Interface and twelve (12) or more STS1 Terminations.

(G) With the exceptions of subscribing to 21.17.4(B)(1) above, a Commitment Discount Plan (CDP), or a Contract Tariff Option which provides a credit or discount based upon the achievement of certain Total Billed Revenue as set forth in this tariff, a customer subscribing to Option 16 may not subscribe to any other discount plan, Contract Tariff Option, Individual Case Basis (ICB) arrangement, specialized service arrangement, or other promotional offering offered by the Telephone Company under this tariff for IEF services ordered pursuant to this Option 16.

(H) Upon expiration of the service period set forth in 21.17.4(B) preceding, the terms and conditions set forth in Section 7.2.15 preceding will apply. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.17 Contract Tariff Option 16 (Cont'd)

21.17.5 Rates and Charges (N)

The following rates apply in all MSAs under this tariff.

Per STS1/51.84 Mbps Termination with a Fractional IEF OC48 IEF System*

	Monthly Rate	Nonrecurring Charge
12	$343.33	$1.00
13	342.41	1.00
14	340.58	1.00
15	338.74	1.00
16	337.82	1.00
17	335.99	1.00
18	334.15	1.00
19	333.23	1.00
20	331.40	1.00
21	329.56	1.00
22	327.73	1.00
23	326.81	1.00
24	324.97	1.00
25	323.14	1.00
26	322.22	1.00
27	320.38	1.00
28	318.55	1.00
29	317.63	1.00
30	315.79	1.00
31	313.96	1.00
32	312.12	1.00
33	311.20	1.00
34	309.37	1.00
35	307.53	1.00
36	306.61	1.00
37	304.78	1.00
38	302.94	1.00
39	300.19	1.00
40	296.51	1.00
41	292.84	1.00
42	289.17	1.00
43	285.50	1.00
44	280.91	1.00
45	277.24	1.00
46	273.56	1.00
47	269.89	1.00
48 and over	265.30	1.00

* Interface sold separately under Section 7.5.21 preceding (N)

21. Contract Tariffs (Cont'd)

21.18 Contract Tariff Option 17

(A) Scope

(1) Contract Tariff Option 17 (Option 17) is an offering for new installations of Special Access Verizon Dedicated SONET Ring (DSR) (T) service, as set forth in Section 23.1 following. Switched Access (T) DSR rate elements, as set forth in Section 23.1 following, are not (T) eligible to receive the Option 17 discount.

(2) The regulations, terms, and conditions provided in this Section 21.18 apply to all customers who order new DSR services offered (T) under Option 17 in the applicable Metropolitan Statistical Areas (MSAs) during the specified subscription period set forth below.

(B) Eligible Services

Option 17 is an offering exclusively for new installations, as described in this Option 17, of the following DSR services, as set (T) forth in Section 23.1 following. (T)

- OC48 or OC192 Enhanced Nodes
- OC48 or OC192 Ring Transport (Mileage between Enhanced Nodes)

(C) Serving Area

(1) The serving area of Option 17 is comprised of the following MSAs.

New York NY
New Brunswick-Perth Amboy-Sayerville NJ

(2) The wire centers within the New York NY MSA are listed in Section 14.7 preceding. The wire centers within the New Brunswick-Perth Amboy-Sayerville NJ MSA are listed in (4) following. The wire centers that comprise the New York and New Jersey Corridor are listed in (5) following.

(3) Any additions or changes to the wire centers included in the MSAs listed above that occur after will apply and be included in Option 17.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.18 Contract Tariff Option 17 (Cont'd)

(C) Serving Area (Cont'd)

(4) The following Telephone Company wire centers comprise the New Brunswick-Perth Amboy-Sayerville NJ MSA: (N)

New York Wire Centers

MNTKNYMT

New Jersey Wire Centers

BWTWNJBT	JMBGNJJA	PSWYNJPI
CARTNJCA	MNJTNJ01	RHWYNJRA
DNLNNJDU	SORVNJSR	EDSNNJED
PAMBNJPM	SPWDNJSW	FNPKNJFP
PRPLNJPA	SYRVNJSA	FRDSNJFR
PSWYNJAL	WDBRNJWD	

(5) The following Telephone Company wire centers of the New York NY MSA comprise the geographic area of the New York and New Jersey Corridor:

New York Wire Centers

NYCKNY14	NYCMNY42	NYCQNYFR
NYCKNY71	NYCMNY50	NYCQNYHS
NYCKNY77	NYCMNY56	NYCQNYIA
NYCKNYAI	NYCMNY73	NYCQNYJA
NYCKNYAL	NYCMNY79	NYCQNYLI
NYCKNYAR	NYCMNY97	NYCQNYLN
NYCKNYAU	NYCMNYBS	NYCQNYNJ
NYCKNYAY	NYCMNYBW	NYCQNYNW
NYCKNYBR	NYCMNYCA	NYCQNYOP
NYCKNYBU	NYCMNYMN	NYCQNYRH
NYCKNYCL	NYCMNYPS	NYCRNYND
NYCKNYFA	NYCRNYNS	NYCRNYSS
NYCKNYFT	NYCMNYTH	NYCRNYWS
NYCKNYKP	NYCMNYVS	NYCXNYCI
NYCKNYLA	NYCMNYWA	NYCXNYCR
NYCKNYRA	NYCMNYWS	NYCXNYGC
NYCKNYTY	NYCMNYZO	NYCXNYHO
NYCKNYWM	NYCQNYAS	NYCXNYJE
NYCMNY13	NYCQNYBA	NYCXNYKB
NYCMNY18	NYCQNYBH	NYCXNYMH
NYCMNY30	NYCQNYCO	NYCXNYTB
NYCMNY36	NYCQNYFH	NYCXNYTR
NYCMNY37	NYCQNYFL	

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.18 Contract Tariff Option 17 (Cont'd)

(C) Serving Area (Cont'd)

(5) (Cont'd)

New Jersey Wire Centers (N)

BYNNNJ02	JRCYNJBR	PSSCNJPS
BLVLNJBE	JRCYNJJO	PTSNNJAR
BLFDNJBL	KRNYNJKN	PLFDNJPF
CFTNNJCF	LNDNNJ01	RCPKNJ02
CLWLNJCW	LTFLNJLF	RGWDNJRW
CFPKNJCS	LTFYNJLF	RHWYNJRA
CLSTNJCO	LVTNNJLI	RMSYNJRM
CNFRNJCR	MLBNNJMB	RSLLNJRL
DUMTNJDM	MTCLNJMC	RVDLNJPL
ELZBNJEL	MTVWNJMV	RTFRNJRU
ENWDNJEN	NBRGNJNB	SORGNJSO
EORNNJEO	NWPVNJMH	UNCYNJ02
ERLKNJEL	NWRKNJ03	UNINNJUV
FRLNNJFL	NWRKNJIR	WMFRNJ01
FRFDNJFA	NWRKNJ02	WORNNJWO
FTLENJLE	NWRKNJWA	WSFDNJWS
HCKNNJHK	NFLDNJNF	WYCKNJWK
HLDNNJ01	NTLYNJNU	
HLDLNJWE	OKLDNJ01	
IVTNNJES	RVEDNJOR	

(N)

21. Contract Tariffs (Cont'd)

21.18 Contract Tariff Option 17 (Cont'd)

(D) Eligibility Requirements

All of the following requirements must be met in order to be eligible for subscription to Option 17.

(1) Customers who wish to subscribe to Option 17 must do so by submitting a written authorization in a manner designated by the Telephone Company during the subscription period, which begins on September 4, 2004 and ends November 3, 2004 (the 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, any change to a later date will make the service ineligible for the discount, unless the change is initiated by the Telephone Company.

(3) A new service cannot be a service that was disconnected from another contract option, discount plan, or tariff arrangement in order to include that service in this plan.

(4) The customer must purchase a minimum of four (4) DSR OC48 or OC192 (T)
Enhanced Nodes and up to a maximum of twenty-two (22) DSR OC48 or (T)
OC192 Enhanced Nodes. All of the Enhanced Nodes must be within the MSAs listed in (C) above, and at least twenty-five percent (25%) of the Enhanced Nodes on any individual ring must be served by wire centers that are located within the New York and New Jersey Corridor, as set forth in (C)(5) preceding.

(a) When calculating the minimum number of nodes, always round up to the next node when the calculation results in a fraction of a node. For example, 25% of a seven (7) node ring would require 1.75 or a minimum of two (2) nodes that must be served by wire centers that are within the New York and New Jersey Corridor. Wire centers that are within the New York and New Jersey Corridor are listed in (C)(5) preceding.

(5) The customer must agree to a service period of sixty-three (63)
months for DSR Enhanced Nodes and Ring Transport under this Option (T)
17.

21. Contract Tariffs (Cont'd)

21.18 Contract Tariff Option 17 (Cont'd)

(E) Description of Option 17

(1) Option 17 offers a discount as set forth in (E)(2) following on all eligible DSR services that meet the conditions outlined in this Option 17. For the purchase of new DSR services, the Option 17 discount will apply to DSR monthly recurring rate elements (Enhanced Nodes and Ring Transport). Application of the discount on Ring Transport rate elements is limited to those instances where the wire centers serving the Enhanced Nodes are within an MSA identified in (C) above. (T) (T) (T)

(2) Under Option 17, the following discounted rates will apply in all price bands and all rate zones, as applicable.

Rate Element	MRC	NRC
Enhanced OC48 Node	$3,222.80	None
Enhanced OC192Node	6,440.00	None
OC48 Ring Transport	447.30	None
OC192 Ring Transport	895.30	None

(3) Except for service provided under another contract tariff in this Section 21 for which minimum revenue or total revenue is measured on a contract level basis, or a term plan as described in Section 23.1 following, service subscribed to under Option 17 is not eligible for any other service, term, or volume discount offered under this tariff. (T)

(4) Shared use as set forth in Section 5.2.8 preceding is allowed under Option 17; however, only the special access portion of a service is eligible to receive the Option 17 discount.

21. Contract Tariffs (Cont'd)

21.18 Contract Tariff Option 17 (Cont'd)

(F) 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 subject to this Option 17. (T)

(1) At the expiration of the sixty three (63) month service period, the customer must choose one of the following options.

(i) disconnect service;

(ii) elect any then effective term plan or contract tariff option applicable to DSR; or (T)

(iii) continue with service at the rates set forth in (E)(2) preceding on a month-to-month basis.

(a) When (iii) is selected, or if the customer does not make a choice, the rates set forth in (E)(2) preceding will continue to apply until an election of (i) or (ii) is made, or until the first bill period after December 31, 2015, whichever occurs first.

(2) The Option 17 discount will not apply to any obligations or calculations involving cancellation charges, minimum periods, or termination liability. The customer shall be responsible for any cancellation charges, minimum period obligations, and/or termination liabilities as set forth in Section 23.1 following. (T)

(3) If the new DSR, or any portion of the new DSR, is terminated prior to expiration of the service period, termination liability applies as follows. (T)

(a) When service is disconnected within the first twenty-four (24) months of the service period, termination liability is equal to one hundred percent (100%) of the five (5) year term plan rate specified in Section 23.1 following multiplied by the number of rate elements terminated, and the resulting amount is multiplied by the number of months remaining in the service period. (T)

(b) When service is disconnected after the first twenty-four (24) months of the service period [month twenty-five (25) through month sixty-three (63)], termination liability is equal to twenty-five percent (25%) of the five (5) year term plan rate specified in Section 23.1 following multiplied by the number of rate elements terminated, and the resulting amount is multiplied by the number of months remaining in the service period. (T)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.19 Contract Tariff Option 18 (N)

(A) Scope

Contract Tariff Option 18 (**Option 18**) is offered for a service commitment period of one (1) year and provides a customer with a one-time credit when it meets certain total billed revenue (**TBR**) thresholds set forth in (B)(2) following for the Qualifying Services set forth in (E)(1) following (**TBR for Qualifying Services**). Calculation of TBR for Qualifying Services shall be in accordance with the terms of this Option 18.

(B) Eligibility

The customer must meet all of the following eligibility criteria in order to be eligible for subscription to Option 18.

(1) During the twelve (12) month period prior to commencement of the Service Period (set forth in (C) following), the customer must have achieved both:

(a) a minimum of $235,000,000 (**$235M**) in billed revenue for all Qualifying Services as set forth in (E)(1) following purchased by the customer from the Telephone Company; and

(b) a minimum of $101,500,000 (**$101.5M**) in billed revenue in Qualifying Facility Management Services (**Qualifying FMS**) as described in (E)(1) following. The TBR for Qualifying Services, as described in (1)(a) above, must include the TBR for Qualifying FMS as set forth in (B)(1)(b).

(2) During the Service Period set forth in (C) following, the customer must achieve both:

(a) A TBR for Qualifying Services, as defined in (E) following, of not less than $235M and no more than $300,000,000 (**$300M**); and

(b) A minimum TBR for Qualifying FMS, as described in (E) following, of not less than $101.5M. The TBR for Qualifying Services, as described in (2)(a) above, must include the TBR for Qualifying FMS set forth in this (B)(2)(b). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.19 Contract Tariff Option 18 (Cont'd) (N)

(B) Eligibility (Cont'd)

(3) However, in order to receive any Billing Credit, as defined in (E)(2)(a) following, the customer must achieve both:

(a) a minimum TBR of at least $255,000,000 (**$255M**) of Qualifying Services; and

(b) a minimum TBR of at least $101.5M of Qualifying FMS during the Service Period. The TBR for Qualifying Services set forth in (3)(a) above must include the TBR for Qualifying FMS set forth in this (B)(3)(b).

TBR for Qualifying Services and TBR for Qualifying FMS shall be calculated using the criteria and mechanism set forth in (E) following. Billing Credits shall vary depending on the TBR for Qualifying Services and Qualifying FMS achieved by the customer during the Service Period. Such Billing Credits shall be calculated in accordance with (E) following.

(4) Eligible customers who wish to subscribe to Option 18 must do so by submitting a written request, in a form prescribed by the Telephone Company, and signed by an authorized representative of the customer. The customer must subscribe to Option 18 during the sixty (60) day period that begins December 14, 2004 and ends February 11, 2005 (**Subscription Period**).

(5) Other than as set forth in (E)(5) following, 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 provides a discount, credit, or other reduction in rates or terms based on achievement of certain revenue targets by the customer for the Qualifying Services. Notwithstanding the foregoing, the customer will be eligible to continue to participate in Tariff Option 4 offered in the Telephone Company's Tariff F.C.C. (x)
No. 14. (x)

(C) Service Period

The Service Period of this Option 18 shall be for a period of one (1) year from the date the customer subscribes to this Option 18 under (B)(4) preceding (**Service Period**). (N)

(x) Issued under authority of Special Permission No. 04-078 of the Federal Communications Commission

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.19 Contract Tariff Option 18 (Cont'd) (N)

(D) Serving Area

The Billing Credit, as defined in (E)(2)(a) following, will be provided only in the Metropolitan Statistical Areas (**MSAs**) that have achieved Phase I or Phase II pricing flexibility under this tariff and under the Telephone Company's Tariff F.C.C. Nos. 11 and 14. Wire (x) centers for the Phase II MSAs are listed in Section 14.7 of this (x) tariff, Section 15.3 of Tariff F.C.C. No. 11, and Section 19.1 of (x) Tariff F.C.C. No. 14. Any additions of, or changes to, the MSAs (x) (including changes to wire centers or Level 1/Level 2 pricing status as described in those sections) that occur during the Service Period (x) of this Option 18 will apply. No Billing Credits will be provided in the operating territories of the Telephone Company's Tariff F.C.C. No. (x) 16, but the calculation of the TBR for the Qualifying Services will (x) include all Qualifying Services purchased by the customer under the Telephone Company's Tariff F.C.C. No. 16 as set forth in (E)(1) (x) following.

(E) Terms and Conditions

(1) Qualifying FMS Services and Qualifying Services

(a) Qualifying FMS shall be comprised of any switched or special access FMS, as set forth in Sections 6.8.26 and 7.2.13 of this tariff and Sections 6.2.12 and 7.2.16 of the Telephone Company's (x) Tariff F.C.C. No. 11, purchased by the customer during the Service (x) Period. Qualifying Services will be comprised of the following services purchased by the customer during the Service Period:

- Special Access Voice Grade, Digital Data Service (DDS), DS1, DS3, and SONET services, as set forth in this tariff (Sections 7 and 8), the Telephone Company's Tariff F.C.C. No. 11 (Sections 7 (x) and 26), Tariff F.C.C. No. 14 (Sections 5 and 20), and Tariff (x) F.C.C. No. 16 (Sections 7 and 20), and Federal (x) Telecommunications Access Service, as set forth in Section 17 of (x) this tariff and Section 24 of the Telephone Company's Tariff (x) F.C.C. No. 11 (**Special Access**); (x)

- Switched Access DS1 and DS3 Direct Trunk Transport services (**Switched DTT**), as set forth in this tariff (Section 6), the Telephone Company's Tariff F.C.C. (Section 6), Tariff F.C.C. No. (x) 14 (Section 4), and Tariff F.C.C. No.16 (Section 6); and (x)

- Qualifying FMS. (N)

(x) Issued under authority of Special Permission No. 04-078 of the Federal Communications Commission

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.19 Contract Tariff Option 18 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS Services and Qualifying Services (Cont'd)

(a) (Cont'd)

(1) If the Telephone Company introduces a new Special Access Service or a new Switched DTT Service, or an enhancement to an existing Special Access or Switched DTT Service in this tariff and in its (x) Tariff F.C.C. Nos. 11, 14, and 16, then such services shall be (x) automatically included in Qualifying Services, and the customer's purchases of such new or enhanced Qualifying Services shall be included in the calculation of TBR, subject to the terms and conditions set forth in this Option 18.

(2) All other services purchased by the customer from the Telephone Company or any affiliate of the Telephone Company and not listed in this Section (E)(1)(a) shall not be eligible for inclusion as Qualifying Services under this Option 18.

(b) Subject to any credits or adjustments as set forth in this Section (E)(1)(b), the customer's TBR shall include only monthly billed recurring revenues for the Qualifying Services, which shall include any credits or discounts given under existing pricing plans (e.g. Service Discount Plan, Term Payment Plans, or Commitment Discount Plan) or Contract Tariff Option 4 under the (x) Telephone Company's Tariff F.C.C. No. 14, if applicable, that are (x) generated in the course of billing monthly recurring revenue for the Qualifying Services provided during the Service Period. Any credits and adjustments made to monthly recurring billed amounts for Qualifying Services, as set forth in this Section (E)(1)(b), which are purchased by the customer during the Service Period shall be included in the calculation of TBR for the Qualifying (N) Services.

(x) Issued under authority of Special Permission No. 04-078 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.19 Contract Tariff Option 18 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS Services and Qualifying Services (Cont'd)

(c) TBR for the Qualifying Services does not include any revenue other than as set forth in Section (E)(1)(b) preceding. The following is an illustrative list and is not intended to be a comprehensive listing of all other charges excluded from the calculation of TBR for the Qualifying Services.

- nonrecurring charges;
- taxes, or other charges imposed by a federal, state, local, or other governmental entity (e.g. Federal Universal Service Fund);
- service or administrative fees or charges imposed by the Telephone Company (e.g., Interest penalty, late payment penalty);
- any other charges which are not applied on a recurring monthly basis;
- any other billed amount related to Qualifying Services for which payment is being withheld or under dispute by the customer;
- 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;
- shortfall or overage charges associated with term plan true-ups, (for example, such as failure to satisfy commitment levels pursuant to the CDP Plan); or
- termination liabilities and minimum period charges.

(d) In calculating TBR for Qualifying Services, the Telephone Company shall determine the total amount of monthly billed recurring revenues for New SONET Qualifying Services (as defined below) which have been purchased by the customer during the Service Period, and multiply the same by 1.15 (that is, a fifteen percent (15%) incentive for subscription to New SONET Qualifying Services). For example, assume that the customer's total amount of monthly billed recurring revenues for New SONET Qualifying Services during the Service Period was $100,000. Then, in calculating TBR for Qualifying Services, the customer shall be deemed to have purchased $115,000 in Qualifying Services. For purposes of this Option 18, a **New SONET Qualifying Service** is a SONET Special Access Qualifying Service, as defined in Section (E)(1)(a) preceding, which meets one of the following criteria: (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.19 Contract Tariff Option 18 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS Services and Qualifying Services (Cont'd)

(d) (Cont'd)

(1) newly ordered and provisioned during the Service Period by the customer under this Option 18 and this tariff and in the Telephone Company's Tariff F.C.C. Nos. 11, 14, and 16; (x)

(2) upgrade of an existing Special Access service during the Service Period that is not a SONET Special Access service (e.g., upgrade of a DS1 or DS3 to an OC3 SONET service) under the provisions set forth in other sections of this tariff; or

(3) upgrade of an existing Special Access SONET service during the Service Period to a higher bandwidth SONET service (e.g. upgrade of an OC3 service to an OC12 service) under the provisions set forth in other sections of this tariff. A New SONET Qualifying Service shall not include any augments or additions of individual service components to an existing SONET Special Access service (e.g., addition of a node or a port to an existing IDSR Special Access service).

(e) 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, the following terms and conditions will apply in addition to any other terms and conditions set forth in Option 18 and in this tariff and in the Telephone Company's Tariff F.C.C. Nos. 11, 14, and 16. (x)

(1) The customer may not combine or include any revenues from the merged, acquiring, or acquired company, or assets of the merged, acquiring, or acquired company in the calculation of TBR for Qualifying Services.

(2) The customer may continue subscribing to this Option 18 for the duration of the Service Period based on its business with the Telephone Company as of December 14, 2004, without adding the revenues attributable to expansion of the customer's purchase of Services from the Telephone Company though merger, transfer, assignment, or acquisition.

(3) The Telephone Company reserves the right to terminate this Option 18 if the customer does not adhere to the provisions of this Section (E)(1)(e). (N)

(x) Issued under authority of Special Permission No. 04-078 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.19 Contract Tariff Option 18 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS Services and Qualifying Services (Cont'd)

(f) If an Issuing Carrier of this tariff, or the assets of such Issuing Carrier, are acquired by an unaffiliated third party (**Acquired Issuing Carrier**), and such Acquired Issuing Carrier ceases to provide the Qualifying Services in the territories that it previously operated in during the Service Period, then the following shall apply:

(i) each range or tier of the TBR for Qualifying FMS and the TBR for Qualifying Services set forth in the table in Section (E)(2)(b) following shall be proportionately reduced by the applicable Acquisition Reduction Amount, as defined in (E)(1)(f)(1) following;

(ii) all Billing Credits set forth in the table in Section (E)(2)(b) following shall be reduced by a percentage which shall be calculated by dividing the Acquisition Reduction Amount for Qualifying Services by $255M; and

(iii) in calculating the Shortfall Penalty or Termination Liability, as set forth in Sections (E)(3) or (E)(4) following, the TBR of $235M for Qualifying Services shall be reduced by the Acquisition Reduction Amount for Qualifying Services, as calculated in (E)(1)((f)(1) following. For example, if the Acquisition Reduction Amount, as calculated in (E)(1)(f)(1) following, is $45M, then a Shortfall Penalty will not be assessed if the customer has a TBR for Qualifying Services of at least $190M (the minimum TBR for Qualifying Services of $235M less the Acquisition Reduction Amount of $45M).

(1) An Acquisition Reduction Amount shall be calculated for each of the Qualifying FMS and the Qualifying Services as follows:

(i) calculate the TBR for Qualifying FMS or the TBR for Qualifying Services, as applicable, purchased by the customer from the Acquired Issuing Carrier during the twelve (12) months prior to the time that the Acquired Issuing Carrier ceases to provide the Qualifying Services;

(ii) calculate the average monthly amount purchased by the customer from the Acquired Issuing Carrier for Qualifying FMS or the TBR for Qualifying Services, as applicable, by dividing the number in (i) above by 12; and

(iii) multiply the average monthly amount for Qualifying FMS or the TBR for Qualifying Services, as applicable, calculated in (ii) above by the number of months remaining in the Service Period. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.19 Contract Tariff Option 18 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS Services and Qualifying Services (Cont'd)

(f) (Cont'd)

(2) For example, assume that one of the Telephone Company's Issuing Carriers was acquired by an unaffiliated third party and ceased to operate in month 3 of the Service Period. Assume that the customer purchased $12M of Qualifying FMS and a total of $60M of Qualifying Services from the Acquired Issuing Carrier during the twelve (12) months prior to the time that the Issuing Carrier ceased to provide the Services under this Option 18. Assume also that at the end of the Service Period, the customer has a TBR for Qualifying FMS of $97M and TBR for Qualifying Services of $240M. To calculate the applicable Billing Credit, or the application of the Shortfall Penalty at the end of the Service Period, the following shall apply:

Step One: calculate the Acquisition Reduction Amounts. The Acquisition Reduction Amount for Qualifying Services is $45M in Qualifying Services (calculated as $5M ($60M divided by 12) multiplied by the remaining nine (9) months of the Service Period). The Acquisition Reduction Amount for Qualifying FMS is $9M (calculated as $1M ($12M divided by 12) and multiplied the remaining 9 months of the Service Period).

Step Two: determine the new table for calculation of Billing Credits or Shortfall Penalties based on the Acquisition Reduction Amounts. Subtract $45M (the Acquisition Reduction Amount for Qualifying Services) from each range or tier of the TBR for Qualifying Services and $9M (the Acquisition Reduction Amount for Qualifying FMS) from each range or tier of the TBR for Qualifying FMS. This will provide an adjusted table for the determination of the Billing Credit or Shortfall Penalty, as applicable.

Step Three: determine the applicable Billing Credits or Shortfall Penalty from the new table calculated in Step Two above. In this example, the Billing Credit set forth in the table in Section (E)(2)(b) following will be reduced by 17.6% (calculated as $45M divided by $255M). The customer would be eligible for a Billing Credit of $16.6M ($20.2M Billing Credit using the table in Section (E)(2)(b) following less $3.6M ($20.2M multiplied by 0.176). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.19 Contract Tariff Option 18 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit

(a) At the end of the Service Period, the Telephone Company shall calculate (1) the total TBR achieved by the customer during the Service Period for Qualifying Services; and (2) the total TBR achieved by the customer during the Service Period for Qualifying FMS, in each case in accordance with the terms and condition set forth in this Option 18. Subject to the terms and conditions relating to disputes as set forth below, and subject to any reductions and adjustments as set forth herein, the customer shall be eligible to receive the applicable credit set forth in the table below (**Billing Credit**), which Billing Credit may be $0 depending on the customer's TBR for the Qualifying Services and TBR for the Qualifying FMS during the Service Period. If the customer has not met the minimum TBR requirement for Qualifying Services of $235M, or the adjusted minimum TBR requirement pursuant to (E)(1)(f) preceding, then the customer shall not receive any Billing Credits (i.e., a Billing Credit of $0 as set forth in the table below), and the customer shall be liable for the shortfall penalty as set forth in (E)(3) following.

(b) The Billing Credit shall be determined by using the table below. To calculate the Billing Credit, first, locate the customer's TBR for Qualifying FMS using the "x axis" of the table below under the heading "TBR for Qualifying FMS ($M)". Second, locate the customer's TBR for all Qualifying Services using the "y axis" of the table below under the heading "TBR for Qualifying Services ($M)". Third, find the corresponding meet-point of the two TBR amounts to determine the dollar amount of the Billing Credit. TBR Amounts will be rounded to the nearest $100,000. For example, assume that the customer has a TBR for Qualifying FMS of $114,725,342.00 (rounded to $114.7M) and a TBR for all Qualifying Services of $294,632,456.00 (rounded to $294.6M), then the customer shall be eligible for a Billing Credit of $28,300,000.00 ($28.3M). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.19 Contract Tariff Option 18 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(b) (Cont'd)

TBR for Qualifying FMS ($M)

TBR for Qualifying Services ($M)		$0.0 to $101.4	$101.5 to $106.4	$106.5 to $108.4.	$108.5 to $110.4	$110.5 to $112.4	$112.5 +
$0.0 to	$234.9*	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
$235.0 to	$254.9	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
$255.0 to	$259.9	$0.0	$7.4	$8.5	$8.9	$9.4	$9.9
$260.0 to	$264.9	$0.0	$9.8	$11.3	$11.8	$12.5	$13.2
$265.0 to	$269.9	$0.0	$14.6	$16.1	$16.6	$17.2	$17.9
$270.0 to	$274.9	$0.0	$16.1	$17.6	$18.0	$18.7	$19.4
$275.0 to	$280.9	$0.0	$18.1	$19.6	$20.1	$20.8	$21.5
$281.0 to	$286.9	$0.0	$20.2	$21.7	$22.2	$22.9	$23.5
$287.0 to	$292.9	$0.0	$22.5	$24.0	$24.5	$25.2	$25.9
$293.0 to	$300.0	$0.0	$24.9	$26.4	$26.9	$27.6	$28.3

* Shortfall penalty applies in this range for Qualifying Services, as set forth in (E)(3) following.

(c) The Billing Credit will be applied only to the Qualifying Services which are located in the MSAs that have achieved Phase I or Phase II pricing flexibility as described in Section 14.7 of this tariff, Section 15.3 of Tariff F.C.C. No. 11 or Section 19.1 of (x) Tariff F.C.C. No. 14. (x) The Billing Credit shall apply after all other discounts, adjustments, and credits to the customer's monthly billed recurring revenues for the Qualifying Services have been calculated and applied. For example, if the customer subscribes to CDP as set forth in Section 25 preceding, then the customer would be billed CDP discounted rates on a monthly basis. These discounted revenues would be included in the customer's TBR for Qualifying Services calculation as set forth above. However, in accordance with (E)(1)(c) preceding, any shortfall charges resulting from an annual true-up as required by CDP would not be included in the TBR for Qualifying Services.

(d) If the customer exceeds the maximum TBR for Qualifying Services of $300M during the Service Period, the customer will not receive the Billing Credit under this Option 18. If the customer exceeds the TBR for Qualifying FMS of $112.5M, but has not exceeded a TBR for Qualifying Services of $300M, then the customer shall continue to be eligible for the applicable Billing Credit set forth in the table above based on the TBR for Qualifying Services. (N)

(x) Issued under authority of Special Permission No. 04-078 of the Federal Communications Commission.

21. Contract Tariffs (Cont'd)

21.19 Contract Tariff Option 18 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(e) Timing of Payments and Billing Credits, Disputes, Releases, and Waivers

(1) If the customer is eligible to receive the Billing Credit, the Billing Credit will be credited to the customer's account within sixty (60) days after the end of the Service Period, subject to the terms set forth in this Option 18.

(2) The Telephone Company's provision of the Billing Credit is contingent on payment in full by the customer of all undisputed billed amounts for Qualifying Services no later than the 45th day after the end of the Service Period.

(3) Subject to the restrictions set forth in this Section (E)(2)(e)(3), after the 45th day following the end of the Service Period, and until the second anniversary of the end of the Service Period, both the customer and the Telephone Company may re-examine or dispute any amounts related to the Qualifying Services provided by the Telephone Company to the customer during the Service Period. Such amounts may include the following:

- amounts billed by the Telephone Company and undisputed by the customer;
- amounts not billed by the Telephone Company as of such date,
- amounts disputed by the customer and not included in the calculation of TBR, and
- amounts previously included in the calculation of TBR. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

(N)

21.19 Contract Tariff Option 18 (Cont'd)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(e) Timing of Payments and Billing Credits, Disputes, Releases, and Waivers (Cont'd)

(4) Upon the resolution of all such disputes, the Telephone Company shall recalculate the final TBR for Qualifying Services, the final TBR for Qualifying FMS, and the corresponding final Billing Credits or final shortfall penalties that may result from the resolution of all such disputes, in each case, in accordance with the terms of this Option 18. After such time, neither the customer nor the Telephone Company may dispute any amounts related to the Qualifying Services or Qualifying FMS, regardless of any provision to the contrary in this Option 18. Upon agreement by the customer and the Telephone Company that no further disputes or unbilled amounts exist with respect to the Qualifying Services provided during the Service Period, the Telephone Company shall credit to the customer's account, or the customer shall pay, as applicable, any amounts due pursuant to such calculation. Upon such payment or crediting, as applicable, or if the disputes are not resolved by the second anniversary of the end of the Service Period, the customer and the Telephone Company agree to waive and release, and forever discharge the other Party, of and from, any and all manner of claims, demands, rights, liabilities, damages, potential actions, causes of action, suits, agreements, judgments, decrees and controversies of any kind and nature whatsoever, at law, in equity, or otherwise, whether known or unknown, which have arisen or might arise related to amounts payable by the customer or amounts credited to the customer by the Telephone Company for the Qualifying Services provided by the Telephone Company to the customer during the Service Period. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

(N)

21.19 Contract Tariff Option 18 (Cont'd)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(e) Timing of Payments and Billing Credits, Disputes, Releases, and Waivers (Cont'd)

(5) With respect to any dispute for Qualifying Services, and subject to the availability of such claim detail after reasonable diligence by the customer, 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 identification, USOC detail, amount in dispute, appropriate tariff references, and a full explanation regarding why the customer believes it was billed in error. The customer's disputes with respect to Qualifying FMS shall reduce the amount of the TBR for Qualifying FMS as calculated above. The aggregate amount of all disputes (including disputes for Qualifying FMS under this (E)(2)(e)(5) and Special Access and Switched and Special Access DTT Services) shall reduce the amount of the TBR for Qualifying Services, as calculated in accordance with the terms of this Option 18. For example, if the customer has billed revenue of $120M in Qualifying FMS, of which $5M are disputed by the customer, then the TBR for Qualifying FMS shall be $115M. In addition, assume that the customer has $290M of billed revenue of Qualifying Services, which amount includes billed revenues of $120M in Qualifying FMS from the prior sentence. If the customer has disputes of $10M on Switched and Special Access DTT Services, then the TBR for Qualifying Services shall be $275M ($290M less $15M in disputes (comprised of $5M in disputes on Qualifying FMS plus $10M in disputes on other Switched and Special Access DTT Services)).

(6) The amount of the Billing Credit shall not be subject to any interest penalty under Section 2 preceding. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.19 Contract Tariff Option 18 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(3) Shortfall Penalty

(a) If the customer does not satisfy the minimum TBR requirement for Qualifying Services of $235M during the Service Period, the customer will pay the Telephone Company a shortfall payment equal to fifty percent (50%) of the difference between minimum TBR of $235M, or the adjusted minimum TBR requirement as set forth in (E)(1)(f) preceding, for Qualifying Services and the customer's actual annual TBR for the Qualifying Services during the Service Period (**Shortfall Penalty**). Such payment shall be due and payable no later than 45 days after notification by the Telephone Company that a Shortfall Penalty is due. In addition, and even upon payment of the Shortfall Penalty Payment, the customer will not be eligible to receive any applicable Billing Credits under this Option 18. If the customer has a TBR for Qualifying Services of at least $235M, or an adjusted minimum TBR requirement as set forth in (E)(1)(f) preceding, then no Shortfall Penalty shall apply, but the customer may be ineligible for any Billing Credits, as set forth in (E)(2)(b) preceding, based on the customer's TBR for Qualifying Services and the customer's TBR for Qualifying FMS, each as adjusted in accordance with (E)(1)(f) preceding, as applicable. For example, assume that the customer has a TBR for the Qualifying Services of $225,000,000 (**$225M**) during the Service Period, and assuming that no adjustment under (E)(1)(f) preceding occurred, then the customer shall pay to the Telephone Company an amount equal to $5,000,000 (which is equal to $10,000,000 (i.e., minimum TBR for Qualifying Services of $235M less the customer's actual TBR for the Qualifying Services of $225M), multiplied by 50%). The customer will not be eligible to receive any applicable Billing Credits.

(b) The customer shall not be charged a Shortfall Penalty for failing to meet the minimum TBR requirement for Qualifying FMS of $101.5M, or an adjusted minimum TBR requirement as set forth in (E)(1)(f) preceding, during the Service Period. However, the customer shall not be eligible for any Billing Credits, as set forth in (E)(2)(b) preceding. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.19 Contract Tariff Option 18 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(4) Termination Charges

If the customer cancels or terminates its subscription to this Option 18 prior to the expiration of the Service Period, the customer will be liable for fifty percent (50%) of the difference between the customer's TBR for the Qualifying Services at the time of cancellation or termination and the minimum TBR for Qualifying Services of $235M, or the adjusted minimum TBR requirement as set forth in (E)(1)(f) preceding. In addition, the customer shall not be eligible for the Billing Credit. For example, assume that the customer has a TBR for Qualifying Services of $225M during the first eight (8) months of the Service Period, and that no adjustment under (E)(1)(f) preceding occurred, and the customer decides to terminate its subscription to this Option 18 at such time. The customer shall pay termination charges of $5,000,000.00 (the minimum TBR of $235M for Qualifying Services less the actual TBR for Qualifying Services of $225M, multiplied by 50%). The customer shall not be eligible for any applicable Billing Credits.

(5) New Contract Tariff Options

Provided that the customer meets all of the criteria set forth in this Section (E)(4), the customer will be allowed to terminate its subscription to Option 18 and subscribe to the New Plan (as defined below) without paying the termination charges set forth in (E)(4) preceding. New Plan shall mean another contract tariff option, ICB arrangement, or special service arrangement for the Qualifying Services offered by the Telephone Company during the Service Period with identical or greater TBR levels than those provided under this Option 18. If the customer elects to terminate its subscription to Option 18 in order to subscribe to the New Plan, then (1) the customer must so elect in writing; (2) the customer must subscribe to the New Plan concurrently with or prior to the termination date of its subscription to this Option 18; and (3) the customer must independently qualify and be eligible for such New Plan. Unless otherwise provided in the New Plan, the customer shall not be afforded any Billing Credits under this Option 18 for any time in service under this Option 18, nor shall the customer be afforded any credit in the New Plan for any portion of the Service Period that has elapsed at the time of the customer's subscription to the New Plan. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.20 Contract Tariff Option 19 (N)

21.20.1 Scope

Contract Tariff Option 19 (**Option 19**) is an offering exclusively for customers subscribing to IntelliLight Entrance Facility (**IEF**) Special Access Services as set forth in Section 7.2.15 preceding and Section 26.1.4 of the Telephone Company's Tariff F.C.C. No. 11 (**IEF Services**) at fifteen (15) or more different customer designated premises within the Metropolitan Statistical Areas (**MSAs**) of this tariff and of those specified in the Telephone Company's Tariff F.C.C. No. 11, as set forth in Section 21.20.4 following. (x)

21.20.2 Eligibility

To be eligible for Option 19, a customer must meet all of the following criteria:

(A) During the Subscription Period (as defined in Section 21.20.2(B) following), the customer must subscribe to a minimum of fifteen (15) IEF Services at a minimum of fifteen (15) different customer designated premises (**Minimum System Commitment**) that are either:

(1) new IEF Services installed pursuant to this Option 19. For purposes of meeting the Minimum Commitment set forth in this Section 21.20.2(A), a new IEF Service cannot be an existing IEF Service that was disconnected from another contract option, discount plan, or tariff arrangement and ordered under this Option 19 in order to include that service in this option; or

(2) IEF Services that were installed under Contract Tariff Option 16 (**Option 16**) preceding or under Contract Tariff Option 17 (**Option 17**) in the Telephone Company's Tariff F.C.C. No. 11 (collectively, **Prior Contract Tariffs**), and converted to this Option 19 pursuant to the terms and conditions set forth in this Option 19 and the Prior Contract Tariffs. For purposes of this Section 21.20.2, "conversion" shall mean migration of IEF Services purchased under Prior Contract Tariffs to this Option 19 without any disconnection of the actual IEF Service; or (x)

(3) a combination of new and converted IEF Services.

Each IEF Service must be configured to include a Fractional OC48 Interface and twelve (12) or more STS1 Terminations (**Minimum STS1 Commitment**). The Minimum STS1 Commitment together with the Minimum System Commitment shall be referred to as the **Minimum Commitment.** Under this Option 19, an STS1/51.84 Mbps Termination with a Fractional OC48 Interface IEF Service shall be referred to as an **STS1 Termination.** (N)

(x) Issued under authority of Special Permission No. 04-083 of the Federal Communications Commission

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.20 Contract Tariff Option 19 (Cont'd)

21.20.2 Eligibility (Cont'd)

(B) Customers must subscribe to this Option 19 within the sixty (60) day period beginning January 11, 2005 and ending March 12, 2005 (**Subscription Period**). Unless the customer is converting IEF Services from the Prior Contract Tariffs to this Option 19 as set forth in Section 21.20.2(A) preceding, all orders for the Minimum Commitment of new IEF Services must be placed during the Subscription Period. If the customer is converting IEF Services from the Prior Contract Tariffs to this Option 19 as set forth in Section 21.20.2(A) preceding, then all such conversions must be completed prior to the end of the Subscription Period. (N)

(C) With the exception of subscribing to a Commitment Discount Plan as set forth in Section 25 following and in Section 25 of the Telephone (x) Company's Tariff F.C.C. No. 11 (**CDP**), or another contract tariff (x) option which provides a credit or discount based upon the (x) achievement of certain total revenue as set forth in this tariff or in Section 32 of the Telephone Company's Tariff F.C.C. No. 11, the (x) customer may not subscribe to any other discount plan, contract tariff option, Individual Case Basis arrangement, specialized service arrangement, or other offering offered by the Telephone Company under in this tariff or in the Telephone Company's Tariff (x) F.C.C. No. 11 for IEF Services ordered pursuant to this Option 19. (x)

21.20.3 Service Period and Termination Liability

(A) Service Period and Term

Subject to (1) any time-in-service credit as set forth in Section 21.20.3(B) following, (2) any ability to terminate the IEF Services as set forth in Section 7.2.15 preceding or in Section 21.20.3(D) following, or (3) any termination pursuant to Section 21.20.6(E) following, the Service Period of each IEF Service under this Option 19 shall be for a period of five (5) years from the date that the IEF Service is in-service (**Service Period**). (N)

(x) Issued under authority of Special Permission No. 04-083 of the Federal Communications Commission

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.20 Contract Tariff Option 19 (Cont'd)

21.20.3 Service Period and Termination Liability (Cont'd)

(A) Service Period (Cont'd)

(1) The Service Period of any individual STS1 Terminations shall be the same as the Service Period of the IEF Service with which it is associated, provided that, when an additional STS1 is added to an existing IEF Service, there are at least twelve (12) months remaining in the Service Period of the IEF Service with which an STS1 Termination is associated as set forth in Section 7.2.15(D) preceding. (N)

(2) The term of this Option 19 shall be the five (5) year period beginning January 11, 2005 (**Term**). New IEF Services may be added during the Term in accordance with the terms of this Option 19. The Minimum Period obligations, set forth in Section 21.20.3(C) following, are separate from and in addition to the Service Period.

(B) Time-In-Service Credit

Credit for actual time-in-service will be granted towards the Service Period for each IEF Service previously established under the Prior Contract Tariffs and converted to this Option 19 pursuant to the terms and conditions set forth in this Option 19 and the Prior Contract Tariff Options. The amount of time-in-service credit granted will be equal to the actual time that the IEF Service was in-service under the Prior Contract Tariffs.

(C) Minimum Period

Subject to any termination pursuant to Section 21.20.6 following, the customer must maintain each STS1 Termination in-service for a minimum period as set forth in Sections 21.20.3(C)(1) and (2) following (**Minimum Period**):

(1) In any month during the Term where the customer has met its Minimum STS1 Commitment in that month on the IEF Service associated with such STS1 Termination, the Minimum Period is six (6) months for each STS1 Termination associated with such IEF Service.

(2) In any month during the Term where the customer has not met its Minimum STS1 Commitment in that month on the IEF Services associated with such STS1 Terminations, the Minimum Period is twelve (12) months for each STS1 Termination associated with such IEF Service. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.20 Contract Tariff Option 19 (Cont'd)

21.20.3 Service Period and Termination Liability (Cont'd)

(C) Minimum Period (Cont'd)

If an IEF Service is terminated during the Minimum Period in accordance with Section 21.20.6 following, the Minimum Period obligation set forth in Sections 21.20.3(C)(1) and (2) preceding shall not apply. Failure to meet the 6-month Minimum Period for any STS1 Termination, as set forth in Section 21.20.3(C)(1) preceding, shall result in assessment of Minimum Period charges equal to the monthly rate as set forth in Section 21.20.8 following for the unexpired portion of the 6-month Minimum Period which has not been satisfied by the customer. Failure to meet the 12-month Minimum Period for any STS1 Termination, as set forth in Section 21.20.3(C)(2) preceding, shall result in assessment of Minimum Period charges as set forth in Section 21.20.3(C) preceding for the unexpired portion of the 12-month Minimum Period which has not been satisfied by the customer. Minimum Period obligations as set forth in this Section 21.20.3 are separate from and in addition to any termination liability that may apply. (N)

(D) Termination Liability

Sections 21.20.3(D)(1) through (D)(5) following set forth the terms and conditions relating to the application of termination liability when the customer has not established a CDP, or has not included IEF Services in such CDP. Section 21.20.3(D)(6) following sets forth the terms and conditions relating to the application of termination liability when the customer has established a CDP and has included IEF Services in such CDP.

(1) Ramp-Up Period

During the Ramp-Up Period (as defined in this Section 21.20.3(D)(1)), termination liability as set forth in Sections 21.20.3(D)(2) through (D)(6) following shall not be applied to any disconnected IEF Services if the customer has not met the Minimum STS1 Commitment during such period. During the Ramp-Up Period, the customer is offered relief from termination liability only, and not from any other terms and conditions of this Option 19, including any corresponding rate adjustments as a result of not having met the Minimum STS-1 Commitment as set forth in Section 21.20.5(C) following. Minimum Period obligations set forth in Section 21.20.3(C) preceding shall continue to apply during the Ramp-Up Period. Any termination liabilities or shortfall penalties that may otherwise be applicable under CDP as set forth in Section 21.20.3(D)(6) following or in Section 25 preceding shall continue to apply during the Ramp-Up Period. After July 1, 2005, and regardless of whether the customer has met the Minimum Commitment, termination liability shall be applied as set forth in this Option 19. The **Ramp-Up Period** shall mean the time period beginning January 11, 2005 to the earlier of (i) July 1, 2005 or (ii) the date that the customer reaches the Minimum Commitment. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.20 Contract Tariff Option 19 (Cont'd)

21.20.3 Service Period and Termination Liability (Cont'd)

(D) Termination Liability (Cont'd)

(2) General (N)

Subject to the restrictions set forth in this Option 19, the customer may terminate an entire IEF Service at one (1) or more locations and/or one or more STS1 Terminations at one (1) or more locations. The **General Tariff Rate** shall mean the five (5) year monthly recurring rate for the number of STS1 Terminations in-service prior to termination, as set forth in Section 7.5.21 preceding. If termination liability is assessed for any IEF Services (or any STS-Terminations) under this Option 19, then it shall be equal to one hundred percent (100%) of the applicable Minimum Period charges as set forth in Section 21.20.3(C) preceding, and fifteen percent (15%) of the General Tariff Rate for each of the remaining months in the Service Period beyond the Minimum Period, if applicable. This calculation shall apply in lieu of the termination liability calculation set forth in Section 7.5.15(E) preceding.

(3) Relief from Termination Liability

The customer shall be relieved of termination liability calculated in accordance with Section 21.20.3(D)(2) preceding if, after giving effect to the proposed terminations of the specific STS1 Termination(s),the customer has in-service the Minimum Commitment of IEF Services and STS1 Terminations. If the customer has not met the Minimum Commitment, termination liability shall apply to all terminated IEF Services and STS-1 Terminations which are below the Minimum Commitment. The Minimum Commitment may be reduced in accordance with Sections 21.20.3(D)(4) and (D)(5) following, and such reduced Minimum Commitment shall be used in calculating termination liability as set forth in this Option 19. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.20 Contract Tariff Option 19 (Cont'd)

21.20.3 Service Period and Termination Liability (Cont'd)

(D) Termination Liability (Cont'd)

(4) Termination Liability Applicable to Chronic Service Outages (N)

If the customer has exercised its right to terminate pursuant to Section 21.20.6 following, and subsequently seeks to terminate other STS1 Terminations for reasons other than as set forth in Section 21.20.6 following, then the terms of this Section (D)(4) shall apply. The customer shall be relieved of termination liability if, after giving effect to the proposed terminations of the specific IEF Service(s) or STS1 Termination(s), the customer has in-service the Minimum Commitment of IEF Services and STS1 Terminations less the total number of IEF Services terminated in accordance with Section 21.20.6 following. This reduced number of IEF Services, locations, and associated STS1 Terminations represents a new Minimum Commitment under this Option 19 and shall be used to calculate termination liability. If the customer has not met the new Minimum Commitment as set forth in this Option 19, termination liability shall apply to all terminated IEF Services and STS1 Terminations which are below such new Minimum Commitment.

(5) Termination Liability Applicable to Conversion of IEF Services to Optical Services

If the customer seeks to terminate an IEF Service in order to convert such IEF Service to an Optical Service (as defined in Section 21.20.3(D)(5)(a) following), the terms of this Section 21.20.3(D)(5) shall apply.

(a) For purposes of this Section 21.20.3(D)(5), an **Optical Service** shall mean any Telephone Company-provided service that is designated as an optical service under this tariff.

(b) The customer shall be allowed to disconnect an IEF Service under this Option 19 and install a new Optical Service without assessment of termination liability in accordance with Section 21.20.3(D)(3) preceding, provided that all of the following conditions are met: (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.20 Contract Tariff Option 19 (Cont'd)

21.20.3 Service Period and Termination Liability (Cont'd)

(D) Termination Liability (Cont'd)

(5) Termination Liability Applicable to Conversion of IEF Services to Optical Services (Cont'd)

(b) (Cont'd)

(1) The new Optical Service is installed at the same location as the existing IEF Service; (N)

(2) The total bandwidth capacity of the Optical Service is equal to or greater than the bandwidth capacity of the IEF services being disconnected (i.e., the new Optical Service is an OC-48 or greater bandwidth service);

(3) The customer commits the Optical Service to a new term plan or commitment period which has an expiration date that is beyond the expiration date of the discontinued IEF Service; and

(4) The customer must terminate the entire IEF Service and all STS1 Terminations associated therewith. Partial terminations of an IEF Service or termination of one or more STS1 Terminations are not permitted under this Section 21.20.3(D)(5).

(5) The customer must submit order(s) for the disconnect of the IEF Service and the installation of the new Optical Service, such that the installation date of the Optical Service is within ninety (90) days of the disconnection of the IEF Service. The orders must be related by related purchase order number (**RPON**).

(c) If all of the requirements of Section 21.20.3(D)(5)(a) and (b) preceding are met, then the customer shall be relieved of termination liability if, after giving effect to the proposed terminations of the specific IEF Service(s) or STS1 Termination(s), the customer has in-service the Minimum Commitment of IEF Services and STS1 Terminations less the total number of IEF Services terminated in accordance with this Section 21.20.3(D)(5) in order to convert such IEF Services to an Optical Service. This reduced number of IEF Services, locations, and associated STS1 Terminations represents a new Minimum Commitment under this Option 19 and shall be used to calculate termination liability. If the customer has not met the reduced Minimum Commitment as set forth in this Section 21.20.3(D)(5), termination liability shall apply to all terminated IEF Services and STS1 Terminations which are below such reduced Minimum Commitment. (N)

21. Contract Tariffs (Cont'd)

21.20 Contract Tariff Option 19 (Cont'd)

21.20.3 Service Period and Termination Liability (Cont'd)

(D) Termination Liability (Cont'd)

(5) Termination Liability Applicable to Conversion of IEF Services to Optical Services (Cont'd)

The following examples illustrate the application of termination liability under this Option 19. (N)

Example 1

Assume the following apply:

- Customer has 20 IEF Services at 20 different locations
- Each IEF Service has 15 STS1 Terminations
- Customer has satisfied the Minimum Period on all IEF Services and all STS1 Terminations
- None of the IEF Services have experienced any Qualifying Service Outage under Section 21.20.6 following

Assume customer terminates the following:

- 4 IEF Services at 4 different locations including all of their associated STS1 Terminations
- 5 of the 15 STS1 Terminations on a 5th IEF Service at a fifth location

Application of Termination Liability and Rates

After giving effect to the proposed terminations, the customer has in service 16 IEF Services at 16 different locations; 15 of the 16 IEF Services have 15 STS1 Terminations associated with each IEF Service. The 16th IEF Service has 10 STS1 Terminations.

The customer would not incur termination liability for disconnecting the 4 IEF Services and their associated STS1 Terminations, or for disconnecting the 5 STS1 Terminations on the 5th IEF Service, since the customer continues to meet the Minimum Commitment.

However, the customer no longer meets the Minimum STS1 Commitment of 12 STS1 Terminations on the 5th IEF Service as that 5th IEF Service has only 10 remaining STS1 Terminations (15 STS1 Terminations less 5 STS1 Termination disconnected equals 10 remaining STS1 Terminations). The customer no longer receives the Option 19 discount set forth in Section 21.20.8 following on the 5th IEF Service due to its failure to meet the Minimum STS1 Commitment on such IEF Service. In lieu of the discounted rates set forth in Section 21.20.8 following, the customer will receive the General Tariff Rate per STS1 on the 5th IEF Service. (N)

21. Contract Tariffs (Cont'd)

21.20 Contract Tariff Option 19 (Cont'd)

21.20.3 Service Period and Termination Liability (Cont'd)

(D) Termination Liability (Cont'd)

(5) Termination Liability Applicable to Conversion of IEF Services to Optical Services (Cont'd)

Example 2 (N)

Assume the following apply:

- Customer has 20 IEF Services at 20 different locations
- Each IEF Service has 15 STS1 Terminations
- Customer has satisfied the Minimum Period on all IEF Services and all STS1 Terminations
- None of the IEF Services have experienced any Qualifying Service Outage under Section 21.20.6 following

Assume customer terminates the following:

- In month 15 of the Service Period, the customer terminates 5 IEF Services at 5 different locations including all of their associated STS1 Terminations
- In month 20 of the Service Period, the customer terminates 5 of the 15 STS1 Terminations on a 6th IEF Service at a 6th location

Application of Termination Liability and Rates

Disconnections in Month 15 of the Service Period: After giving effect to the proposed terminations in month 15 of the Service Period, the customer has in service 15 IEF Services at 15 different locations; each of the IEF Services has 15 STS1 Terminations associated with each IEF Service. The customer would not incur termination liability on any of the 5 IEF Services or their associated STS1 Terminations that were disconnected in month 15 of the Service Period since the customer continued to meet the Minimum Commitment.

Disconnections in Month 20: After giving effect to the proposed terminations in month 20 of the Service Period, the customer has in service 15 IEF Services at 15 different locations; 14 of the 15 IEF Services have 15 STS1 Terminations associated with each IEF Service. The 15th IEF Service has 10 STS1 Terminations. The customer would incur termination liability on 2 of the 5 STS1 Terminations that were disconnected from the 15th IEF Service since the customer is no longer meeting the Minimum Commitment. Although the customer has met the Minimum System Commitment (15 systems at 15 different locations remaining), the customer no longer meets the Minimum STS1 Commitment on the 15th IEF Service and is therefore subject to termination liability on the number of disconnected STS1 Terminations that are below the Minimum STS1 Commitment of 12 (15 STS1 Terminations less 5 STS1 Terminations disconnected equals 10 remaining STS1 Terminations which is 2 STS1 Terminations below the Minimum STS1 Commitment). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.20 Contract Tariff Option 19 (Cont'd)

21.20.3 Service Period and Termination Liability (Cont'd)

(D) Termination Liability (Cont'd)

(5) Termination Liability Applicable to Conversion of IEF Services to Optical Services (Cont'd)

Example 2 (Cont'd)

Calculation of Termination Liability (N)

The termination liability for the 2 STS1 Terminations is calculated at 15% of the monthly recurring charges for the remainder of the five-year Service Period and is equal to \$4,428.00 (\$369 x 15% x 40 months x 2 STS1 Terminations). In the above calculation, the monthly rate of \$369 is the General Tariff Rate, and the rate band used (Rate Band 15) will be the one associated with the number of STS1 Terminations prior to giving effect to the termination of STS1s. The 15th IEF Service will not receive the discounted rate set forth in Section 21.20.8 following under this Option 19 and shall instead receive the General Tariff Rate.

Example 3

Assume the following apply:
- Customer has 20 IEF Services at 20 different locations
- Each IEF Service has 15 STS1 Terminations
- Customer has satisfied the Minimum Period on all IEF Services and all STS1 Terminations

Assume customer terminates the following:
- In month 14 of the Service Period, the customer terminated 1 IEF Service and all of its STS1 Terminations in accordance with Section 21.20.6 following.
- In month 15 of the Service Period the customer terminates 6 additional IEF Services and all of their STS1 Terminations at 6 different locations. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.20 Contract Tariff Option 19 (Cont'd)

21.20.3 Service Period and Termination Liability (Cont'd)

(D) Termination Liability (Cont'd)

(5) Termination Liability Applicable to Conversion of IEF Services to Optical Services (Cont'd)

Example 3 (Cont'd)

Application of Termination Liability and Rates (N)

Disconnections in Month 14 of the Service Period: After giving effect to the proposed terminations in month 14 of the Service Period, the customer has in service 19 IEF Services at 19 different locations; each of the IEF Services have 15 STS1 Terminations associated with each IEF Service. Termination under Section 21.20.6 following reduces the Minimum System Commitment for each IEF terminated under such provision. As a result, the customer's new Minimum System Commitment in this Example 3 is reduced to 14 IEF Services at 14 different locations. There is no effect on the Minimum STS1 Commitment due to this disconnection. The customer would not incur termination liability on the disconnection of the IEF Service and its associated STS1 Terminations in accordance with Section 21.20.6 following.

Disconnections in Month 15 of the Service Period: After giving effect to the proposed terminations in month 15 of the Service Period, the customer has in service 13 IEF Services at 13 different locations; each of the IEF Services have 15 STS1 Terminations associated with each IEF Service. Although each remaining IEF Service meets its individual Minimum STS1 Commitment, the customer is below the new Minimum System Commitment of 14 IEF Services at 14 different locations, and is therefore subject to termination liability for disconnection of one (1) Service prior to the end of the applicable Service Period.

Calculation of Termination Liability

The termination liability for the 1 IEF Service that is below the Minimum System Commitment applies as termination liability on 12 of the 15 STS1 Terminations on that IEF Service. Termination liability on the 12 STS1 Terminations is calculated at 15% of the monthly recurring charges for the remainder of the five-year Service Period and is equal to $29,889.00 ($369 x 15% x 45 months x 12 STS1 Terminations associated with the one IEF Service below the Minimum Commitment). In the above calculation, the monthly rate of $369 is the General Tariff Rate, and the rate band used (Rate Band 15) will be the one associated with STS1 Terminations prior to giving effect to the termination of STS1s. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.20 Contract Tariff Option 19 (Cont'd)

21.20.3 Service Period and Termination Liability (Cont'd)

(D) Termination Liability (Cont'd)

(6) Termination Liability Provisions When IEF Service is Included in CDP (N)

If the customer has subscribed to CDP and has included IEF Services in CDP, then termination liability under this Option 19 is only applicable when the customer discontinues all IEF Services under CDP or cancels the CDP for its IEF Services. The customer may disconnect individual IEF Services or STS1 Terminations associated with an IEF Service without the application of termination liability as specified in Sections 21.20.3(D)(1) through (D)(5) preceding. To the extent that such termination results in a reduction to the equivalent capacity under the customer's CDP, the customer shall be liable for the application of any shortfall penalty under CDP.

21.20.4 Serving Area

The IEF Service (and all credits, discounts, rates, and charges associated therewith) will be provided only in the MSAs that have achieved Phase I or Phase 2 pricing flexibility under this tariff and under the Telephone Company's Tariff F.C.C. No. 11. Wire (x) centers for the Phase II MSAs are listed in Section 14.7 preceding of this tariff and Section 15.3 of the Telephone (x) Company's Tariff F.C.C. No. 11. Any additions of, or changes to, (x) the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 14.7 preceding) that occur during the Service Period of this Option 19 will apply.

21.20.5 Terms and Conditions

(A) Except as set forth under this Option 19, the terms and conditions of Section 7.2.15 preceding, shall apply to the IEF Services and connection of other services to the IEF Service. Other services required to provide IEF (for example, special construction) will be provided in accordance with the rates and regulations set forth preceding in this tariff.

(B) Additional IEF Services may be ordered under this Option 19 during the Term of Option 19. Each additional IEF Service must include a Fractional OC48 Interface and the Minimum STS1 Commitment and is subject to all of the terms and conditions set forth in this Option 19 and in Section 7.2.15 preceding, as applicable. Upon expiration of the Term of Option 19, all IEF Services then currently in-service shall continue to remain subject to the terms and conditions of this Option 19 until the end of the applicable Service Period for each such IEF Service. (N)

(x) Issued under authority of Special Permission No. 04-083 of the Federal Communications Commission

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.20 Contract Tariff Option 19 (Cont'd)

21.20.5 Terms and Conditions (Cont'd)

(C) During the Service Period, the rate for STS1 terminations as set forth in Section 21.20.8 following will apply, subject to any limitations as set forth in this Option 19. These rates and charges apply on a recurring monthly basis for each STS1 Termination on each IEF Service. A nonrecurring charge also applies for each STS1 termination installed on each IEF Service. During any month of the Service Period (including during the Ramp-Up Period), if the customer does not maintain the Minimum STS1 Commitment in connection with each IEF Service, the rate per in-service STS1 Termination on the affected IEF Service(s) for that month will be the General Tariff Rate per STS1 Termination in lieu of the monthly rate per STS1 Termination set forth in Section 21.20.8 following. (N)

As an illustrative example, assume that the customer has 10 IEF Services at 10 different locations. Of such 10 IEF Services, 7 IEF Services have 15 STS1 Terminations associated with each IEF Service, but the remaining 3 IEF Services have 8 STS1 Terminations associated with each such IEF Service. Assume further that all IEF Services in this example are in month 3 of the Service Period (i.e., during the Ramp-Up Period). Then, the customer will be charged the General Tariff Rate for the 3 IEF Services which are below the Minimum STS1 Commitment. The other 7 IEF Services will be charged the rate set forth in Section 21.20.8 following in lieu of the General Tariff Rate. During month 3 of the Service Period, the Minimum Period for the 7 IEF Services which have met the Minimum STS-1 Commitment is 6 months, and the Minimum Period for the 3 IEF Services which have not met the Minimum STS-1 Commitment is 12 months.

(D) If the customer chooses to convert any existing services that it currently purchases to IEF Services, the terms and conditions of such services (including any applicable termination liability) shall apply.

(E) Upon expiration of the Service Period for each IEF Service, the terms and conditions set forth in Section 7.2.15 preceding will apply to the IEF Service. (N)

21. Contract Tariffs (Cont'd)

21.20 Contract Tariff Option 19 (Cont'd)

21.20.6 Chronic Service Outage

(A) Option 19 provides options to the customer in the event that the same IEF Service is in a Chronic Condition and meets the other requirements of this Section 21.20.6. The options available to the customer under this Section 21.20.6 apply in addition to any credit for service interruption that the customer may be eligible for under Section 2.7.1.1 (B)(10) preceding. (T)

(B) Definitions

(1) **Qualifying Service Outage** – the term "Qualifying Service Outage" shall mean an interruption of service which is a continuous sixty (60) minutes or more in duration and which renders the IEF Service inoperable due to failure of any portion of the IEF Service that is under the control of the Telephone Company. For purposes of determining the duration that the IEF Service was interrupted, a Qualifying Service Outage begins when the customer notifies the Telephone Company that service is inoperable, and ends when the Telephone Company determines that service is operable. The Condition that renders IEF inoperable is determined by the Telephone Company.

(2) **Condition** – the term "Condition" under this Option 19 denotes one of the prescribed reasons for a Qualifying Service Outage as determined by the Telephone Company after analysis of the trouble reports in its trouble ticketing service.

(3) **Chronic Condition** – the term "Chronic Condition" under this Option 19 denotes an individual IEF Service which experiences two (2) or more Qualifying Service Outages that are due to the same Condition and that occur within the same consecutive thirty (30) calendar day period.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.20 Contract Tariff Option 19 (Cont'd)

21.20.6 Chronic Service Outage (Cont'd)

(C) Determination of A Chronic Condition (N)

(1) The customer must request credit for a Chronic Condition by submitting a written request to the Telephone Company within thirty (30) calendar days of the last Qualifying Service Outage (**Chronic Outage Notification**). The Chronic Outage Notification must include all relevant information about the Qualifying Service Outage to allow the Telephone Company to verify that a Chronic Condition exists, including any circuit identification number(s) for each circuit affected by the Qualifying Service Outage. Failure to provide all requested information will delay the Telephone Company's response and any available remedies as set forth in Section 21.20.6(E) following.

(2) Within two (2) business days of receiving the customer's complete and accurate Chronic Outage Notification, the Telephone Company will provide the customer with written acknowledgement of receipt of the Chronic Outage Notification.

(3) No later than five (5) business days following receipt of the customer's complete and accurate Chronic Outage Notification, the Telephone Company will provide written notice to the customer as to whether or not it can confirm that the IEF Service is in a Chronic Condition (**Telephone Company Notice**).

(D) Cure Period and Additional Review Period

(1) Once the IEF Service is in a Chronic Condition as determined by Section 21.20.6(C) preceding, a Cure Period of fifteen (15) calendar days commences (**Cure Period**). The Cure Period is the time during which the Telephone Company will attempt to correct the Chronic Condition on the affected IEF Service.

(2) If, during the Cure Period the IEF Service experiences one or more subsequent Qualifying Service Outage(s) due to the same Condition as the prior two (2) Qualifying Service Outages that caused the Chronic Condition, the provisions set forth in Section 21.20.6(E) following apply. If, during the Cure Period the IEF Service does not experience any additional Qualifying Service Outages due to the same Condition as the prior two (2) Qualifying Service Outages that caused the Chronic Condition, the provisions set forth in Section 21.20.6(E) following are not applicable. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.20 Contract Tariff Option 19 (Cont'd)

21.20.6 Chronic Service Outage (Cont'd)

(D) Cure Period and Additional Review Period (Cont'd)

(3) If, within the first sixty (60) calendar days following the Cure Period, the IEF Service experiences one or more subsequent Qualifying Service Outage(s) due to the same Condition as the prior two (2) Qualifying Service Outages that caused the Chronic Condition, the provisions set forth in Section 21.20.6(E) following apply. If, within the first 60 calendar days following the Cure Period, the IEF Service does not experience any additional Qualifying Service Outages due to the same Condition as the prior two (2) Qualifying Service Outages that caused the Chronic Condition, the provisions set forth in Section 21.20.6(E) following are not applicable. (N)

(E) Remedies

When an IEF Service that is in a Chronic Condition experiences one or more additional Qualifying Service Outage(s) during the Cure Period or within the first 60 calendar days following the Cure Period resulting from the same Condition as the prior two (2) Qualifying Service Outages that caused the Chronic Condition, the customer has the following options:

(1) Elect Option 1 or Option 2 as set forth below.

(a) Option 1. Retain the IEF Service that is in a Chronic Condition. In this case, the customer will remain responsible for all terms and conditions and rates and charges applicable under this Option 19. When the customer elects this option, for an IEF Service, such IEF Service is not eligible for any additional remedies or rights under this Section 21.20.6, other than the CDP Commitment Reduction Option as set forth in Section 21.20.6(E)(2) following.

(b) Option 2. Terminate the IEF Service that is in a Chronic Condition. The customer must terminate the entire IEF Service and all STS1 Terminations associated therewith. Partial terminations of an IEF Service or termination of one (1) or more STS1 Terminations are not permitted under this Section 21.20.6(E). Termination must occur within ninety (90) calendar days of the Telephone Company Notice that the IEF Service is experiencing a Chronic Condition. Termination under this Section 21.20.6(E)(1) will not incur charges for failure to satisfy the Minimum Period obligation or any termination liability associated with the affected IEF Service(s) as they may apply in this Option 19 and other sections of this tariff. The customer is responsible for issuance of the necessary access orders to terminate the service. When the customer elects this option, other services that utilize STS1 Terminations for transport within the affected IEF Service are not relieved of their minimum period obligations, termination liability, or shortfall penalty, as they may apply for the specific service(s) involved. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.20 Contract Tariff Option 19 (Cont'd)

(N)

21.20.6 Chronic Service Outage (Cont'd)

(E) Remedies (Cont'd)

(2) CDP Commitment Reduction Option: In addition to the election of Option 1 or 2 preceding, a customer enrolled in a current CDP, pursuant to Section 25 following of this tariff, has the option to reduce the minimum commitment of DS0 equivalents in CDP by the lesser of:

(a) the total number of DS0 equivalents that subtend an IEF Service(s) that are eligible for remedies as set forth in this Section 21.20.6 preceding; or

(b) 192 DS3-equivalents (a DS3 equivalent being 672 DS0s or 28 DS1s).

The customer must include IEF Services in its CDP in order to be eligible for this option. In each case, the customer shall not be liable for any shortfall charges under the CDP to the extent the customer meets the reduced minimum commitment under the CDP (i.e., the commitment reduced by the applicable number of DS-x equivalent circuits attributable to the IEF Service that is eligible for remedies as set forth in this Section 21.20.6(E)).

When Option 1 is selected along with the CDP Commitment Reduction Option, the IEF Service that is eligible for remedies as set forth in this Section 21.20.6(E) will continue to receive the discounted pricing it was eligible for under the current CDP. If such IEF Service is part of CDP where all IEF Services are aggregated, other IEF facilities which are part of such CDP but are not in a Chronic Condition will continue to receive the discounted pricing consistent with the original commitment level on that CDP (i.e., the commitment prior to the reductions described in Section 21.20.6(E)).

21.20.7 Exceptions

The remedies set forth in Section 21.20.6(E) preceding will not apply in the following instances.

(A) Interruptions, failures, or delays in service resulting from DC power, equipment, service, or services not under the sole responsibility of the Telephone Company.

(B) Interruptions, failures, or delays in service resulting from customer owned and/or installed equipment.

(C) Interruptions, failures, or delays in service that occur at any time in which the Telephone Company or its authorized agents, after reasonable attempt to gain access to the customer's premises, are not granted access to such premises where Telephone Company facilities and equipment associated with the provision of IEF Service are terminated. (N)

21. Contract Tariffs (Cont'd)

21.20 Contract Tariff Option 19 (Cont'd)

21.20.7 Exceptions (Cont'd)

(D) Interruptions or delays in service resulting from maintenance, rearrangement of service, or implementation of an order authorized by the customer.

(E) Interruptions, failures, or delays in service resulting from the customer's refusal to release IEF Service(s) to the Telephone Company or its authorized agents for testing and/or repair, after reasonable attempts by the Telephone Company or its authorized agent to schedule repair with the customer.

(F) Interruptions, failures, or delays in service due to acts of God or the public enemy, compliance with any order of any governmental authority, acts of terrorism, war, rebellion, insurrection, or sabotage or damage resulting from, fires, floods, earthquakes, unusually severe weather, explosions, washouts, rules and regulations with regard to common carriers, accidents, epidemics, breakdowns, riots, strikes or other concerted acts of its employees, whether direct or indirect, lockouts or other industrial disturbances, whether direct or indirect, worms, viruses or other contaminants that may cause damage to or disable software, computer, or electronic services, or any similar cause, or other causes beyond such party's reasonable control.

(G) Interruptions, failures, or delays in service during periods of scheduled maintenance and scheduled downtimes where the customer has received prior written (electronic, fax, or paper) notification from the Telephone Company.

(H) Interruptions resulting from the negligence, gross negligence, willful misconduct, or other act or omission of the customer or other party authorized by the customer to use the service.

(I) Any other interruptions of the IEF Service due to any of the reasons specified in Section 2.7.4(B) preceding. (T)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.20 Contract Tariff Option 19 (Cont'd)

21.20.8 Rates and Charges (N)

The following rates apply in all operating territories, subject to the customer complying with the terms of this Option 19.

Per STS1/51.84 Mbps Termination with a Fractional IEF OC48 IEF Service*

	Monthly Rate	Nonrecurring Charge
12	$343.33	$1.00
13	342.41	1.00
14	340.58	1.00
15	338.74	1.00
16	337.82	1.00
17	335.99	1.00
18	334.15	1.00
19	333.23	1.00
20	331.40	1.00
21	329.56	1.00
22	327.73	1.00
23	326.81	1.00
24	324.97	1.00
25	323.14	1.00
26	322.22	1.00
27	320.38	1.00
28	318.55	1.00
29	317.63	1.00
30	315.79	1.00
31	313.96	1.00
32	312.12	1.00
33	311.20	1.00
34	309.37	1.00
35	307.53	1.00
36	306.61	1.00
37	304.78	1.00
38	302.94	1.00
39	300.19	1.00
40	296.51	1.00
41	292.84	1.00
42	289.17	1.00
43	285.50	1.00
44	280.91	1.00
45	277.24	1.00
46	273.56	1.00
47	269.89	1.00
48 and over	265.30	1.00

* The Interface is sold separately under Section 7.5.21 preceding. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.21 Contract Tariff Option 20 (N)

(A) Scope

Contract Tariff Option 20 (**Option 20**) is an offering exclusively for customers who subscribe to Special Access Basic Video Service (**BVS**), as set forth in Section 7.2.5 preceding, and in accordance with the terms and conditions of Option 20. Option 20 provides for a billing credit for BVS as described herein.

(B) Serving Area

(1) The serving area of Option 20 is comprised of the New York NY MSA (**MSA #1**). Wire centers for MSA #1 are listed in Section 14.7 preceding and in Section 15.3 of the Telephone Company's Tariff (x)
F.C.C. No. 11. (x)

(2) Any additions or changes to the wire centers included in MSA #1 that occur after February 2, 2005 will apply and be included in Option 20.

(C) Eligibility Requirements

All of the following requirements must be met in order to be eligible for subscription to Option 20.

(1) Customers who wish to subscribe to Option 20 must do so by submitting a written authorization in a manner designated by the Telephone Company during the thirty (30) day period which begins on February 2, 2005 and ends on March 4, 2005 (**Subscription Period**).

(2) The customer must subscribe to a minimum of two hundred (200) and up to a maximum of three hundred (300) BVS Services within MSA #1 (**Service Commitment**).

(3) The originating and terminating point of each BVS Service ordered under Option 20 must be located entirely within MSA #1. (N)

(x) Issued under authority of Special Permission No. 05-002 of the Federal Communications Commission

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.21 Contract Tariff Option 20 (Cont'd) (N)

(D) Service Period

The Service Period of this Option 20 is twelve (12) months and shall commence as follows. For those customers who, as of the end of the Subscription Period, have sufficient in-service BVS Services to satisfy eligibility as determined in (C)(2) preceding, the Service Period shall commence on the first day of the bill period that follows the end of the Subscription Period (**Service Period**). For those customers who, as of the end of the Subscription Period, have sufficient BVS Services that are in-service and on order to satisfy eligibility requirements as set forth in (C)(2) preceding, the Service Period shall commence upon installation of the last BVS Service installed to meet the eligibility requirements (**Service Period**).

(E) Terms and Conditions

(1) The regulations, terms, and conditions provided in this Section 21.21 apply to all customers who subscribe to BVS (as offered under Option 20) in MSA #1 during the specified Subscription Period set forth in (C)(1) preceding.

(2) The rates and charges applicable to BVS under this Option 20 are the rates set forth in Section 7.5.5 preceding (as determined in Section 14.7 preceding).

(3) In any month where the customer's BVS Service is either below the Service Commitment or exceeds the Service Commitment as specified in (C)(2) preceding, the customer shall not be eligible for the billing credits specified in (E)(4) following for the entire Service Period.

(4) Billing Credits

(a) The customer qualifies for billing credits under this Option 20 if the customer meets the Service Commitment during each month of the Service Period. Customers who qualify for billing credits will receive an initial billing credit under (E)(4)(b)(1) following and a final billing credit under (E)(4)(c)(1) following. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.21 Contract Tariff Option 20 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(4) Billing Credits (Cont'd)

(b) Initial Billing Credit

(1) The customer qualifies for an initial billing credit if the customer has met its Service Commitment in each of the first six (6) months of the Service Period. Qualification is determined in a review performed by the Telephone Company following the initial 6 months of the Service Period.

(2) The initial billing credit for qualifying customers will be an amount equal to two percent (2%) of the rates and charges that were assessed to the customer for the BVS Basic Channel Termination, Fixed Channel Mileage, and Per Mile Channel Mileage rate elements over the first 6 months of the Service Period. In calculating the initial billing credit, the Telephone Company will only include the recurring monthly charges and nonrecurring charges for the above rate elements. The calculation will exclude all other rate elements, interest penalty as applied under Section 2 preceding, fees, billed taxes, or any other charges not attributable to the Basic Channel Termination, Fixed Channel Mileage, and Per Mile Channel Mileage rate elements. The Telephone Company will apply the initial billing credit to the customer's next bill that follows the review set forth in (E)(4)(b)(1) preceding.

(c) Final Billing Credit

(1) The customer qualifies for a final billing credit if the customer has met the Service Commitment for each of the twelve (12) months of the Service Period.

(2) In order to qualify for the final billing credit, the customer must have already qualified for the initial billing credit under (E)(4)(b) preceding and must have met its Service Commitment in each month of the Service Period.

(3) In the event that the customer qualified for and received the initial billing credit, but does not qualify for the final billing credit, the customer does not qualify to receive the final billing credit and must return the initial billing credit that was already issued. The billing credit shall be returned through the issuance of an adjustment to the customer's account that charges an amount equal to the initial billing credit that was previously applied. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.21 Contract Tariffs Option 20 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(4) Billing Credits (Cont'd)

(c) Final Billing Credit (Cont'd)

(4) The final billing credit for qualifying customers will be an amount equal to two percent (2%) of the rates and charges that were assessed to the customer for the BVS Basic Channel Termination, Fixed Channel Mileage, and Per Mile Channel Mileage rate elements over the prior 6 months of the Service Period. In calculating the final billing credit, the Telephone Company will only include the recurring monthly charges and nonrecurring charges for the above rate elements. The calculation will exclude all other rate elements, interest penalty as applied under Section 2 preceding, fees, billed taxes, or any other charges not attributable to the Basic Channel Termination, Fixed Channel Mileage, and Per Mile Channel Mileage rate elements. The Telephone Company will apply the final billing credit to the customer's next bill that follows the review set forth in (E)(4)(c)(1) preceding.

(5) Expiration of the Service Period

Upon expiration of the Service Period, the customer may discontinue service or continue with the service at the rates and charges set forth for BVS in Section 7.5.5(A) through (C) and under the terms and conditions set forth in Section 7.2.5 preceding. In either case, no further billing credits will be issued.

(6) Minimum Period

The minimum period for BVS Services under this Option 20 is the minimum period for BVS specified in Section 7.2.5(E)(4)(b) preceding. In the event that the customer discontinues service prior to the end of the minimum period, charges in accordance with Section 5.2.6 preceding will apply from the date of disconnection to the end of the minimum period.

(7) The customer may not subscribe to any other contract tariff option for BVS that may be offered under this Section 21 unless the other contract tariff option specifically allows such subscription. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.21 Contract Tariff Option 20 (Cont'd) (N)

(F) Rates and Charges

(1) The rates and charges for BVS are set forth in Sections 7.5.5(A) through (C) preceding.

(2) Any other work, services, or facilities required, including special construction, will be provided subject to the Telephone Company's applicable filed and effective tariff rates, terms, and conditions then in effect. (N)

21. Contract Tariffs (Cont'd)

21.22 Contract Tariff Option 21 (N)

(A) Scope

Contract Tariff Option 21 (**Option 21**) is offered for a service commitment period of one (1) year and provides a customer with a one-time credit when it meets certain total billed revenue (**TBR**) thresholds set forth in (B)(2) following for the Qualifying Services set forth in (E)(1) following (**TBR for Qualifying Services**). Calculation of TBR for Qualifying Services shall be in accordance with the terms of this Option 21.

(B) Eligibility

The customer must meet all of the following eligibility criteria in order to be eligible for subscription to Option 21.

(1) A customer subscribes to Option 21 by submitting a written authorization in a manner designated by the Telephone Company during the thirty (30) day period which begins on February 17, 2005 and ends on March 18, 2005 (**Subscription Period**).

(2) During the twelve (12) month period prior to the commencement of the Service Period (as defined in (C) following), the customer must have achieved both:

(a) a minimum of $144,000,000 (**$144M**) in billed revenue for all Qualifying Services (as defined in (E) following) purchased by the customer from the Telephone Company; and

(b) a minimum of $45,000,000 (**$45M**) in billed revenue in Qualifying Facilities Management Services (**FMS**) (as defined in (E)(1) following) purchased by the customer from the Telephone Company. The billed revenue for all Qualifying Services as set forth in (B)(2)(a) preceding shall include the billed revenue for Qualifying FMS.

(3) During the Service Period, the customer must achieve a TBR, as described in (E)(1)(b) following, for Qualifying Services (as defined in (E)(1) following) of not less than $134,000,000 (**$134M**) and no more than $165,000,000 (**$165M**) for Qualifying Services. (N)

21. Contract Tariffs (Cont'd)

21.22 Contract Tariff Option 21 (Cont'd) (N)

(B) Eligibility (Cont'd)

(4) In order to receive any Billing Credit (as defined in (E)(2)(a) following), other than a Billing Credit of $0 under this Option 21, the customer must achieve both:

(a) a minimum TBR of at least $144M of Qualifying Services and less than or equal to a maximum of $165M; and

(b) a minimum TBR of at least $45M of Qualifying FMS during the Service Period. The TBR for Qualifying Services set forth in (B)(4)(a) preceding shall include the TBR for Qualifying FMS.

TBR for Qualifying Services and TBR for Qualifying FMS shall be calculated using the criteria and mechanism set forth in this Option 21. Billing Credits shall vary depending on the TBR for Qualifying Services and Qualifying FMS achieved by the customer during the Service Period, and such Billing Credits shall be calculated in accordance with terms and conditions of this Option 21.

(5) Other than as set forth in (E)(5) following, 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 provides a discount, credit, or other reduction in rates or terms based on achievement of certain revenue targets by the customer for the Qualifying Services.

(C) Service Period

The Service Period of this Option 21 shall be for a period of one (1) year beginning March 1, 2005 (**Service Period**). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.22 Contract Tariff Option 21 (Cont'd) (N)

(D) Service Area

The Billing 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 the Telephone Company's (x) Tariff F.C.C. Nos. 11 and 14 (**Service Area**). Wire centers for the (x) Phase II MSAs are listed in Section 14.7 preceding, Section 15.3 of (x) the Telephone Company's Tariff F.C.C. No. 11, and Section 19.1 of the (x) Telephone Company's Tariff F.C.C. No. 14. Any additions of, or (x) changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 14.7 preceding) that occur during the Service Period of this Option 21 will apply. No Billing Credits will be provided in the operating territories of the Telephone Company's Tariff F.C.C. No. 16, on Advanced Services (x) purchased from Section 16 preceding, or from the Telephone Company's (x) other tariffs offering Advanced Services, but the calculation of the (x) TBR for the Qualifying Services will include all Qualifying Services purchased by the customer under Section 16 preceding and the Telephone (x) Company's Tariff F.C.C. Nos. 16 and 20 as set forth in (E)(1)(a) (x) following. (N)

(x) Issued under authority of Special Permission No. 05-001 of the Federal Communications Commission

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.22 Contract Tariff Option 21 (Cont'd) (N)

(E) Terms and Conditions

(1) Qualifying FMS and Qualifying Services

(a) Description of Qualifying Services

Qualifying Services will be comprised of the following services purchased by the customer during the Service Period:

(1) Special Access Voice Grade, Digital Data Service (**DDS**), DS1, DS3, and SONET services, as set forth in Sections 7 and 8 preceding, and Section 25 following; the Telephone Company's Tariff F.C.C. No. 11 (Sections 7, 25, 26, 30, and 31); the Telephone Company's Tariff F.C.C. No. 14 (Sections 5 and 20); and the Telephone Company's Tariff F.C.C. No. 16 (Sections 7 and 20) (collectively, **Special Access**); (x)

(2) Switched Access DS1 and DS3 Direct Trunk Transport services, as set forth in Section 6 preceding; the Telephone Company's Tariff F.C.C. No. 11 (Sections 6, 30, and 31); the Telephone Company's Tariff F.C.C. No. 14 (Section 4); and the Telephone Company's Tariff F.C.C. No. 16 (Section 6) (collectively, **Switched DTT**); and (x)

(3) Advanced Services, as set forth in Sections 16 and 22 preceding; the Telephone Company's Tariff F.C.C. No. 20; the Telephone Company's Tariff F.C.C. No. 11 (Sections 17 and 33); the Telephone Company's Tariff F.C.C. No. 14 (Section 16); and the Telephone Company's Tariff F.C.C. No. 16 (Section 18) in the operating territories covered by such tariffs (collectively, **Advanced Services**); and (x)

(4) Qualifying FMS which is comprised of any Switched or Special Access FMS, as set forth in Sections 6.8.26 and 7.2.13 preceding, and the Telephone Company's Tariff F.C.C. No. 11 (Sections 6.2.12 and 7.2.16) (**Qualifying FMS**) (x)

If the Telephone Company introduces a new Special Access Service, Switched DTT Service, Advanced Service, or an enhancement to an existing Special Access Service, Switched DTT Service or Advanced Service in its Tariff F.C.C. Nos. 1, 11, 14, 16, and 20 (collectively, **Tariffs**), then such services shall be automatically included in Qualifying Services, and the customer's purchases of such new or enhanced Qualifying Services shall be included in the calculation of TBR, subject to the terms and conditions set forth in this Option 21. (x)

All other services purchased by the customer from the Telephone Company or any affiliate of the Telephone Company and not listed in this (E)(1)(a) shall not be eligible for inclusion as a Qualifying Service under this Option 21. (N)

(x) Issued under authority of Special Permission No. 05-001 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.22 Contract Tariff Option 21 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS and Qualifying Services (Cont'd)

(b) Revenues Included in Calculation of TBR for Qualifying Services

The customer's TBR for Qualifying Services shall include only the following:

(1) monthly billed recurring revenues, including any credits or discounts given under existing pricing plans (e.g., Term Payment Plans or Commitment Discount Plan), if applicable, that are generated in the course of billing monthly recurring revenue for the Qualifying Services provided during the Service Period;

(2) certain installation and maintenance related non-recurring revenues associated with new installations of certain Qualifying Services provided during the Service Period; and

(3) any credits and adjustments made to monthly recurring billed amounts for Qualifying Services, as set forth in (E)(1)(b)(1) preceding, which are purchased by the customer during the Service Period.

(c) Examples of Revenue Not Included in Calculation of TBR for Qualifying Services

TBR for Qualifying Services does not include any revenue other an as set forth in (E)(1)(b) preceding. The following types of charges are an illustrative list and are not intended to be a comprehensive listing of all other charges excluded from the calculation of TBR for Qualifying Services.

- non-recurring charges other than those set forth in (E)(1)(b) preceding;
- taxes, or other charges imposed by a federal, state, local, or other governmental entity (e.g. Federal Universal Service Fund);
- service or administrative fees or charges imposed by the Telephone Company (e.g. Interest penalty, late payment penalty);
- any other charges which are not applied on a recurring monthly basis;
- any other billed amount related to Qualifying Services for which payment is being withheld or under dispute by the customer;
- 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;
- Shortfall or overage charges associated with term plan true-ups (e.g., such as failure to satisfy commitment levels pursuant to a term plan);
- minimum period charges;
- termination liabilities; or
- Billing Credits (as defined in (E)(2)(b) under this Option 21. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.22 Contract Tariff Option 21 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS and Qualifying Services (Cont'd)

(d) FMS Plan – Combined Commitment Levels and Coterminous Expiration Date

(1) Combined Commitment Level

All of the customer's FMS Special Access and Switched Access DS-0 Commitment Levels in this tariff and in the Telephone Company's (x) Tariff F.C.C. No. 11 shall be combined together to form one (x) Commitment Level, allowing the Telephone Company to manage FMS as a single plan across both tariffs. Commitment Levels for FMS are (x) specified in Sections 6.8.26(D)(3) and 7.2.13(D)(3) preceding and Sections 6.2.12(E)(5) and 7.2.16(E)(5) in the Telephone Company's (x) Tariff F.C.C. No. 11. This combined Commitment Level shall be the (x) Commitment Level used to determine compliance with the FMS plan. In the event that the customer does not meet the combined DS-0 equivalent Commitment Level at the time of the Annual Review, then the customer shall be subject to any applicable shortfall penalties that may be assessed in accordance with Sections 6.8.26(D)(3)(b)(ii) and 7.2.13(D)(3)(b)(ii) preceding and Sections (x) 6.2.12(E)(4)(b) and 7.2.16(E)(4)(b) of the Telephone Company's (x) Tariff F.C.C. No. 11. (x)

(2) Coterminous Expiration Date

Regardless of the existing term of a Qualifying FMS, all Qualifying FMS shall become coterminous and expire on May 1, 2007. In the event that the customer terminates any FMS plan prior to May 1, 2007, termination liability under each FMS plan shall apply as set forth in Sections 6.8.26(F) and 7.2.13(F) preceding and Sections 6.2.12(G)(3) and 7.2.16(G)(3) of the Telephone Company's (x) Tariff F.C.C. No. 11. (x)

Except as otherwise set forth in this Option 21, the terms and conditions of the applicable FMS plans shall continue to apply to Qualifying FMS purchased by customer. The terms of this (E)(1)(d) shall survive expiration of this Option 21 and remain in effect until May 1, 2007. (N)

(x) Issued under authority of Special Permission No. 05-001 of the Federal Communications Commission

21. Contract Tariffs (Cont'd)

21.22 Contract Tariff Option 21 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS and Qualifying Services (Cont'd)

(e) Mergers and Acquisitions of Customer

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, the following terms and conditions will apply in addition to any other terms and conditions set forth in this Option 21 and the Tariffs. (x)

(i) 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.

(ii) The customer shall continue subscribing to this Option 21 and the applicable Contract Tariffs for the duration of the Service Period based on its business with the Telephone Company as of February 17, 2005, without adding the revenues attributable to expansion of the customer's purchase of Services from the Telephone Company though merger, transfer, assignment, or acquisition. (x)

(iii) The Telephone Company reserves the right to terminate this Option 21 if the customer does not adhere to the provisions of this (E)(1)(e). (N)

(x) Issued under authority of Special Permission No. 05-001 of the Federal Communication Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.22 Contract Tariff Option 21 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS and Qualifying Services (Cont'd)

(f) Sale of Verizon Operating Telephone Company

If a Verizon operating telephone company issuing this tariff, or the assets of such Verizon operating telephone company are acquired by an unaffiliated third party (**Acquired VZ Telco**), 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 the Telephone Company's Tariffs F.C.C. No. (x) 1, No. 11, No. 14, No. 16, and No. 20. (x)

(i) each range or tier of the TBR for Qualifying FMS and the TBR for Qualifying Services set forth in the table in (E)(2)(b) following shall be proportionately reduced by the applicable Acquisition Reduction Amount (as calculated in this (E)(1)(f));

(ii) all Billing Credits set forth in the table in (E)(2)(b) following shall be reduced by a percentage which shall be calculated by dividing the Acquisition Reduction Amount for Qualifying Services by $144M; and

(iii) in calculating the Shortfall Penalty or Termination Liability, as set forth in Sections (E)(3) and (E)(4) following, respectively, the TBR of $134M for Qualifying Services shall be reduced by the Acquisition Reduction Amount for Qualifying Services, or the Acquisition Reduction Amount for Qualifying FMS, as calculated in this (E)(1)(f). For example, if the Acquisition Reduction Amount for Qualifying Services, as calculated in this (E)(1)(f), is $7,500,000 (**$7.5M**), then a Shortfall Penalty will not be assessed if the customer has a TBR for Qualifying Services of at least $126,500,000 (the minimum TBR for Qualifying Services of $134M less the Acquisition Reduction Amount of $7.5M). (N)

(x) Issued under authority of Special Permission No. 05-001 of the Federal Communication Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.22 Contract Tariff Option 21 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS and Qualifying Services (Cont'd)

(f) Sale of Verizon Operating Telephone Company (Cont'd)

An Acquisition Reduction Amount shall be calculated for each of the Qualifying FMS and the Qualifying Services as follows:

Step 1: calculate the TBR for Qualifying FMS or the TBR for Qualifying Services, as applicable, purchased by the customer from the Acquired VZ Telco during the twelve (12) months prior to the time that the Acquired VZ Telco ceases to provide the Services;

Step 2: calculate the average monthly amount purchased by the customer from the Acquired VZ Telco for Qualifying FMS or the TBR for Qualifying Services, as applicable, by dividing the number in Step 1 above by 12; and;

Step 3: multiply the average monthly amount for Qualifying FMS or the TBR for Qualifying Services, as applicable, calculated in Step 2 above by the number of months remaining in the Service Period. (N) test

21. Contract Tariffs (Cont'd)

21.22 Contract Tariff Option 21 (Cont'd)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS and Qualifying Services (Cont'd)

(f) Sale of Verizon Operating Telephone Company (Cont'd)

As an illustrative example, assume that Verizon Delaware LLC was acquired by an unaffiliated third party and ceased to operate in month 3 of the Service Period. Assume that the customer purchased $4,000,000 (**$4M**) of Qualifying FMS and a total of $10,000,000 (**$10M**) of Qualifying Services from Verizon Delaware LLC during the twelve (12) months prior to the time that Verizon Delaware LLC ceased to provide the Services under this Option 21. Assume also that at the end of the Service Period, the customer has achieved a TBR for Qualifying FMS of $47,000,000 and TBR for Qualifying Services of $150,000,000. To calculate the applicable Billing Credit, or the application of Shortfall Penalty (as defined in (E)(3) following) at the end of the Service Period, the following shall apply: (C) (C) (C)

Step 1: calculate the Acquisition Reduction Amounts. The Acquisition Reduction Amount for Qualifying Services is $7.5M in Qualifying Services (calculated as $833,333 ($10M divided by 12) multiplied by the remaining 9 months of the Service Period). The Acquisition Reduction Amount for Qualifying FMS is $3,000,000 (**$3M**) (calculated as $333,333 ($4M divided by 12) and multiplied by the remaining 9 months of the Service Period).

Step 2: determine the new table for calculation of Billing Credits or Shortfall Penalties (as defined in (E)(3) following) based on the Acquisition Reduction Amounts. Subtract $7.5M (the Acquisition Reduction Amount for Qualifying Services) from each range or tier of the TBR for Qualifying Services and $3M (the Acquisition Reduction Amount for Qualifying FMS) from each range or tier of the TBR for Qualifying FMS. This will provide an adjusted table for the determination of the Billing Credit or Shortfall Penalty, as applicable.

Step 3: determine the applicable Billing Credits as defined in (E)(2) or Shortfall Penalty as described in (E)(3) from the new table calculated in Step 2 above. In this example, the Billing Credit set forth in the table at (E)(2) following will be reduced by 5.2% (calculated as $7.5M divided by $144M). Customer would be eligible for a Billing Credit of $11,470,000 ($12,100,000 Billing Credit using the table set forth in (E)(2)(b) following less $630,000 ($12,100,000 multiplied by 0.052).

21. Contract Tariffs (Cont'd)

21.22 Contract Tariff Option 21 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS and Qualifying Services (Cont'd)

(g) Business Downturn

In the event of a Business Downturn (as defined in this (E)(1)(g)) which results in Customer being unable to meet the minimum TBR for Qualifying Services of $134M (and notwithstanding the customer's best efforts to avoid such a shortfall), the customer shall not be liable for a Shortfall Penalty pursuant to (E)(3) following to the extent that the Business Downturn results in a reduction in the Qualifying Services purchased by the customer as set forth in this (E)(1)(g). In the event that the customer seeks to invoke the Business Downturn clause under this Option 21, then it shall provide to the Telephone Company written notice of its intent to exercise this clause and any information and records requested by the Telephone Company to support its claim, including without limitation, documentation demonstrating that the End User's bankruptcy, liquidation, or reorganization resulted in the termination or severe decrease in purchases of Qualifying Services by the customer. At its option, the Telephone Company may conduct an audit of the customer's records relating to the discontinued Qualifying Services. Other than with respect to the relief from the Shortfall Penalty as expressly provided in this section, this provision does not constitute a waiver of any charges, penalties, or other amounts, including without limitation, the Shortfall Penalty and any termination liabilities, which the Telephone Company may otherwise be entitled to under this Option 21 or the applicable Tariffs. (x)

Business Downturn shall mean the loss of one or more customers of the customer (**End Users**) due to the bankruptcy, reorganization, or liquidation of such End User(s), which results in the End User(s) ceasing to purchase, or severely curtailing its purchases of Qualifying Services from the customer, which in turn directly results in a twenty-five (25%) or greater reduction in the minimum TBR for Qualifying Services of $134M (i.e., Customer's TBR at the end of the Service Period must be at or below $100,500,000 (**$100.5M**) in order to exercise this clause). For example, assume that an End User declared bankruptcy and ceased purchasing services from Customer, which in turn resulted in a corresponding decrease in the customer's purchase of the Qualifying Services. As a result, the customer's TBR for the Qualifying Services at the end of the Service Period is $120,000,000. Under this scenario, the customer has not experienced a Business Downturn as defined herein since the customer has achieved a TBR of more than $100.5M. The customer shall be liable for a Shortfall Penalty of $7M pursuant to Section (E)(3) following. (N)

(x) Issued under authority of Special Permission No. 05-001 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.22 Contract Tariff Option 21 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit

(a) At the end of the Service Period, the Telephone Company shall calculate (1) the total TBR achieved by the customer during the Service Period for Qualifying Services; and (2) the total TBR achieved by the customer during the Service Period for Qualifying FMS, in each case in accordance with the terms and condition set forth in this Option 21. Subject to the terms and conditions relating to disputes as set forth in (E)(3)(iv) and (E)(3)(v) following, and subject to any reductions and adjustments as set forth herein, the customer shall be eligible to receive the applicable credit set forth in the table at (b) following (the **Billing Credit**), which Billing Credit may be $0 depending on the customer's TBR for the Qualifying Services and TBR for the Qualifying FMS during the Service Period. If the customer has not met the minimum TBR requirement for Qualifying Services of $134M, or the adjusted minimum TBR requirement pursuant to (E)(1)(f) preceding, then the customer shall not receive any Billing Credits (i.e., a Billing Credit of $0 as set forth in the table set forth in (E)(2)(b) following), and the customer shall be liable for the Shortfall Penalty as set forth in (E)(3) following.

(b) The Billing Credit shall be determined by using the table below. To calculate the Billing Credit, first, locate the customer's TBR for Qualifying FMS using the "x axis" of the table below under the heading "TBR for Qualifying FMS ($M)". Second, locate the customer's TBR for all Qualifying Services using the "y axis" of the table below under the heading "TBR for Qualifying Services ($M)". Third, find the corresponding meet-point of the two TBR amounts to determine the dollar amount of the Billing Credit. TBR Amounts will be rounded up or down to the nearest $10,000. As an illustrative example, assume that the customer has a TBR for Qualifying FMS of $46,993,456.27 (rounded down to $46.99) and a TBR for all Qualifying Services of $154,494,666.23 (rounded down to $154.49M), then the customer shall be eligible for a Billing Credit of $8,100,000.00 (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.22 Contract Tariff Option 21 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(b) (Cont'd)

TBR for Qualifying Services ($M)	TBR for Qualifying FMS ($M)							
	0.00 to 44.99	45.00 to 46.99	47.00 to 48.99	49.00 to 50.99	51.00 to 52.99	53.00 to 54.99	55.00 to 56.99	57.00 +
134.00 – 143.99*	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
144.00 – 146.62	$0.0	$4.2	$4.9	$5.6	$6.3	$7.0	$7.7	$8.4
146.63 – 149.24	$0.0	$5.5	$6.2	$6.9	$7.6	$8.3	$9.0	$9.7
149.25 – 151.87	$0.0	$6.8	$7.5	$8.2	$8.9	$9.6	$10.3	$11.0
151.88 – 154.49	$0.0	$8.1	$8.8	$9.5	$10.2	$10.9	$11.6	$12.3
154.50 – 157.12	$0.0	$9.4	$10.1	$10.8	$11.5	$12.2	$12.9	$13.6
157.13 – 159.74	$0.0	$10.7	$11.4	$12.1	$12.8	$13.5	$14.2	$14.9
159.75 – 162.37	$0.0	$12.1	$12.8	$13.5	$14.2	$14.9	$15.6	$16.3
162.38 – 165.00	$0.0	$13.4	$14.1	$14.8	$15.5	$16.2	$16.9	$17.6

* Shortfall Penalty applies if Customer is below this range for Qualifying Services, as set forth in (E)(3) following.

(c) The Billing Credit shall apply after all other discounts, adjustments, and credits to the customer's monthly billed recurring revenues for the Qualifying Services have been calculated and applied. For instance, if the customer subscribes to Commitment Discount Plan as set forth in Section 25 of this tariff (**CDP**), then the customer would be billed CDP discounted rates on a monthly basis. These discounted revenues would be included in the customer's TBR for the Qualifying Services calculation as set forth (E)(2)(b) preceding. In accordance with (E)(1)(c) preceding, any Shortfall Penalties (as defined in (E)(3) following) resulting from an annual true-up as required by CDP would not be included in the TBR for the Qualifying Services.

(d) If the customer exceeds the maximum TBR for Qualifying Services of $165M during the Service Period, the customer will not receive the Billing Credit under this Option 21. If the customer exceeds the TBR for Qualifying FMS of $57M, but has not exceeded a TBR for Qualifying Services of $165M, then the customer shall continue to be eligible for the applicable Billing Credit set forth in the table at (E)(2)(b) preceding based on the TBR for Qualifying Services. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.22 Contract Tariff Option 21 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(e) Timing of Payments and Billing Credits; Disputes; Releases and Waivers

(1) If the customer is eligible to receive the Billing Credit, the Billing Credit will be credited to the customer's account no later than the ninetieth (90th) day following the end of the Service Period, subject to the terms of this Option 21. If the customer is required to pay a Shortfall Penalty in accordance with the terms of (E)(3) following, then the customer shall pay such amount no later than the ninetieth (90th) day following the end of the Service Period.

(2) The Telephone Company's provision of the Billing Credit is contingent on payment in full by the customer of all undisputed billed amounts for Qualifying Services no later than the 45^{th} day after the end of the Service Period. After the 45th day following the end of the Service Period, any amounts that remain disputed or are withheld by the customer (i.e., not paid in full) shall not be used in calculation of the TBR for the Qualifying Services, TBR for Qualifying FMS, in determination of the Billing Credit, or in determination of any applicable Shortfall Penalty, as applicable. The foregoing shall apply regardless of whether such dispute is resolved in favor of the customer at a later date.

(3) Upon inclusion of any amounts in the TBR for Qualifying Services or in the TBR for Qualifying FMS, the parties agree to the following:

(i) such amounts included in the calculation of TBR shall not be subject to dispute at a later date. The Telephone Company shall not backbill for any Qualifying Services included in the calculation of the TBR;

(ii) each party waives and releases, and forever discharges the other party of and from any and all manner of claims, demands, rights, liabilities, damages, potential actions, causes of action, suits, agreements, judgments, decrees and controversies of any kind and nature whatsoever, at law, in equity, or otherwise, whether known or unknown, which have arisen or might arise related to amounts payable by the customer or amounts credited to the customer by the Telephone Company for the Qualifying Services provided by the Telephone Company to the customer during the Service Period.

(iii) The customer shall retain its right to dispute with respect to any amounts that are not included in the TBR for Qualifying Services or in the TBR for Qualifying FMS. The Telephone Company shall retain its rights to backbill for any Qualifying Services not included in the calculation of TBR for the Qualifying Services. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.22 Contract Tariff Option 21 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(e) Timing of Payments and Billing Credits; Disputes; Releases and Waivers (Cont'd)

(3) (Cont'd)

(iii) (Cont'd)

As an illustrative example, assume that the Telephone Company calculates the TBR for the Qualifying Services to be equal to $160,000,000 (**$160M**), and the TBR for Qualifying FMS to be equal to $50,000,000 (**$50M**). Assume that of the $160M, the customer disputes $10M in Special Access Services, and has no other disputes for Qualifying Services. Assume also that the customer has paid such amount and that such dispute remains unresolved as of the 90th day following the end of the Service Period. Then, the final TBR for Qualifying Services shall be $150,000,000 ($160M less the $10M in disputes) and the final TBR for Qualifying FMS of $50M, and the Telephone Company shall pay a Billing Credit of $8,200,000 in accordance with the terms of this Option 21. The customer shall retain its right to dispute and recover any amounts (and interest penalties, as applicable) on the outstanding dispute of $10M, but such amounts (even if resolved in favor of the customer at a later date) shall not result in an adjustment of the Billing Credit. The Telephone Company may backbill the customer for any Qualifying Services included in the $10M. Upon payment of the Billing Credit, the customer may not dispute, and the Telephone Company may not backbill, charges on any amounts included in the $150,000,000 (the TBR for Qualifying Services) or in the $50M (the TBR for Qualifying FMS).

(iv) 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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.22 Contract Tariff Option 21 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(e) Timing of Payments and Billing Credits; Disputes; Releases and Waivers (Cont'd)

(3) (Cont'd)

(v) The customer's disputes with respect to Qualifying FMS shall reduce the amount of the TBR for Qualifying FMS as calculated in (E)(2) preceding. Notwithstanding the foregoing, the aggregate amount of all disputes (including disputes for Qualifying FMS from the prior sentence and Services other than Qualifying FMS) shall reduce the amount of the TBR for Qualifying Services, as calculated in accordance with the terms of this Option 21. For example, if the customer has billed revenue of $50M in Qualifying FMS, of which $5,000,000 (**$5M**) are disputed by the customers, then the TBR for Qualifying FMS shall be $45,000,000. In addition, assume that the customer has $150M of billed revenue of Qualifying Services, which amount includes billed revenues of $50M in Qualifying FMS. If the customer has disputes of $10M on Services other than Qualifying FMS, then the TBR for Qualifying Services shall be $135,000,000 ($150M less $15,000,000 in disputes (comprised of $5M in disputes on Qualifying FMS plus $10M in disputes on other Switched Access, Special Access, and Advanced Services).

(vi) The amount of the Billing Credit shall not be subject to any interest penalty. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.22 Contract Tariff Option 21 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(3) Shortfall Penalty

If the customer does not satisfy the minimum TBR requirement for Qualifying Services of $134M during the Service Period, the customer will pay a shortfall payment equal to fifty percent (50%) of the difference between minimum TBR of $134M, or the adjusted minimum TBR requirement as set forth in (E)(1)(f) preceding, as applicable, and the customer's actual annual TBR for the Qualifying Services during the Service Period (the **Shortfall Penalty**). In addition, and even upon payment of the Shortfall Penalty as set forth in the prior sentence, the customer will not be eligible to receive any applicable Billing Credits under this Option 21. If the customer has a TBR for Qualifying Services of at least $134M, or an adjusted minimum TBR requirement as set forth in Section (E)(2) preceding, then no Shortfall Penalty, as set forth in this Section (E)(3), shall apply, but the customer may be ineligible for any Billing Credits, as set forth in the table set forth in (E)(2)(b) preceding, based on the customer's TBR for Qualifying Services and the customer's TBR for Qualifying FMS, each as adjusted in accordance with (E)(1)(f) preceding, as applicable. As an illustrative example, assume that the customer has achieved a TBR for the Qualifying Services of $125,000,000 (**$125M**) during the Service Period, and assuming that no adjustment under (E)(2)occurred, then the customer shall pay to the Telephone Company an amount equal to $4,500,000 (which is equal to $9,000,000 (i.e., minimum TBR for Qualifying Services of $134M less the customer's actual TBR for the Qualifying Services of $125M), multiplied by 50%). The customer will not be eligible to receive any applicable Billing Credits.

The customer shall not be charged a Shortfall Penalty for failing to meet the minimum TBR requirement for Qualifying FMS of $45M, or an adjusted minimum TBR requirement as set forth in (E)(1)(f) preceding, as applicable, during the Service Period. However, the customer shall not be eligible for any Billing Credits, as set forth in the table at (E)(2)(b) preceding. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.22 Contract Tariff Option 21 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(4) Termination Charges

If Customer cancels or terminates this Option 21 or its subscription to the applicable Contract Tariff Option(s) under the Tariffs prior (x) to the expiration of the Service Period, the customer will be liable for one hundred percent (100%) of the difference between the customer's TBR for the Qualifying Services at the time of cancellation or termination and the minimum TBR for Qualifying Services of $134M, or the adjusted minimum TBR requirement as set forth in Section (E)(1)(f) preceding, as applicable. The foregoing does not apply in the event that the customer terminates this Option 21 for the Telephone Company's failure to materially comply with this Option 21 or the Tariffs applicable to the Qualifying Services. (x) In addition, the customer shall not be eligible for the Billing Credit. This section does not relieve the customer of any termination liabilities or minimum period charges under the Tariffs (x) that may apply for termination of any individual Qualifying Service. The terms and conditions of the Tariffs, including any applicable (x) termination liabilities, shall continue to apply with respect to termination of any Qualifying Service.

As an illustrative example, assume that the customer has a TBR for the Qualifying Services of $100,000,000 during the first eight months of the Service Period, and that no adjustment under (E)(1)(f) preceding occurred. Also assume that the customer decides to terminate this Option 21 at such time, and that such termination is not related to a material failure by the Telephone Company to provide the Qualifying Services in accordance with the Tariffs. (x) Customer shall pay termination charges of $34,000,000 (the minimum TBR of $134M for Qualifying Services less the actual TBR for the Qualifying Services of $100,000,000, multiplied by 100%). The customer shall not be eligible for any applicable Billing Credits. In this example, if customer also terminates or discontinues one or more Qualifying Services, then customer shall be responsible for any associated termination liabilities and minimum period charges assessable under the applicable Tariff for such terminated or (x) discontinued service. (N)

(x) Issued under authority of Special Permission No. 05-001 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.22 Contract Tariff Option 21 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(5) New Contract Tariff Option

Provided that the customer meets all of the criteria set forth in this (E)(5), the customer will be allowed to terminate Option 21 and subscribe to the New Plan without paying the termination charges set forth in (E)(4) preceding. **New Plan** shall mean another contract tariff option for the Qualifying Services offered by the Telephone Company during the Service Period with identical or greater TBR levels than those provided under this Option 21. If the customer elects to terminate this Option 21 in order to subscribe to the New Plan, then (1) the customer must so elect in writing; (2) the customer must subscribe to the New Plan concurrently with or prior to the termination date of this Option 21 or the applicable Contract (x)
Tariff Option(s) under the Tariffs; and (3) the customer must (x)
independently qualify and be eligible for such New Plan. Unless otherwise provided in the New Plan, the customer shall not be afforded any Billing Credits under this Option 21 for any time in service under this Option 21, nor shall the customer be afforded any credit in the New Plan for any portion of the Service Period that has elapsed at the time of the customer's subscription to the New Plan. (N)

(x) Issued under authority of Special Permission No. 05-001 of the Federal Communications Commission

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.23 Contract Tariff Option 22 (N)

(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 Sections 6.8.1(A)(1) and 7.4.1(A)(1) preceding for SwA DS3 Services and SpA DS3 Services, respectively.

(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 Sections 6.8.1(A)(1) and 7.4.1(A)(1) preceding for SwA DS3 Service and SpA DS3 Service, respectively. This count is used to determine the rate step and corresponding rate in the schedule set forth in Sections 6.9.1 and 7.5.9 preceding for SwA DS3 Services and SpA DS3 Services, respectively.

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.23 Contract Tariff Option 22 (Cont'd) (N)

(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 14.7 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 14.7 preceding) that occur during the Service Period of this Option 22 will apply. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.23 Contract Tariff Option 22 (Cont'd) (N)

(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. (N)

21. Contract Tariffs (Cont'd)

21.23 Contract Tariff Option 22 (Cont'd) (N)

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.23 Contract Tariff Option 22 (Cont'd) (N)

(D) Service Period (Cont'd)

(1) (Cont'd)

(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.

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.23 Contract Tariff Option 22 (Cont'd) (N)

(E) Subscription to Option 22

(2) (Cont'd)

(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.

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.23 Contract Tariff Option 22 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

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

(a) Extension of TPPs (Cont'd)

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.23 Contract Tariff Option 22 (Cont'd) (N)

(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)(8) 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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.23 Contract Tariff Option 22 (Cont'd) (N)

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.23 Contract Tariff Option 22 (Cont'd) (N)

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.23 Contract Tariff Option 22 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(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.

(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 (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.23 Contract Tariff Option 22 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(12) (Cont'd)

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.24 Contract Tariff Option 23 (N)

(A) Scope

Contract Tariff Option 23 (**Option 23**) is offered for a service commitment period of one (1) year and provides a customer with an annual credit when it meets certain total billed revenue (**TBR**) thresholds set forth in (B)(4) following for the Qualifying Services set forth in (E)(1) following (**TBR for Qualifying Services**). Calculation of TBR for Qualifying Services shall be in accordance with the terms of this Option 23.

(B) Eligibility

The customer must meet all of the following eligibility criteria in order to be eligible for subscription to Option 23.

(1) A customer subscribes to Option 23 by submitting a written authorization in a manner designated by the Telephone Company during the thirty (30) day period which begins on April 2, 2005 and ends on May 1, 2005 (**Subscription Period**). The customer must notify the Telephone Company of its election to each of the following three (3) options available under this Option 23 at the time of subscription to this Option 23:

(a) RMC option under Section (E)(2)(d) following;
(b) Use of Telephone Company provided Special Access Services under Section (E)(1)(f) following; and
(c) Qualifying DS1 Rate Stability Option under Section (E)(6) following.

(2) During calendar year 2004, the customer must have achieved billed revenue in Qualifying Switched Access DS1 and DS3 Direct Trunk Transport services, as defined in (E)(1) following, purchased by the customer from the Telephone Company that is greater than zero ($0) and less than a maximum of $750,000 (**$750K**).

(3) During the Service Period as set forth in (C) following, the customer must achieve a TBR for Qualifying Services (as defined in (E)(1) following) of not less than $43,000,000 (**$43M**) and no more than $69,000,000 (**$69M**) for Qualifying Services. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.24 Contract Tariff Option 23 (Cont'd) (N)

(B) Eligibility (Cont'd)

(4) In order to receive any Billing Credit (as defined in (E)(2)(a) following), other than a Billing Credit of $0 under this Option 23, the customer must achieve a minimum TBR of at least $45M and less than or equal to a maximum of $69M of Qualifying Services.

(5) TBR for Qualifying Services and TBR for Qualifying DS1 Services (as defined in (E)(1)(b) following) shall be calculated using the criteria and mechanism set forth in this Option 23. Billing Credits shall vary depending on the TBR for Qualifying Services and the TBR for Qualifying DS1 Services achieved by the customer during the Service Period, and such Billing Credits shall be calculated in accordance with terms and conditions of this Option 23.

(6) The customer must include all of the Access Customer Name Abbreviations (**ACNAs**) that it owns or has right to use, and all ACNAs of affiliates when subscribing to this Option 23. All such ACNAs must be verified and accepted by the Telephone Company prior to inclusion in this Option 23. All purchases of Qualifying Services by all of the customer's ACNAs and ACNAs of the customer's affiliates will be included in determining whether the customer has met the TBR for Qualifying Services.

(7) 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 provides a discount, credit, or other reduction in rates or terms based on achievement of certain revenue targets by the customer for the Qualifying Services.

(C) Service Period

The Service Period of this Option 23 shall be for a period of one (1) year beginning April 2, 2005 and ending April 1, 2006 (**Service Period**). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.24 Contract Tariff Option 23 (Cont'd) (N)

(D) Service Area

The Billing 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 the Telephone Company's (x) Tariff F.C.C. Nos. 11 and 14 (**Service Area**). Wire centers for the (x) Phase II MSAs are listed in Section 14.7 preceding, Section 15.3 of (x) the Telephone Company's Tariff F.C.C. No. 11, and Section 19.1 of the (x) Telephone Company's Tariff F.C.C. No. 14. Any additions of, or (x) changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 14.7 preceding) that occur during the Service Period of this Option 23 will apply. No Billing Credits will be provided in the operating territories of the (x) Telephone Company's Tariff F.C.C. No. 16, but the calculation of the (x) TBR for the Qualifying Services will include all Qualifying Services purchased by the customer under (E)(1)(a) following. (N)

(x) Issued under authority of Special Permission No. 05-015 of the Federal Communications Commission

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.24 Contract Tariff Option 23 (Cont'd) (N)

(E) Terms and Conditions

(1) Qualifying DS1 and Qualifying Services

(a) Description of Qualifying Services

Qualifying Services will be comprised of the following services purchased by the customer during the Service Period:

(1) Special Access Voice Grade, Digital Data Service (**DDS**), DS1, DS3, SONET, Dense Wave Division Multiplexing, and other Optical services, as set forth in Sections 7, 8, and 25 preceding; the Telephone Company's Tariff F.C.C. No. 11 (Sections 7, 25, 26, 30, and 31); the Telephone Company's Tariff F.C.C. No. 14 (Sections 5 and 20); and the Telephone Company's Tariff F.C.C. No. 16 (Sections 7 and 20) (collectively, **Special Access**); and (x)

(2) Switched Access DS1 and DS3 Direct Trunk Transport services, as set forth in Section 6 preceding; the Telephone Company's Tariff F.C.C. No. 11 (Sections 6, 30, and 31); the Telephone Company's Tariff F.C.C. No. 14 (Section 4); and the Telephone Company's Tariff F.C.C. No. 16 (Section 6) (collectively, **Switched DTT**). (x)

If the Telephone Company introduces a new Special Access Service or Switched DTT Service, or an enhancement to an existing Special Access Service or Switched DTT Service in this tariff or in its Tariff F.C.C. Nos. 11, 14, or 16 (collectively, **Tariffs**), then such services shall be automatically included in Qualifying Services, and the customer's purchases of such new or enhanced Qualifying Services shall be included in the calculation of TBR, subject to the terms and conditions set forth in this Option 23. (x)

All other services purchased by the customer from the Telephone Company or any affiliate of the Telephone Company and not listed in this (E)(1)(a) shall not be eligible for inclusion as a Qualifying Service under this Option 23. (N)

(x) Issued under authority of Special Permission No. 05-015 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.24 Contract Tariff Option 23 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying DS1 and Qualifying Services (Cont'd)

(b) Description of Qualifying DS1

Qualifying DS1 (1.544 Mbps) will be comprised of the following services purchased by the customer during the Service Period:

Special Access 1.544 Mbps High Capacity services, as set forth in Section 7 preceding; the Telephone Company's Tariff F.C.C. No. 11 (x) (Section 7); the Telephone Company's Tariff F.C.C. No. 14 (Section (x) 5); and the Telephone Company's Tariff F.C.C. No. 16 (Section 7) (x) (collectively, **DS1**).

(c) Revenues Included in Calculation of TBR for Qualifying Services

The customer's TBR for Qualifying Services shall include only the following:

(1) monthly billed recurring revenues, including (that is, net) any credits or discounts given under existing pricing plans (e.g., Term Payment Plans or Commitment Discount Plan), if applicable, for the Qualifying Services provided during the Service Period; and

(2) any credits and adjustments made to monthly recurring billed amounts for Qualifying Services, as set forth in (E)(1)(c)(1) preceding, which are purchased by the customer during the Service Period. (N)

(x) Issued under authority of Special Permission No. 05-015 of the Federal Communications Commission

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.24 Contract Tariff Option 23 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying DS1 and Qualifying Services (Cont'd)

(d) Examples of Revenue Not Included in Calculation of TBR for Qualifying Services

TBR for Qualifying Services does not include any revenue other than as set forth in (E)(1)(c) preceding. The following types of charges are an illustrative list and are not intended to be a comprehensive listing of all other charges excluded from the calculation of TBR for Qualifying Services.

- non-recurring charges;
- taxes, or other charges imposed by a federal, state, local, or other governmental entity (e.g. Federal Universal Service Fund);
- service or administrative fees or charges imposed by the Telephone Company (e.g. Interest penalty, late payment penalty);
- any other charges which are not applied on a recurring monthly basis;
- any billed amount related to Qualifying Services for which payment is being withheld or under dispute by the customer;
- 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;
- Shortfall or overage charges associated with term plan true-ups (e.g., such as failure to satisfy commitment levels pursuant to a term plan);
- minimum period charges;
- termination liabilities; or
- Billing Credits (as defined in (E)(2)(b) under this Option 23)

(e) Use of Telephone Company SONET OC3 Services

For customers who subscribe to this Option 23 and also purchase new SONET IntelliLight Broadband Transport (**IBT**) OC3/OC3c service during the Service Period, a TBR multiplier of 1.15 will be applied to such TBR associated with such new SONET IBT OC3/OC3c service. IBT is set forth in Section 8.2 preceding. This multiplier shall only be used to determine the TBR for Qualifying Services, and not for any other purpose. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.24 Contract Tariff Option 23 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying DS1 and Qualifying Services (Cont'd)

(e) Use of Telephone Company SONET OC3 Services (Cont'd)

In calculating TBR for Qualifying Services, the Telephone Company shall determine the total amount of monthly billed recurring revenues for new IBT OC3/OC3c services which have been purchased by the customer during the Service Period, and multiply the same by 1.15 (that is, a fifteen percent (15%) incentive for subscription to new IBT OC3/OC3c services). For example, assume that the customer's total amount of monthly billed recurring revenues for new IBT OC3/OC3c services during the Service Period was $1,000,000 ($1M). Then, in calculating TBR for Qualifying Services, the customer shall be deemed to have purchased $1,150,000 ($1.15M) in Qualifying Services. For purposes of this Option 23, a new SONET IBT OC3/OC3c service must meet one of the following criteria:

(1) newly ordered and provisioned during the Service Period by the customer under this Option 23 or in the Telephone Company's (x) Tariff F.C.C. Nos. 11, 14, or 16; or (x)

(2) upgrade of an existing Special Access service during the Service Period that is not a SONET IBT OC3/OC3c service (e.g., upgrade of a DS1 or DS3 to a SONET IBT OC3 service) under the provisions set forth in other sections of this tariff. (N)

(x) Issued under authority of Special Permission No. 05-015 of the Federal Communications Commission

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.24 Contract Tariff Option 23 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying DS1 and Qualifying Services (Cont'd)

(f) Use of Telephone Company Provided Special Access Services

For customers who subscribe to this Option 23 and convert their DS1 capacity loops, dedicated transport, or Expanded Extended Loops (**EELs**) (collectively, **DS1 UNEs**) provided by the Telephone Company as unbundled network elements (**UNEs**) to Special Access DS1 Service under Section 7.2.9 preceding of this tariff, the Telephone Company will multiply the customer's TBR associated with such converted DS1 UNEs by 1.50. This multiplier shall only be used to determine the TBR for Qualifying Services, and not for any other purpose.

For example, if the customer converts $1,000,000 ($1M) in DS1 UNEs to Special Access DS1 Services during the Service Period of this Option 23, then, in calculating TBR for Qualifying Services, the customer shall be deemed to have purchased $1,500,000 ($1.50M) in Special Access DS1 Services for purposes of calculating the TBR for Qualifying Service.

(g) Mergers and Acquisitions of Customer

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, the following terms and conditions will apply in addition to any other terms and conditions set forth in this Option 23 and the Tariffs. (x)

(i) 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.

(ii) The customer shall continue subscribing to this Option 23, Contract Tariff Option 25 in the Telephone Company's Tariff (x) F.C.C. No. 11, or Contract Tariff Option 13 in the Telephone (x) Company's Tariff F.C.C. No. 14 for the duration of the (x) Service Period based on its business with the Telephone Company as of the customer's date of subscription to Option 23 without adding the revenues attributable to expansion of the customer's purchase of Services from the Telephone Company through merger, transfer, assignment, or acquisition.

(iii) The Telephone Company reserves the right to terminate this Option 23 without any liability if the customer does not adhere to the provisions of this (E)(1)(g). (N)

(x) Issued under authority of Special Permission No. 05-015 of the Federal Communications Commission

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.24 Contract Tariff Option 23 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying DS1 and Qualifying Services (Cont'd)

(h) Sale of Verizon Operating Telephone Company

If a Verizon operating telephone company issuing this tariff, or the assets of such Verizon operating telephone company are acquired by an unaffiliated third party (**Acquired VZ Telco**), 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 and in the Telephone Company's Tariff F.C.C. (x)
Nos. 11, 14, and 16. (x)

(i) each range or tier of the TBR for Qualifying DS1 and the TBR for Qualifying Services set forth in the table in (E)(2)(b) following shall be proportionately reduced by the applicable Acquisition Reduction Amount (as calculated in this (E)(1)(h));

(ii) all Billing Credits set forth in the table in (E)(2)(b) following shall be reduced by a percentage which shall be calculated by dividing the Acquisition Reduction Amount for Qualifying Services by $45M; and

(iii) in calculating the Shortfall Penalty or Termination Liability, as set forth in Sections (E)(4) and (E)(5) following, respectively, the TBR of $43M for Qualifying Services shall be reduced by the Acquisition Reduction Amount for Qualifying Services, or the Acquisition Reduction Amount for Qualifying DS1, as calculated in this (E)(1)(h). For example, if the Acquisition Reduction Amount for Qualifying Services, as calculated in this (E)(1)(h), is $8,500,000 (**$8.5M**), then a Shortfall Penalty will not be assessed if the customer has a TBR for Qualifying Services of at least $34,500,000 (the minimum TBR for Qualifying Services of $43M less the Acquisition Reduction Amount of $8.5M). (N)

(x) Issued under authority of Special Permission No. 05-015 of the Federal Communication Commission

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.24 Contract Tariff Option 23 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying DS1 and Qualifying Services (Cont'd)

(h) Sale of Verizon Operating Telephone Company (Cont'd)

An Acquisition Reduction Amount shall be calculated for each of the Qualifying DS1 and the Qualifying Services as follows:

Step 1: calculate the TBR for Qualifying DS1 or the TBR for Qualifying Services, as applicable, purchased by the customer from the Acquired VZ Telco during the twelve (12) months prior to the time that the Acquired VZ Telco ceases to provide the Services;

Step 2: calculate the average monthly amount purchased by the customer from the Acquired VZ Telco for Qualifying DS1 or the TBR for Qualifying Services, as applicable, by dividing the number in Step 1 above by 12; and

Step 3: multiply the average monthly amount for Qualifying DS1 or the TBR for Qualifying Services, as applicable, calculated in Step 2 above by the number of months remaining in the Service Period. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.24 Contract Tariff Option 23 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying DS1 and Qualifying Services (Cont'd)

(h) Sale of Verizon Operating Telephone Company (Cont'd)

As an illustrative example, assume that an Acquired VZ Telco ceased to operate in month 3 of the Service Period. Assume that the customer purchased $4,000,000 (**$4M**) of Qualifying DS1 and a total of $10,000,000 (**$10M**) of Qualifying Services from the Acquired VZ Telco during the twelve (12) months prior to the time that the Verizon operating telephone company ceased to provide the Services under this Option 23. Assume also that at the end of the Service Period, the customer has achieved a TBR for Qualifying DS1 of $25,000,000 and TBR for Qualifying Services of $57,000,000. To calculate the applicable Revenue Maintenance Credit (**RMC**) under (E)(2)(d) following, Billing Credit, or the application of Shortfall Penalty (as defined in (E)(4) following) at the end of the Service Period, the following shall apply:

Step 1: calculate the Acquisition Reduction Amounts. Using the number from the example above, the Acquisition Reduction Amount for Qualifying Services is $7.5M in Qualifying Services (calculated as $833,333 ($10M divided by 12) multiplied by the remaining 9 months of the Service Period). The Acquisition Reduction Amount for Qualifying DS1 is $3,000,000 (**$3M**) (calculated as $333,333 ($4M divided by 12) and multiplied by the remaining 9 months of the Service Period).

Step 2: If the customer has subscribed to the RMC billing credit option under (E)(2)(d) following, then the customer's 3-month average TBR for Qualifying Services (as measured on a rolling 3 month basis) shall be reduced by the average monthly TBR for Qualifying Services purchased by customer from the Acquired VZ Telco. Using the example above, the adjusted monthly minimum TBR that customer must maintain to receive the RMC billing credit and to remain eligible for the Billing Credit at the end of the Service Period is $3.7M ($4.5M less $833,333 ($10M TBR from the Acquired VZ Telco divided by 12 months).

Step 3: determine the new table for calculation of Billing Credits or Shortfall Penalties (as defined in (E)(4) following) based on the Acquisition Reduction Amounts. Subtract $7.5M (the Acquisition Reduction Amount for Qualifying Services) from each range or tier of the TBR for Qualifying Services and $3M (the Acquisition Reduction Amount for Qualifying DS1) from each of the two ranges for Qualifying DS1. This will provide an adjusted table for the determination of the Billing Credit or Shortfall Penalty, as applicable. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.24 Contract Tariff Option 23 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying DS1 and Qualifying Services (Cont'd)

(h) Sale of Verizon Operating Telephone Company (Cont'd)

Step 4: determine the applicable Billing Credits as defined in (E)(2) or Shortfall Penalty as described in (E)(4) from the new table calculated in Step 3 above. In this example, the Billing Credit set forth in the table at (E)(2) following will be reduced by 16.7% (calculated as $7.5M divided by $45M). The customer would be eligible for a Billing Credit of $3,165,400 ($3,800,000 Billing Credit using the table set forth in (E)(2)(b) following as adjusted in Step 3 above, less $634,600 ($3,800,000 multiplied by 0.0167).

(2) Calculation of TBR and Billing Credit

(a) At the end of the Service Period, the Telephone Company shall calculate (1) the total TBR achieved by the customer during the Service Period for Qualifying Services; and (2) the total TBR achieved by the customer during the Service Period for Qualifying DS1s, in each case in accordance with the terms and conditions set forth in this Option 23. Subject to the terms and conditions relating to disputes as set forth in (E)(2)(e)(3)(iii) and (E)(2)(e)(3)(iv) following, and subject to any reductions and adjustments as set forth herein, the customer shall be eligible to receive the applicable credit set forth in the table in (E)(2)(b) following (the **Billing Credit**), which Billing Credit may be $0 depending on the customer's TBR for the Qualifying Services and TBR for the Qualifying DS1 during the Service Period. If the customer has not met the minimum TBR requirement for Qualifying Services of $43M, or the adjusted minimum TBR requirement pursuant to (E)(1)(h) preceding, then the customer shall not receive any Billing Credits (i.e., a Billing Credit of $0 as set forth in the table set forth in (E)(2)(b) following), and the customer shall be liable for the Shortfall Penalty as set forth in (E)(4) following. If the customer exceeds the maximum TBR for Qualifying Services of $69M during the Service Period, the customer will not receive the Billing Credit under this Option 23.

(b) The Billing Credit shall be determined by using the table below. To calculate the Billing Credit, first, locate the customer's TBR for Qualifying DS1 using the "x axis" of the table below under the heading "TBR for Qualifying DS1 ($M)". Second, locate the customer's TBR for all Qualifying Services using the "y axis" of the table below under the heading "TBR for Qualifying Services ($M)". Third, find the corresponding meet-point of the two TBR amounts to determine the dollar amount of the Billing Credit. TBR Amounts will be rounded up or down to the nearest $10,000. As an illustrative example, assume that the customer has a TBR for Qualifying DS1 of $26,993,456.27 (rounded down to $26.99) and a TBR for all Qualifying Services of $54,494,666.23 (rounded down to $54.49M), then the customer shall be eligible for a Billing Credit (N)
of $2,500,000.00.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.24 Contract Tariff Option 23 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(b) (Cont'd)

TBR for Qualifying Services ($M)	TBR for Qualifying DS1: Up to $20,000,000	TBR for Qualifying DS1: $20,000,001 and above
$43.00 – $44.99*	$0.00	$0.00
45.00 – 45.99	0.76	0.95
46.00 – 46.99	0.96	1.20
47.00 – 47.99	1.16	1.45
48.00 – 48.99	1.36	1.70
49.00 – 50.99	1.56	1.95
51.00 – 53.99	1.775	2.225
54.00 – 56.99	2.00	2.50
57.00 – 58.99	2.20	2.75
59.00 – 60.99	2.40	3.00
61.00 – 62.99	2.70	3.40
63.00 – 64.99	3.00	3.80
65.00 – 66.99	3.50	4.40
67.00 – 69.00	4.00	5.00

* Shortfall Penalty applies if the customer is below this range for Qualifying Services, as set forth in (E)(4) following.

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.24 Contract Tariff Option 23 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(c) The Billing Credit is subject to the terms and conditions relating to disputes as set forth in (E)(2)(e)(3)(iii) and (E)(2)(e)(3)(iv) following, and subject to any reductions and adjustments as set forth herein.

(d) Revenue Maintenance Credit Option

The customer has the option to receive a credit of $500,000 ($500K) under this Option 23 if the customer achieves a monthly TBR for Qualifying Services that is greater than $4,500,000 (**$4.5M**) in any of the first three (3) months of its subscription to Option 23 (**Revenue Maintenance Credit or RMC**). In the event that the customer's 3-month average TBR for Qualifying Services (as measured on a rolling 3 month basis) falls below $4.5M in any of the remaining nine (9) months of the Service Period, the RMC amount must be refunded to the Telephone Company, and the customer will not be eligible for any Billing Credits at the end of the Service Period. The customer may also be subject to a Shortfall Penalty under (E)(4) following, in which event, the customer must refund the amount of the RMC in addition to paying any applicable Shortfall Penalty. If the customer terminates this Option 23, then the customer may also be subject to termination penalties under (E)(5) following, in which event, the customer must refund the amount of the RMC in addition to paying any applicable termination penalties. If the customer is eligible to receive the RMC, the RMC will be credited to the customer's account in the fifth bill period following subscription to Option 23. The amount of the RMC shall not be subject to any interest penalty. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.24 Contract Tariff Option 23 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(e) Timing of Payments and Billing Credits, Disputes, Releases, and Waivers

(1) If the customer is eligible to receive the Billing Credit, the Billing Credit will be credited to the customer's account no later than the ninetieth (**90th**) day following the end of the Service Period, subject to the terms of this Option 23.

If the customer is required to pay a Shortfall Penalty in accordance with the terms of (E)(4) following, then the customer shall pay such amount no later than the 90th day following the end of the Service Period. If the Customer is required to refund the RMC in accordance with Section (E)(2)f) preceding, then customer must refund such RMC no later than the ninetieth (90th) day following the end of the Service Period.

(2) The Telephone Company's provision of the Billing Credit is contingent on payment in full by the customer of all undisputed billed amounts for Qualifying Services no later than the 45th day after the end of the Service Period. After the 45th day following the end of the Service Period, any amounts that remain disputed or are withheld by the customer (i.e., not paid in full) shall not be used in calculation of the TBR for the Qualifying Services, TBR for Qualifying DS1, in determination of the Billing Credit, or in determination of any applicable Shortfall Penalty, as applicable. The foregoing shall apply regardless of whether such dispute is resolved in favor of the customer or the customer remits payment of undisputed amounts at a later date.

(3) Upon inclusion of any amounts in the TBR for Qualifying Services or in the TBR for Qualifying DS1, the customer agrees to the following:

(i) such amounts included in the calculation of TBR shall not be subject to dispute at a later date.

(ii) the customer waives and releases, and forever discharges the Telephone Company of and from any and all manner of claims, demands, rights, liabilities, damages, potential actions, causes of action, suits, agreements, judgments, decrees and controversies of any kind and nature whatsoever, at law, in equity, or otherwise, whether known or unknown, which have arisen or might arise related to amounts paid or payable by the customer or any amounts credited to the customer by the Telephone Company for the Qualifying Services provided by the Telephone Company to the customer during the Service Period. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.24 Contract Tariff Option 23 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(e) Timing of Payments and Billing Credits, Disputes, Releases, and Waivers (Cont'd)

(3) (Cont'd)

(iii) The customer shall retain its right to dispute with respect to any amounts that are not included in the TBR for Qualifying Services or in the TBR for Qualifying DS1.

As an illustrative example, assume that the Telephone Company calculates the TBR for the Qualifying Services to be equal to $60,000,000 (**$60M**), and the TBR for Qualifying DS1 to be equal to $25,000,000 (**$25M**). Assume that of the $60M, the customer disputes $10M in SONET Special Access Services, and has no other disputes for Qualifying Services. Assume also that the customer has paid such amount and that such dispute remains unresolved as of the 45th day following the end of the Service Period. Then, the final TBR for Qualifying Services shall be $50,000,000 ($60M less the $10M in disputes) and the final TBR for Qualifying DS1 shall be $25M, and the Telephone Company shall pay a Billing Credit of $1,950,000 in accordance with the terms of this Option 23. The customer shall retain its right to dispute and recover any amounts (and interest penalties, as applicable) on the outstanding dispute of $10M, but such amounts (even if resolved in favor of the customer at a later date) shall not result in an adjustment of the Billing Credit. Upon payment of the Billing Credit, the customer may not dispute charges on any amounts included in the $50,000,000 (the TBR for Qualifying Services) or in the $25M (the TBR for Qualifying DS1).

(iv) 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.

(v) The amount of the Billing Credit shall not be subject to any interest penalty. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.24 Contract Tariff Option 23 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(3) Migration from Existing Contract Tariff Options

Customers who convert (migrate) from Contract Tariff Option 10 preceding to this Option 23 are eligible to receive a pro-rated billing credit for the elapsed time of the Service Period of Contract Tariff Option 10. For example, assume the customer was eligible for a three million (**$3M**) dollar billing credit under Contract Tariff Option 10 if it met the applicable total billed revenue requirement thereunder. Further assume that the service period for that contract tariff option is twelve (12) months and that the customer is in the tenth (10th) month of the 12 month service period of Option 10 at the time of migration to this Option 23. In this case, the customer would receive a pro-rated billing credit for the first ten (10) months of the 12 month service period equal to $2.5M ($3M x 10/12), and the customer's subscription to Contract Tariff Option 10 would be ended. The pro-rated billing credit will be credited to the customer within sixty (60) days of subscription to this Option 23.

(4) Shortfall Penalty

If the customer does not satisfy the minimum TBR requirement for Qualifying Services of $43M during the Service Period, the customer will pay a shortfall payment equal to fifty percent (50%) of the difference between the minimum TBR of $43M, or the adjusted minimum TBR requirement as set forth in (E)(1)(h) preceding, as applicable, and the customer's actual annual TBR for the Qualifying Services during the Service Period (the **Shortfall Penalty**). In addition, and even upon payment of the Shortfall Penalty as set forth in the prior sentence, the customer will not be eligible to receive any applicable Billing Credits under this Option 23. Further, if customer has elected to and has received the RMC in accordance with (E)(2)(d) preceding, such RMC amount must be refunded to the Telephone Company. The refund of the RMC amount is in addition to any Shortfall Penalties that are payable by customer under this section (E)(4). If the customer has a TBR for Qualifying Services of at least $43M, or an adjusted minimum TBR requirement as set forth in Section (E)(1)(h) preceding, then no Shortfall Penalty, as set forth in this Section (E)(4), shall apply, but the customer may be ineligible for any Billing Credits, as set forth in the table in (E)(2)(b) preceding, based on the customer's TBR for Qualifying Services and the customer's TBR for Qualifying DS1, each as adjusted in accordance with (E)(1)(h) preceding, as applicable.

As an illustrative example, assume that the customer has achieved a TBR for the Qualifying Services of $40,000,000 (**$40M**) during the Service Period, and assuming that no adjustment under (E)(1)(h) occurred, then the customer shall pay to the Telephone Company an amount equal to $1,500,000 (which is equal to $3,000,000 (i.e., minimum TBR for Qualifying Services of $43M less the customer's actual TBR for the Qualifying Services of $40M), multiplied by 50%). The customer will not be eligible to receive any applicable Billing Credits, and must refund any RMC amounts previously paid by Telephone Company. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.24 Contract Tariff Option 23 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(5) Termination Charges

If the customer cancels or terminates this Option 23 or its subscription to Contract Tariff Option 25 in the Telephone Company's (x) Tariff F.C.C. No. 11 or Contract Tariff Option 13 in the Telephone (x) Company's Tariff F.C.C. No. 14 prior to the expiration of the (x) Service Period, the customer will be liable for one hundred percent (100%) of the difference between the customer's TBR for the Qualifying Services at the time of cancellation or termination and the minimum TBR for Qualifying Services of $43M, or the adjusted minimum TBR requirement as set forth in (E)(1)(h) preceding, as applicable. Additionally, the customer must refund any RMC amounts previously paid under (E)(2)(d) by the Telephone Company. This section does not relieve the customer of any termination liabilities or minimum period charges under the Tariffs that may apply for (x) termination of any individual Qualifying Service. The terms and conditions of the Tariffs, including any applicable termination (x) liabilities, shall continue to apply with respect to any Qualifying Service.

As an illustrative example, assume that the customer has a TBR for the Qualifying Services of $35,000,000 (**$35M**) during the first eight (8) months of the Service Period, and that no adjustment under (E)(1)(h) preceding occurred. Also assume that the customer decides to terminate this Option 23 at such time. The customer shall pay termination charges of $8,000,000 (the minimum TBR of $43M for Qualifying Services less the actual TBR for the Qualifying Services of $35M, multiplied by 100%) and must refund any RMC amounts previously paid by the Telephone Company. The customer shall not be eligible for any applicable Billing Credits. In this example, if the customer also terminates or discontinues one or more Qualifying Services, then the customer shall be responsible for any associated termination liabilities and minimum period charges assessable under the applicable Tariff for such terminated or discontinued Qualifying (x) Services. (N)

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ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.24 Contract Tariff Option 23 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(6) Qualifying DS1 Rate Stability Option

Customers whose purchases of Qualifying DS1 Special Access Services are equal to or more than ninety percent (90%) of such customer's purchases of DS1 services from the Telephone Company are eligible to subscribe to this Qualifying DS1 Rate Stability Option. The 90% threshold will be measured using revenues of the customer during the prior 12-month period from the date of the customer's subscription to this Option 23.

For avoidance of doubt, assume that the customer purchases $50M in total DS1 services from the Telephone Company during the 12 month period prior to its subscription to this Option 23, and that of such $50M, the customer's purchases of Qualifying DS1 Special Access Services are equal to $46M, then such customer is eligible to subscribe to this Qualifying DS1 Rate Stability option. If the customer elects the Qualifying DS1 Rate Stability option and complies with the terms set forth in this section, during the Service Period, the Telephone Company will not initiate any rate increases to the applicable rate elements for such Qualifying DS1 Services in those MSAs where the Telephone Company has achieved Phase I or Phase II pricing flexibility under this tariff, even if rates for Qualifying DS1 Services under other sections of this tariff may be increased. The customer is required to meet the 90% threshold described above only at the time of subscription to this Option 23, and is not required to meet this 90% threshold on a continuous basis during the Service Period of this Option 23 in order to be eligible for this Qualifying DS1 Rate Stability Option. (N)

21. Contract Tariffs (Cont'd)

21.25 Contract Tariff Option 24

(A) Scope

(1) Contract Tariff Option 24 (**Option 24**) provides a transitional billing credit for certain monthly recurring rates assessed during an upgrade of IntelliLight® Dedicated SONET Ring (**DSR**) as set forth in this Section 21.25. An upgrade is the replacement of one or two existing DSRs with a new DSR of a greater capacity (e.g., an OC12 DSR is replaced with an OC48 DSR). DSR is described in Section 23.1 following. (T)

(2) The terms and conditions provided in this Section 21.25 apply to customers who subscribe to an upgrade of DSR as offered herein. (T)

(B) Eligibility

All of the following requirements must be met in order to be eligible for subscription to Option 24.

(1) A customer must subscribe to Option 24 by submitting a written authorization in a manner designated by the Telephone Company during the period that begins April 26, 2005 and ends April 25, 2006 (**Subscription Period**). The customer may subscribe an upgrade to Option 24 that was ordered by the customer prior to April 26, 2005, provided that the upgrade as defined in (B)(2) following has not been completed as defined in (D)(4) following at the time of subscription to Option 24.

(2) A customer must replace one (1) or two (2) existing DSRs with one (1) new DSR of greater capacity than the combined capacity of the DSR(s) being replaced (**upgrade**). (T)

(C) Serving Area

(1) The serving area of Option 24 is comprised of the Telephone Company Phase I and Phase II Metropolitan Statistical Areas (**MSAs**) of this tariff.

(2) Wire centers for Phase II MSAs are listed in Section 14.7 preceding.

(3) Any additions or changes to the wire centers included in the above MSAs that occur after April 26, 2005 will apply and be included in Option 24.

21. Contract Tariffs (Cont'd)

21.25 Contract Tariff Option 24

(D) Terms and Conditions

(1) Except as set forth in this Section 21.25, the terms and conditions applicable to DSR, as set forth in Section 23.1 following, also apply. (T)

(2) An upgrade under this Option 24 is subject to 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 DSR(s) being replaced; and (T)

(b) The commitment period for the new DSR shall commence with the date that the new DSR is available for use by the customer; and (T)

(c) The commitment period for the new DSR has an expiration date that extends beyond the expiration date of the commitment period(s) associated with the old DSR(s); and (T)

(d) The new DSR has at least one (1) customer premises node and one (1) CO node in common with each of the old DSR(s); and (T)

(e) The commitment period for the new DSR shall be extended beyond the term commitment period chosen by the customer in accordance with (D)(2)(c) above and in accordance with (D)(5) following. (T)

(3) Upon completion of the upgrade, and regardless of the actual time taken to complete the upgrade, a transitional billing credit equal to fifty percent (50%) of the monthly recurring rates for the qualified node and mileage rate elements on both the old DSR(s) and on the new DSR will apply for the period of time specified in (a) through (c) following: (T)

(a) Where the capacity of the new DSR is OC12, two (2) months of transitional billing credit will apply upon completion of the upgrade. (T)

(b) Where the capacity of the new DSR is OC48, four (4) months of transitional billing credit will apply upon completion of the upgrade. (T)

(c) Where the capacity of the new DSR is OC192, six (6) months of transitional billing credit will apply upon completion of the upgrade. (T)

21. Contract Tariffs (Cont'd)

21.25 Contract Tariff Option 24

(D) Terms and Conditions (Cont'd)

(4) The upgrade is complete when all circuits on the old DSR(s) are disconnected from the old DSR(s) and are installed and operational on the new DSR, and the old DSR(s) are disconnected. (T) (T) (T)

(5) For each upgrade the customer subscribes to under this Option 24, the term commitment period on the new DSR will be extended beyond the term commitment period chosen by the customer in accordance with (D)(2)(c) above as follows: (T)

(a) Where the capacity of the new DSR is OC12, a two (2) month extension of the term commitment period on the OC12 applies. (T)

(b) Where the capacity of the new DSR is OC48, a four (4) month extension of the term commitment period on the OC48 applies. (T)

(c) Where the capacity of the new DSR is OC192, a six (6) month extension of the term commitment period on the OC192 applies. (T)

As an example, assume that the customer has two OC12 DSRs (the old DSRs), both of which expire on June 1, 2005. Further assume that the customer wishes to upgrade both OC12 DSRs to a new OC48 DSR and that the new OC48 DSR has an expiration date of May 1, 2010 (i.e., a date that extends beyond the commitment period of the old DSRs). Under this Option 24, the term commitment period for such OC48 DSR will be extended by 4 months for a total commitment period of 5 years and 4 months (or an expiration date of September 1, 2010). (T) (T) (T) (T) (T) (T)

(6) Termination liability will not apply to disconnection of the old DSR(s) when the conditions set forth in 21.25(D)(2) above and Section 23.1 following are met for Switched Access DSR or the conditions set forth in 21.25(D)(2) above and Section 23.1 following are met for Special Access DSR. In either case, the customer remains responsible for any outstanding minimum period obligations as they may apply under Section 23.1 following for DSR. (T) (T) (T) (T) (T)

21. Contract Tariffs (Cont'd)

21.26 Contract Tariff Option 25

(A) Scope

Contract Tariff Option 25 (**Option 25**) is offered for an initial service commitment period of two (2) years and provides a customer with billing credits when it meets certain total billed revenue (**TBR**) thresholds set forth in (B)(3) following for the qualifying services set forth in (E)(1) following (**TBR for qualifying services**). Calculation of TBR for qualifying services shall be in accordance with this Option 25. (C)

(B) Eligibility

The customer must meet all of the criteria set forth following in order to be eligible to receive the credits, terms, and conditions under this Option 25.

(1) A customer subscribes to Option 25 by submitting a written authorization in a manner designated by the Telephone Company during the thirty (30) day period which begins on April 30, 2005 and ends May 30, 2005 (**Subscription Period**). A customer must simultaneously subscribe to both this Option 25 and to Option 27 in Tariff F.C.C. No. 11.

(2) During the twelve (12) month period prior to the commencement of the Initial Service Period (as defined in (C) following), the customer must have achieved a minimum of $197,500,000 (**$197.5M**) in monthly billed recurring revenue for all Qualifying Services (as defined in (E)(1) following) purchased by the customer from the Telephone Company. (C)

(3) During each year of the Service Period, the customer must achieve a TBR, as described in (B)(4) following, for Qualifying Services (as defined in (E)(1) following) of not less than $162,500,000 (**$162.5M**).

(4) In order to receive any Billing Credit (as defined (E)(2)(b)(1) following) other than a Billing Credit of $0, as calculated across this Option 25 and Contract Tariff Option 27 of Tariff F.C.C. No. 11 (**Option 27 of Tariff No. 11**), the customer must achieve during each year of the Service Period a minimum TBR in Qualifying Service of at least $197.5M.

The TBR for Qualifying Services shall be calculated using the criteria and mechanism set forth in this Option 25 and Option 27 of Tariff No. 11. The amount of the Billing Credits shall vary depending on the level of TBR for Qualifying Services achieved by the customer during the Service Period, and such Billing Credits shall be calculated in accordance with the terms and conditions of the this Option 25 and Option 27 of Tariff No. 11.

21. Contract Tariffs (Cont'd)

21.26 Contract Tariff Option 25 (Cont'd)

(B) Eligibility (Cont'd)

(5) Other than the Facilities Management Service (**FMS**) term plan, 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.

(C) Service Period

Unless the customer exercises its right to opt out under Section (E)(4) following, the Initial Service Period of this Option 27 shall be for a period of two (2) years (i.e., 24 months) commencing on May 1, 2005 (**Initial Service Period**). The Initial Service Period may, at the customer's option, be extended for two (2) additional periods (C)
of two (2) years (i.e., 24 months) each, the first commencing at the |
end of the Initial Service Period (each, an **Extended Service Period**, (C)
and together with the Initial Service Period the **Service Period)**. All references to year 1 or the first year of the Service Period shall mean the twelve (12) month period commencing on the first day of the Service Period. All references to year 2 or the second year of the Service Period shall mean the 12 month period commencing on the 366th day of the Service Period, and each twelve (12) month period during the Extended Service Period(s) commencing on May 1, (C)
2007.

21. Contract Tariffs (Cont'd)

21.26 Contract Tariff Option 25 (Cont'd) (N)

(D) Serving Area

Subject to the restrictions set forth in this Option 25 and Option 27 of Tariff No. 11, the calculation of the TBR for Qualifying Services, the Quarterly Credit (as defined in (E)(2)(a) following), and the Billing Credit shall be determined using the customer's purchases of Qualifying Services in all Metropolitan Statistical Areas (**MSAs**) of this tariff and of the Telephone Company's Tariff F.C.C. No. 11 (including both price flex and price cap MSAs). The Quarterly Credit and the Billing Credit will be provided only in the MSAs that have achieved Phase I or Phase II pricing flexibility under the Telephone Company's Tariffs F.C.C. Nos. 1 and 11. Wire centers for the Phase II MSAs are listed in Section 14.7 of this tariff and Section 15.3 of Tariff F.C.C. No. 11, as the same may be amended from time to time. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in this tariff and Tariff F.C.C. No. 11 that occur during the Service Period of this Option 25 and Option 27 of Tariff F.C.C. No. 11 will apply. (x)

(E) Terms and Conditions

(1) Qualifying FMS Services and Qualifying Services

(a) Description of Qualifying Services

Qualifying Services will be comprised of the following services:

(1) Qualifying FMS Services which are any Switched or Special Access FMS Services as set forth in Sections 6.8.26 and 7.2.13 of this tariff and Sections 6.2.12 and 7.2.16 of the Telephone Company's Tariff F.C.C. No. 11 (**Tariff No. 11**), as such sections may be amended from time to time, which FMS Services are billed by the Telephone Company during the Service Period (**Qualifying FMS Services**); and (x)

(2) SONET and optical services, as set forth in this tariff (Sections 7 and 8) and in Tariff No. 11 (Sections 7, 26, 30, and 31), as such sections may be amended from time to time, which SONET and optical services are newly ordered (as described further below) by the customer (collectively, **Qualifying SONET Special Access**). For purposes of this Option 25 and Option 27 of Tariff No. 11, a newly ordered SONET or optical service must meet one of the following criteria: (1) the SONET or optical service must be newly ordered by the customer and the Telephone Company must bill for such service during the Service Period; or (2) an existing Special Access Service that is not a SONET or optical service must be upgraded by the customer to a SONET or optical services and (x) (N)

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21. Contract Tariffs (Cont'd)

21.26 <u>Contract Tariff Option 25</u> (Cont'd) (N)

(E) Terms and Conditions

(1) Qualifying FMS Services and Qualifying Services

(a) Description of Qualifying Services

(2) (Cont'd)

the Telephone Company must bill for such upgraded service during the Service Period (e.g., upgrade of a DS1 or DS3 to a SONET IBT OC3 service), in accordance with the provisions for upgrading the applicable SONET service in this tariff. Any SONET or optical services which have already been in-service prior to April 30, 2005, shall not be considered Qualifying SONET Special Access Services, and any associated revenue shall not be included in the calculation of TBR or the Quarterly Credit.

As an illustrative example of the foregoing, if the customer orders a SONET service in month 12 of year 2 of the Service Period, and the Telephone Company installs and bills for such Qualifying SONET Special Access Service after the end of the Service Period, then such service shall not be considered a Qualifying SONET Special Access Service. Similarly, if the customer receives FMS Switched Access Services from the Telephone Company in April 2005 (i.e., prior to the Effective: Date of April 30, 2005), and the Telephone Company bills for such services in month 1 of year 1 of the Service Period, then such FMS services shall be deemed to be Qualifying FMS Services.

(3) If the Telephone Company introduces a new Qualifying SONET Special Access Service, or an enhancement or change to an existing Qualifying SONET Special Access Service or Qualifying FMS Services in this tariff, then such services shall be automatically included in Qualifying Services. Amounts billed to the customer during the Service Period for such new or enhanced Qualifying Services purchased by the customer shall be included in the calculation of TBR and Quarterly Credits, subject to the terms and conditions set forth in this Option 25.

(4) All other services purchased by the customer from the Telephone Company or any affiliate of the Telephone Company and not listed in this (E)(1)(a) preceding shall not be eligible for inclusion as Qualifying Services under this Option 25. (N)

21. Contract Tariffs (Cont'd)

21.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS Services and Qualifying Services (Cont'd)

(b) Revenues Included in Calculation of TBR for the Qualifying Services

The customer's TBR for Qualifying Services shall include only the following:

(1) MRC (as defined below) amounts which are paid in full by the customer. **MRCs** shall mean monthly billed recurring revenues, net of any discounts given under existing pricing plans (e.g. FMS discount for Qualifying FMS Services, and discount on Qualifying SONET Special Access services offered for specific commitment periods), if applicable, for the Qualifying Services billed during the Service Period under this Option 25 and Option 27 of Tariff No. 11. (x) For example, if the customer's base rate is $1000 for SONET Special Access Services, and the customer is eligible to receive a discount of 25% from base rates for agreeing to commit to a 5 year term plan, then the MRC for such Qualifying SONET Special Access Services shall be $750;

(2) Cap on Disputed Charges, as such term is more fully defined and explained in (E)(2)(c)(1) following. **Disputed Charges** shall mean MRCs billed during the Service Period under this Option 25 and Option 27 of Tariff No. 11, (x) which amounts are under dispute by the customer and have been paid in full by the customer as of the 60th day following the end of applicable annual period in accordance with (E)(2)(c) 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 TBR. For purposes of this Option 25, "paid in full" shall mean that the customer paid the billed amount without any offsets or reductions from the billed amount. (N)

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ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS Services and Qualifying Services (Cont'd)

(c) Examples of Revenue Not Included in Calculation of TBR for Qualifying Services

TBR for Qualifying Services does not include any revenue other than as set forth in (E)(1)(b) preceding. The following types of charges are an illustrative list and is not intended to be a comprehensive listing of all other charges excluded from the calculation of TBR for Qualifying Services

(1) non-recurring charges;
(2) taxes, or other charges imposed by a federal, state, local, or other governmental entity (e.g. Federal Universal Service Fund);
(3) service or administrative fees or charges imposed by The Telephone Company (e.g. Interest penalty, late payment penalty);
(4) any other charges which are not applied on a recurring monthly basis;
(5) 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;
(6) Shortfall or overage charges associated with term plan true-ups (for example, such as failure to satisfy commitment levels pursuant to the FMS plan);
(7) minimum period charges;
(8) any Disputed Charges which are greater than the Cap on Disputed Charges (as defined in (E)(2)(c)(1) following);
(9) any MRCs which have not been paid in full by the customer and have not been disputed by the customer;
(10) any MRCs which have not been paid in full by the customer and have been disputed by the customer;
(11) termination liabilities; or;
(12) Billing Credits or Quarterly Credits (as defined below) under this Option 25. (N)

21. Contract Tariffs (Cont'd)

21.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS Services and Qualifying Services (Cont'd)

(c) Examples of Revenue Not Included in Calculation of TBR for Qualifying Services (Cont'd)

As an illustrative example, assume that as of the 60th day following the end of year 1 of the Service Period, the customer has billed amounts for such year 1 equal to the following:

- $220M of MRCs in Qualifying FMS Services which are not disputed by the customer and paid in full by the customer;
- $4M of MRCs in new Qualifying SONET Special Access Services, which are not disputed by the customer and paid in full by the customer;
- $6.5M in non-recurring charges;
- $2.4M in taxes and surcharges;
- $1.8M of termination charges for early termination of Qualifying SONET Special Access Services; and
- $2M in MRCs which have not been paid by the customer and are disputed by the customer; and
- $8M in Disputed Charges in Qualifying Services.

The TBR for Qualifying Services would be $228M (calculated as $220M in MRCs for Qualifying FMS Services plus $4M in MRCs for Qualifying SONET Special Access Services, plus $4M (which is the Cap on Disputed Charges, as described in (E)(2)(c)(1) following). The $2M MRCs which have not been paid by the customer and are disputed by the customer are not Disputed Charges, as defined above, and hence are not included in the calculation of TBR. The other charges are not MRCs and hence are not included in the calculation of TBR for the Qualifying Services. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS Services and Qualifying Services (Cont'd)

(d) Mergers and Acquisitions of the Customer

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, the following terms and conditions will apply in addition to any other terms and conditions set forth in this Option 25 and this tariff.

(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.

(2) The customer's TBR shall be calculated based on its business and revenue with the Telephone Company using the ACNAs which are mutually agreed to by the customer and the Telephone Company at the time of subscription to this Option 25, without adding the revenues and/or ACNAs attributable to expansion of the customer's purchase of Services from the Telephone Company though merger, transfer, assignment, or acquisition.

(3) The Telephone Company reserves the right to terminate this Option 25 without liability if the customer does not adhere to the provisions of this (E)(1)(d). (N)

21. Contract Tariffs (Cont'd)

21.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS Services and Qualifying Services (Cont'd)

(e) Sale of Verizon Operating Telephone Company

(1) If some or all of the assets or stock of a Verizon Operating Telephone Company are acquired by an unaffiliated third party (**Acquired VZ Telco**), 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.

(a) Each range or tier of the TBR for Qualifying Services set forth in the applicable Table B in (E)(2)(b) following shall be proportionately reduced by the Acquisition Reduction Amount (as defined below);

(b) all Billing Credits set forth in the applicable Table B in (E)(2)(b) following shall be reduced by a percentage which shall be calculated by dividing the Acquisition Reduction Amount by $197.5M; and

(c) in calculating the Shortfall Penalty or Termination Liability, as set forth in (E)(3) and (E)(5) following, respectively, the TBR of $162.5M for Qualifying Services shall be reduced by the Acquisition Reduction Amount as calculated below. For example, if the Acquisition Reduction Amount, as calculated below, is $10M, then a Shortfall Penalty will not be assessed if the customer has a TBR for Qualifying Services of at least $152.5M (the minimum TBR for Qualifying Services of $162.5M less the Acquisition Reduction Amount of $10M).

(2) An Acquisition Reduction Amount shall be calculated for the Qualifying Services as follows:

(a) calculate the TBR for Qualifying Services, as applicable, purchased by Customer from the Acquired VZ Telco during the twelve (12) months prior to the time that the Acquired VZ Telco ceases to provide the Services;

(b) calculate the average monthly amount purchased by the customer from the Acquired VZ Telco by dividing the number in (a) above by 12; and

(c) multiply the average monthly amount for Qualifying Services calculated in (b) above by the number of months remaining in the Service Period. (N)

21. Contract Tariffs (Cont'd)

21.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS Services and Qualifying Services (Cont'd)

(e) Sale of Verizon Operating Telephone Company (Cont'd)

(3) As an illustrative example, assume that an Acquired VZ Telco ceased to operate in month three (3) of year 1 of the Service Period. Assume that the customer purchased a total of $20M of Qualifying Services from the Acquired VZ Telco during the twelve (12) months prior to the time that the Verizon operating telephone company ceased to provide the Services under this Option 25. Assume also that at the end of year 1 of the Service Period, the customer has achieved a TBR for Qualifying Services of $207M. To calculate the applicable Billing Credit, or the application of Shortfall Penalty (as defined in (E)(3) following) at the end of each year of the Service Period, the following shall apply:

Step One: calculate the Acquisition Reduction Amounts. The Acquisition Reduction Amount for Qualifying Services is $15M (calculated as $1,666,667.00 ($20M divided by 12) multiplied by 9 months remaining in year 1 of the Service Period).

Step Two: determine the new table for calculation of Billing Credits or Shortfall Penalties based on the Acquisition Reduction Amount. Subtract $15M (the Acquisition Reduction Amount for Qualifying Services calculated in Step One above) from each range or tier of the TBR for Qualifying Services as set forth in each Table B below. The Billing Credits are not adjusted in this Step Two, and instead are adjusted in Step Three below. This will provide adjusted tiers in Table B for each year of the Service Period for the determination of the Billing Credit or Shortfall Penalty, as applicable. In this example, the adjusted tiers in Table B would yield a Billing Credit of $18M for the TBR of $207M achieved by the customer, as such Billing Credit is adjusted by Step Three below.

Step Three: determine the applicable Billing Credits or Shortfall Penalty from the new tiers in Table B calculated in Step Two above. In this example, the Billing Credit set forth in the applicable Table B in (E)(2)(b) following will be reduced by 7.6% (calculated as $15M divided by $197.5M). Since in this example, the customer has achieved a TBR for Qualifying Services of $207M, the customer would be eligible for an annual Billing Credit in the first year of the plan of $16.633M ($18M Billing Credit using the adjusted table from Step 2 above less $1,367,000 ($18M multiplied by 0.076). All other adjustments to the Billing Credit for Quarterly Credits previously paid in accordance with (E)(2) following shall continue to apply. (N)

21. Contract Tariffs (Cont'd)

21.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit

(a) Calculation of MRC and the Quarterly Credit

Subject to the terms of this Section (E)(2), the customer is eligible to receive a Quarterly Credit (**Quarterly Credit**) on a quarterly basis (i.e., a 3 month period), for each of the first three quarters of each year of the Service Period. The Quarterly Credit is not provided in the fourth quarter of any year of the Service Period. In order to be eligible for the Quarterly Credit, the customer's MRC for the Qualifying Services for the applicable quarter must be equal to or greater than $49.375M. If the customer's MRC in a given quarter is less than $49.375M, but the customer's TBR for Qualifying Services on an annualized basis is greater than $197.5M, the customer shall still be ineligible for the Quarterly Credit in such quarter. The Quarterly Credit shall be equal to seventy-five percent (75%) of the eligible quarterly credit amount as determined in accordance with the applicable Table A set forth below. The Quarterly Credit shall be credited to the customer's account by the Telephone Company at any time between the 45th day and the 60th day following the end of the applicable quarterly period.

At the end of each of the first three quarters of each year of the Service Period, the Telephone Company shall:

(1) calculate the total MRC for the Qualifying Services achieved by Customer during the prior three month period, in accordance with the terms and conditions set forth in this Option 25. The terms of (E)(1)(b), (E)(1)(c) and (E)(2)(c) relating to Disputed Charges shall not apply to this quarterly calculation of the Quarterly Credit; and

(2) calculate the Quarterly Credit for Qualifying Services for such quarter, in accordance with the applicable Table A set forth below (i.e., depending on whether the applicable quarter is in year 1 or year 2 of the Service Period, the appropriate Quarterly Credits set forth in the applicable Table A shall apply).

As an illustrative example, assume that during first quarter of year 1 of the Service Period, the customer achieves an MRC for Qualifying Services of $56M. In accordance with Table A for year 1 below, the customer would be eligible for a Quarterly Credit of $3.375M (calculated as $4.5M x .75 = $3.375M). (N)

21. Contract Tariffs (Cont'd)

21.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(b) Calculation of the TBR and Billing Credit at the end of each Annual Period

(1) No later than the 60th day following the end of each year of the Service Period, the Telephone Company shall calculate the total TBR for Qualifying Services achieved by the customer during such year of the Service Period in accordance with the terms and conditions set forth in this Option 25 and Option 27 (x) of Tariff F.C.C. No. 11, including Sections (E)(1)(b), (x) (E)(1)(c) and (E)(2)(c). Subject to the terms and conditions relating to disputes as set forth in (E)(2)(c) following, and subject to any reductions and adjustments as set forth herein, the customer shall be eligible to receive the applicable credit set forth in the applicable Table B below (the **Billing Credit**), which Billing Credit may be $0 or more depending on the customer's TBR for the Qualifying Services during such year of the Service Period.

(2) If the customer has not met the minimum TBR for Qualifying Services of $162.5M in each year of the plan, or the adjusted minimum TBR for the Qualifying Services pursuant to (E)(1)(e) preceding, then the customer shall be liable for the Shortfall Penalty (as defined in (E)(3) following) and shall in addition be required to return all Quarterly Credits previously paid by the Telephone Company during such year of the Service Period.

(3) If the customer's TBR for Qualifying Services in each year of the plan is $162.5M or greater but less than $197.5M (or the corresponding adjusted TBRs pursuant to (E)(1)(e) preceding), then no Shortfall Penalty shall apply, and the customer shall not be eligible for any Billing Credit for such year of the Service Period. In addition, the customer shall be required to return all Quarterly Credits previously paid by the Telephone Company during such year of the Service Period. (N)

(x) Issued under authority of Special Permission No. 05-018 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(b) Calculation of the TBR and Billing Credit at the end of each Annual Period (Cont'd)

(4) The Billing Credit shall be determined by using the applicable Table B below (i.e., depending on whether the TBR and Billing Credit calculation is for year 1 or year 2 of the Service Period, the appropriate TBR and Billing Credits set forth in the applicable Table B shall apply). To calculate the Billing Credit, the Telephone Company shall:

(a) Locate Customer's TBR for Qualifying Services using the applicable Table B below under the heading "TBR for Qualifying Services ($M)" and determine the corresponding Billing Credit that the customer is eligible to receive. The TBR for Qualifying Services achieved by the customer during such year of the Service Period is calculated in accordance with the terms and conditions set forth in this Option 25, including Sections (E)(1)(b), (E)(1)(c) and (E)(2)(c);

(b) determine the amount of the Quarterly Credits, if any, credited to the customer in the prior three quarters of such year;

(c) subtract the total amount, if any, of Quarterly Credits paid in the prior three quarters of such year from the Billing Credit determined in (a) above. If the result is a negative number, then the customer must refund to the Telephone Company the difference between all Quarterly Credits previously credited by the Telephone Company during such year of the Service Period and the Billing Credit as calculated in (a) preceding. (N)

21. Contract Tariffs (Cont'd)

21.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(b) Calculation of the TBR and Billing Credit at the end of each Annual Period (Cont'd)

The following illustrative examples are presented:

Example 1: Assume that the customer's MRC for Qualifying Services in quarters 1, 2, and 3 of year 1 of the Service Period was $56M, $57M, and $58M, respectively. Based on Table A for year 1 below, Customer would be eligible for a Quarterly Credit of $3.375M for quarter 1, $3.75M for quarter 2, and $3.75M for quarter 3, for a total Quarterly Credit payout of $10.875M. Assume further that the customer's MRC for Qualifying Services for the fourth quarter was $59M. Thus, for year 1 of the Service Period, the total MRC for Qualifying Services is $230M (which amount is equal to the sum of all of the MRCs for Qualifying Services for all four quarters). Assume further that after the resolution of certain credits and disputes in accordance with Sections (E)(1)(b), (E)(1)(c), and (E)(2)(c), the TBR for Qualifying Services for year 1 of the Service Period was $225M. In Table B for year 1 of the Service Period below, a TBR for Qualifying Services of $225M would be eligible for a Billing Credit of $18M. Since the customer already received $10.875M as Quarterly Credits during the first three quarters of year 1 of the Service period, the customer would be eligible for a final Billing Credit of $7.125M ($18M less $10.875M = $7.125M). (N)

21. Contract Tariffs (Cont'd)

21.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(b) Calculation of the TBR and Billing Credit at the end of each Annual Period (Cont'd)

Example 2: Assume that the customer's MRC for Qualifying Services in quarters 1, 2, and 3 of year 1 of the Service Period was $48M, $50M, and $58M, respectively. Based on Table A for year 1 below, and in accordance with this Option 25, the customer would be eligible for a Quarterly Credit of $0 for quarter 1, $937,500 for quarter 2, and $3.75M for quarter 3, for a total Quarterly Credit payout of $4.69M. Assume further that the customer's MRC for Qualifying Services for the fourth quarter was $40M. Thus, for year 1 of the Service Period, the total MRCs billed for Qualifying Services is $196M (which amount is equal to the sum of all of the MRCs for Qualifying Services for all four quarters for year 1 of the Service Period). Assume further that after the resolution of certain credits and disputes in accordance with Sections (E)(1)(b), (E)(1)(c), and (E)(2)(c), the TBR for Qualifying Services for year 1 of the Service Period is $190M. In Table B for year 1 of the Service Period below, a TBR for Qualifying Services of $190M would be eligible for a Billing Credit of $0. Since the customer already received $4.69M as Quarterly Credits during the first three quarters of year 1 of the Service period, the Customer would not be eligible for any Billing Credits, and would be required to refund to the Telephone Company the Quarterly Credits credited during the first three quarters of year 1 of the Service Period (i.e., refund the $4.69M). (N)

21. Contract Tariffs (Cont'd)

21.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(b) Calculation of the TBR and Billing Credit at the end of each Annual Period (Cont'd)

Example 3: Assume that the customer's MRC for Qualifying Services in quarters 1, 2, and 3 of year 1 of the Service Period was $57M, $58M, and $59M, respectively. Based on Table A for year 1 below, and in accordance with this Option 25, the customer would be eligible for a Quarterly Credit of $3.75M for each of quarters 1, 2, and 3, for a total Quarterly Credit payout of $11.25M. Assume further that the customer's MRC for Qualifying Services for the fourth quarter was $40M. Thus, for year 1 of the Service Period, the total MRCs billed for Qualifying Services is $214M (which amount is equal to the sum of all of the MRCs for Qualifying Services for all four quarters of year 1 of the Service Period). Assume further that after the resolution of certain credits and disputes in accordance with Sections (E)(1)(b), (E)(1)(c), and (E)(2)(c), the TBR for Qualifying Services for year 1 of the Service Period is $214M. In Table B for year 1 of the Service Period below, a TBR for Qualifying Services of $214M would be eligible for a Billing Credit of $7.5M. Since the customer already received $11.25M as Quarterly Credits during the first three quarters of year 1 of the Service period, the customer would not be eligible for any additional Billing Credits, and would be required to refund to the Telephone Company $3.75M (i.e., the difference between all Quarterly Credits previously credited by the Telephone Company during year 1 of the Service Period ($11.25M) and the Billing Credit ($7.5M)). (N)

21. Contract Tariffs (Cont'd)

21.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(b) Calculation of the TBR and Billing Credit at the end of each Annual Period (Cont'd)

Year 1

Table A

Quarterly Credit (quarterly)		
MRCs for Qualifying Services (in Millions)		Credit (in Millions)
From	To	Amount
$00.00	$49.37	$0.00
$49.38	$51.87	$1.25
$51.88	$54.37	$1.88
$54.38	$56.87	$4.50
$56.88	$59.37	$5.00
$59.38	$61.87	$5.50
$61.88	and above	$6.00

Table B

Billing Credit (annual)		
TBR for Qualifying Services (in Millions)		Credit (in Millions)
From	To	Amount
$0.00	$162.49*	$0.00
$162.50	$197.49	$0.00
$197.50	$207.49	$5.00
$207.50	$217.49	$7.50
$217.50	$227.49	$18.00
$227.50	$237.49	$20.00
$237.50	$247.49	$22.00
$247.50	and above	$24.00

Year 2

Table A

Quarterly Credit (quarterly)		
MRCs for Qualifying Services (in Millions)		Credit (in Millions)
From	To	Amount
$00.00	$49.37	$0.00
$49.38	$51.87	$1.25
$51.88	$54.37	$3.63
$54.38	$56.87	$6.75
$56.88	$59.37	$7.50
$59.38	$61.87	$7.75
$61.88	And above	$8.00

Table B

Billing Credit (annual)		
TBR for Qualifying Services (in Millions)		Credit (in Millions)
From	To	Amount
$0.00	$162.49*	$0.00
$162.50	$197.49	$0.00
$197.50	$207.49	$5.00
$207.50	$217.49	$14.50
$217.50	$227.49	$27.00
$227.50	$237.49	$30.00
$237.50	$247.49	$31.00
$247.50	and above	$32.00

* Shortfall Penalty as set forth in (E)(3) following applies in this range for Qualifying Services. (N)

All amounts will be rounded up or down to the nearest $10,000.

21. Contract Tariffs (Cont'd)

21.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(c) Timing of Payments and Billing Credits; Disputes; Releases and Waivers

(1) No later than the 60th day following the end of each year of the Service Period, the Telephone Company shall calculate the TBR for Qualifying Services and the Billing Credit in the following manner:

(a) calculate the total MRCs for Qualifying Services achieved by the customer during such year of the Service Period in accordance with the terms and conditions set forth in this Option 25, including Sections (E)(1)(b) and (E)(1)(c), which MRC for Qualifying Services shall not include any Disputed Charges;

(b) determine the total amount of Disputed Charges;

(c) multiply the total amount of Disputed Charges by 50% which amount shall be the **Cap on Disputed Charges**;

(d) add the Cap on Disputed Charges calculated in (c) above to the total MRCs for Qualifying Services calculated in (a) above, and such amount shall be deemed to be the TBR for Qualifying Services for such year of the Service Period; and

(e) determine the corresponding Billing Credit or Shortfall Penalty for the TBR for Qualifying Services calculated in (d) above in accordance with Sections (E)(2)(a) and (E)(2)(b) preceding.

(N)

21. Contract Tariffs (Cont'd)

21.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(c) Timing of Payments and Billing Credits; Disputes; Releases and Waivers (Cont'd)

(2) Using the calculations in (E)(2)(c)(1) preceding, and subject to the terms of this Option 25, if the customer is eligible to receive a Billing Credit other than a Billing Credit of $0, such Billing Credit will be credited to the customer's account no later than the ninetieth (90th) day after the end of each year of the Service Period. If the customer is required to pay a Shortfall Penalty in accordance with the terms of (E)(3) following, then the customer shall pay such amount no later than the ninetieth (90th) day following the end of the Service Period. Refund of any Quarterly Credits shall be made no later than the ninetieth (90^{th}) day following the end of the Service Period.

(3) After payment of the Billing Credit, the customer and the Telephone Company may continue to negotiate and resolve all Disputed Charges. Upon resolution of any such disputes, amounts may be credited to the customer if the customer prevails, provided that,in no event will the customer receive more than the Cap on Disputed Charges. The customer shall not be entitled to receive an amount greater than the Cap on Disputed Charges regardless of the merit or final resolution of such disputes, and regardless of whether such disputes are included in the Cap on Disputed Charges. If the Telephone Company prevails in some or all such disputes, then the Telephone Company shall be required to credit only such amounts where the customer has prevailed on such dispute up to the Cap on Disputed Charges, which credit amount may equal $0.

Once the Telephone Company has credited the customer an amount equal to the Cap on Disputed Charges, then

(a) the Telephone Company shall have no further obligation to negotiate or resolve any additional disputes that are Disputed Charges; and

(b) the customer hereby releases and discharges the Telephone Company of and from any and all manner of claims, demands, rights, liabilities, damages, potential actions, causes of action, suits, agreements, judgments, decrees and controversies of any kind and nature whatsoever, at law, in equity, or otherwise, whether known or unknown, which have arisen or might arise related to the Disputed Charges. (N)

21. Contract Tariffs (Cont'd)

21.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(c) Timing of Payments and Billing Credits; Disputes; Releases and Waivers (Cont'd)

(3) (Cont'd)

Notwithstanding anything to the contrary herein, there shall be no adjustment to the Billing Credit or the TBR for Qualifying Services calculated above, and the same shall apply regardless of the outcome of any Disputed Charges and/or the payment of the Cap on Disputed Charges.

(4) The Telephone Company's inclusion of any amounts in the TBR for Qualifying Services and provision of the Billing Credit is contingent on the following:

(a) all amounts included in the calculation of TBR for Qualifying Services (other than the Disputed Charges) shall not be subject to dispute at a later date. The customer also agrees not to initiate any new disputes with respect to amounts included in the calculation of TBR for the Qualifying Services billed during the applicable year of the Service Period. The Telephone Company shall not backbill for any amounts included in the calculation of TBR for the Qualifying Services; and

(b) each party waives and releases, and forever discharges the other party of and from any and all manner of claims, demands, rights, liabilities, damages, potential actions, causes of action, suits, agreements, judgments, decrees and controversies of any kind and nature whatsoever, at law, in equity, or otherwise, whether known or unknown, which have arisen or might arise related to payment by Customer or credits by the Telephone Company for any amounts that are included in the calculation of TBR for the Qualifying Services billed by the Telephone Company to the customer during the Service Period (other than any Disputed Charges);

(c) Subject to the terms of (E)(2)(c)(3) preceding, the customer and the Telephone Company shall retain its rights with respect to any Disputed Charges and any amounts not included in the calculation of TBR for the Qualifying Services. (N)

21. Contract Tariffs (Cont'd)

21.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(c) Timing of Payments and Billing Credits; Disputes; Releases and Waivers (Cont'd)

(4) (Cont'd)

As an illustrative example, assume that as of the 60th day following the end of year 1 of the Service Period, the customer has billed amounts for year 1 equal to the following:

- $220M of MRCs in Qualifying FMS Services which are not disputed by the customer and paid in full by the customer;
- $4M of MRCs in new Qualifying SONET Special Access Services, which are not disputed by the customer and paid in full by the customer;
- $6.5M in non-recurring charges;
- $2.4M in taxes and surcharges;
- $1.8M of termination charges for early termination of Qualifying SONET Special Access Services;
- $2M in MRCs which have not been paid by the customer and are disputed by the customer; and
- $8M in Disputed Charges in Qualifying Services.

Assume that, as of the 60th day following the end of year 1 of the Service Period, the customer has paid all billed amounts listed above (other than the $2M in MRCs), and continues to dispute $8M in Disputed Charges in Qualifying Services. The Cap on Disputed Charges is $4M ($8M in Disputed Charges multiplied by 50%). The TBR for Qualifying Services is $228M (calculated as $220M in MRCs for Qualifying FMS Services plus $4M in MRCs for Qualifying SONET Special Access Services, plus $4M (which is the Cap on Disputed Charges)). The $2M MRCs which have not been paid by the customer and are disputed by the customer are not Disputed Charges, as defined above, and hence are not included in the calculation of TBR. The other charges are not MRCs and hence are not included in the calculation of TBR for the Qualifying Services. (N)

21. Contract Tariffs (Cont'd)

21.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(c) Timing of Payments and Billing Credits; Disputes; Releases and Waivers (Cont'd)

(4) (Cont'd)

Based on a TBR for Qualifying Services of $228M, the corresponding Billing Credit in Table B above is $20M, subject to any adjustments for Quarterly Credits previously paid to the customer in accordance with Section (E)((2)(b) preceding. After payment of the Billing Credit by the 90th day following the end of the Service Period, the customer and the Telephone Company may continue to negotiate and resolve all Disputed Charges until such time that the Telephone Company and the customer have resolved such disputes. Depending on the resolution of such disputes, the customer may receive credits up to a maximum of the Cap on Disputed Charges, or the Telephone Company may prevail on all such disputes, in which event, the credit to the customer shall be $0. Notwithstanding anything to the contrary herein, there shall be no adjustment to the Billing Credit or the TBR for Qualifying Services calculated above, and the same shall apply regardless of the outcome of any Disputed Charges and/or the payment of the Cap on Disputed Charges. Subject to the terms of (E)(2)(c)(3) preceding, the customer and the Telephone Company shall retain its rights with respect to any Disputed Charges and any amounts not included in the calculation of TBR for the Qualifying Services. (N)

21. Contract Tariffs (Cont'd)

21.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(c) Timing of Payments and Billing Credits; Disputes; Releases and Waivers (Cont'd)

(5) 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. The customer also agrees to separately identify all disputes related to the Qualifying FMS Services.

(6) The amount of the Billing Credit shall not be subject to any interest penalty.

(3) Shortfall Penalty

If the customer does not satisfy the minimum TBR requirement for Qualifying Services of $162.5M in each year of the plan, the customer will pay the Telephone Company a shortfall payment equal to fifty percent (50%) of the difference between minimum TBR of $162.5M, or the adjusted minimum TBR requirement as set forth in (E)(1)(e) preceding, for Qualifying Services and Customer's actual annual TBR for Qualifying Services during such year of the Service Period (the **Shortfall Penalty**). In addition, and even upon payment of the Shortfall Penalty as set forth in the prior sentence, the customer will not be eligible to receive any applicable Billing Credits under this Option 25, and shall in addition be required to return all Quarterly Credits previously paid by the Telephone Company during such year of the Service Period (but not for prior years). If the customer has a TBR for Qualifying Services of at least $162.5M, or the adjusted minimum TBR requirement adjusted as set forth in (E)(1)(e) preceding, in each year of the Service Period, then no Shortfall Penalty, as set forth in this Section (E)(3), shall apply, but the customer may be ineligible for any Billing Credits, as set forth in the table below, based on the customer's TBR for Qualifying Services for such year of the Service Period. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(3) Shortfall Penalty (Cont'd)

As an illustrative example, assume that the customer has achieved a TBR for Qualifying Services of $157.5M during year 1 of the Service Period, and assuming that no adjustment under Section (E)(1)(e) preceding occurred. Assume further that the customer received no Quarterly Credit payments during the prior 3 quarters of such year of the Service Period. Then the customer shall pay to the Telephone Company an amount equal to $2.5M (which is equal to $162.5M less the customer's actual TBR for Qualifying Services of $157.5M, multiplied by 50%). The customer will not be eligible to receive any applicable Billing Credits or Quarterly Credits for year 1 of the Service Period.

Shortfall Penalties shall not be applicable to any quarterly calculation of TBR for Qualifying Services and the corresponding Quarterly Credit. However, in accordance with (E)(2) preceding, the customer is not eligible for a Quarterly Credit if the TBR for Qualifying Services is less than $49.375M in such quarter.

(4) Option to Terminate Second Year of Plan

The customer has the option to terminate its subscription to this Option 25 and Option 27 of Tariff No. 11 at the end of the year 1 (x)
of the Service Period. If the customer elects to exercise this option, the customer must notify The Telephone Company in writing of the same no later than the end of the eleventh (11th) month of year 1 of the Service Period, and must terminate its subscription to both this Option 25 and Option 27 of Tariff No. 11. If the (x)
customer does not notify The Telephone Company in writing by such date, then the customer will be deemed to have opted to continue to abide by the terms and conditions of this Option 25 and Option 27 (x)
of Tariff No. 11 through the end of year 2 of the Service Period. (x)
Upon its exercise of the option to terminate as set forth in this Section (E)(4), and other than as explicitly set forth in this Option 25 and Option 27 of Tariff No. 11, all obligations of the (x)
customer and the Telephone Company under this Option 25 and Option (x)
27 of Tariff No. 11 shall be extinguished as of last day of year 1 (x)
of the Service Period. Termination liability for termination of this Option 25, as set forth in (E)(5) following and Section (x)
32.28(E)(5) of Tariff No. 11 shall not apply if the customer (x)
exercises the termination option set forth in this Section (E)(4). (N)

(x) Issued under authority of Special Permission No. 05-018 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(5) Termination Charges

Other than as set forth in (E)(3) preceding, if the customer cancels or terminates its subscription to this Option 25 and Option (x) 27 of Tariff No. 11 at any period of time prior to the expiration (x) of the Service Period, the customer will be liable for fifty percent (50%) of the difference between the customer's TBR for Qualifying Services at the time of cancellation or termination and the minimum TBR for Qualifying Services of $162.5M, or the adjusted minimum TBR requirement as set forth in (E)(1)(e) preceding, as applicable, for the specific year of the Service Period in which cancellation or termination occurred. In addition, the customer shall not be eligible for the Billing Credit, and must refund any Quarterly Credits previously paid by the Telephone Company to the customer during such year of the Service Period. Termination of this Option 25 shall be deemed to be a termination of Option 27 of (x) Tariff No 11. (x)

As an illustrative example, assume that the customer has a TBR for Qualifying Services of $150M during the first eight months of the second year of the plan, and that no adjustment under (E)(1)(e) preceding occurred. Assume further that the customer received $18M in Billing Credits for year 1 of the Service Period, and received $6M in Quarterly Credits for the first 2 quarters of year 2 of the Service Period. The customer also did not exercise its option to terminate this Option 25 and Option 27 of Tariff No. 11 in (x) accordance with Section (E)(4) preceding of this tariff and Section (x) 32.28(E)(4) of Tariff No. 11. In month 9 of year 2 of the Service (x) Period, the customer decides to terminate its subscription to the Options. The customer shall pay termination charges of $6.25M (the minimum TBR for Qualifying Services of $162.5M less the actual TBR for Qualifying Services of $150M, multiplied by 50%). The customer shall not be eligible for any applicable Billing Credits for year 2 of the Service Period, and must refund the $6M paid by the Telephone Company to the customer as Quarterly Credits for the first 2 quarters of year 2 of the Service Period. The customer may retain the $18M paid as a Billing Credit in year 1 of the Service Period.

Unless superseded by the terms and conditions set forth in this Option 25, all terms and conditions, including termination liability and minimum period obligations, as stated in other sections of this tariff, apply to all Qualifying Services under this Option 25. Upon any termination under this Option 25, the terms and conditions of this tariff (other than the terms of this Option 25) shall continue to apply with respect to all Qualifying Services provided under this tariff. (N)

(x) Issued under authority of Special Permission No. 05-018 of the Federal Communications Commission.

21. Contract Tariffs (Cont'd)

21.27 Contract Tariff Option 26

(A) Scope

(1) Contract Tariff Option 26 (Option 26) provides discounted monthly rates to customers who subscribe to new Special Access IntelliLight® Dedicated SONET Ring Service at capacities of Optical Carrier 48 (**OC48 DSR Service**) or Optical Carrier 192 (**OC192 DSR Service**) or an upgrade of an existing OC48 DSR Service to a new OC192 DSR Service (**upgrade to OC192 DSR Service**) in accordance with the requirements set forth in (B) through (F) following. (T) (T) (T)

(2) The terms and conditions, regulations and rates provided in this Section 21.27 apply to customers who subscribe to new OC48 DSR Service, new OC192 DSR Service or upgrade to OC192 DSR Service as offered herein. (T) (T) (T)

(B) Eligibility Requirements

All of the following requirements must be met in order to be eligible for subscription to Option 26.

(1) A customer must subscribe to Option 26 by submitting a written authorization in a manner designated by the Telephone Company during the subscription period which begins on June 3, 2005 and ends on August 2, 2005 (**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, any change to a later date will make the service ineligible for the discount, unless the change is initiated by the Telephone Company.

(3) A customer must subscribe to Option 26 for the service period set forth in (D) following.

(4) A customer must subscribe to a new OC48 DSR Service, a new OC192 DSR Service or upgrade to OC192 DSR Service that is configured with between eight (8) and twenty-two (22) enhanced nodes, and the ring mileage must be greater than 40 miles. A new OC48 DSR Service or a new OC192 DSR Service cannot be a DSR Service that was disconnected from another contract tariff option or discount plan in order to subscribe that DSR to this Option 26. (T) (T) (T) (T) (T)

(5) All nodes for the OC48 DSR Service or OC192 DSR Service must be located within the Serving Area as set forth in (C) following. (T)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.27 Contract Tariff Option 26 (Cont'd) (N)

(C) Serving Area

(1) The serving area of Option 26 is comprised of the New York and New Jersey wire centers that are within the New York and New Jersey Corridor portion of the New York NY Metropolitan Statistical Area (**MSA #1**).

(2) Wire centers for Phase II MSAs are listed in Section 14.7 preceding, as the same may be amended from time to time.

(3) The following Telephone Company wire centers of MSA #1 comprise the geographic area of the New York and New Jersey Corridor:

New York Wire Centers

NYCKNY14	NYCMNY42	NYCQNYFR
NYCKNY71	NYCMNY50	NYCQNYHS
NYCKNY77	NYCMNY56	NYCQNYIA
NYCKNYAI	NYCMNY73	NYCQNYJA
NYCKNYAL	NYCMNY79	NYCQNYLI
NYCKNYAR	NYCMNY97	NYCQNYLN
NYCKNYAU	NYCMNYBS	NYCQNYNJ
NYCKNYAY	NYCMNYBW	NYCQNYNW
NYCKNYBR	NYCMNYCA	NYCQNYOP
NYCKNYBU	NYCMNYMN	NYCQNYRH
NYCKNYCL	NYCMNYPS	NYCRNYND
NYCKNYFA	NYCRNYNS	NYCRNYSS
NYCKNYFT	NYCMNYTH	NYCRNYWS
NYCKNYKP	NYCMNYVS	NYCXNYCI
NYCKNYLA	NYCMNYWA	NYCXNYCR
NYCKNYRA	NYCMNYWS	NYCXNYGC
NYCKNYTY	NYCMNYZO	NYCXNYHO
NYCKNYWM	NYCQNYAS	NYCXNYJE
NYCMNY13	NYCQNYBA	NYCXNYKB
NYCMNY18	NYCQNYBH	NYCXNYMH
NYCMNY30	NYCQNYCO	NYCXNYTB
NYCMNY36	NYCQNYFH	NYCXNYTR
NYCMNY37	NYCQNYFL	

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.27 Contract Tariff Option 26 (Cont'd) (N)

(C) Serving Area (Cont'd)

(3) The following Telephone Company wire centers of MSA #1 comprise the geographic area of the New York and New Jersey Corridor: (Cont'd)

New Jersey Wire Centers

BYNNNJ02	JRCYNJBR	PSSCNJPS
BLVLNJBE	JRCYNJJO	PTSNNJAR
BLFDNJBL	KRNYNJKN	PLFDNJPF
CFTNNJCF	LNDNNJ01	RCPKNJ02
CLWLNJCW	LTFLNJLF	RGWDNJRW
CFPKNJCS	LTFYNJLF	RHWYNJRA
CLSTNJCO	LVTNNJLI	RMSYNJRM
CNFRNJCR	MLBNNJMB	RSLLNJRL
DUMTNJDM	MTCLNJMC	RVDLNJPL
ELZBNJEL	MTVWNJMV	RTFRNJRU
ENWDNJEN	NBRGNJNB	SORGNJSO
EORNNJEO	NWPVNJMH	UNCYNJ02
ERLKNJEL	NWRKNJ03	UNINNJUV
FRLNNJFL	NWRKNJIR	WMFRNJ01
FRFDNJFA	NWRKNJ02	WORNNJWO
FTLENJLE	NWRKNJWA	WSFDNJWS
HCKNNJHK	NFLDNJNF	WYCKNJWK
HLDNNJ01	NTLYNJNU	
HLDLNJWE	OKLDNJ01	
IVTNNJES	RVEDNJOR	

(4) Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in this tariff that occur during the Service Period of this Option 26 will apply. (N)

21. Contract Tariffs (Cont'd)

21.27 Contract Tariff Option 26 (Cont'd)

(D) Service Period

(1) The service period for OC48 DSR Service or OC192 DSR Service nodes and mileage ordered under this Option 26 is sixty-three (63) months from the date that the new OC48 DSR Service or the new or upgraded OC192 DSR Service is available for use by the customer (**Service Period**). (T) (T) (T)

(2) The Service Period for each port on the OC48 DSR Service or OC192 DSR Service that is ordered with the initial installation of service shall commence with the installation of the port and end on the same date on which the Service Period for the nodes and mileage under (D)(1) preceding ends. (T) (T)

(3) The Service Period for each port added subsequent to the initial installation of service is subject to the terms and conditions set forth in Section 23.1 following, except that the commitment period for such port will be coterminous with the end of the Service Period for the nodes and mileage under (D)(1) preceding when such ports are added prior to the thirty-sixth (36th) month of the Service Period of this Option 26. Ports added after the 36th month of the Service Period of this Option 26 are subject to monthly terms as described in Section 23.1 following. (T) (T)

(E) Terms and Conditions

(1) Except as set forth in this Section 21.27, the terms and conditions (e.g., additions of nodes) and application of rates and charges as set forth in Section 23.1 following apply to the OC48 DSR Service or OC192 DSR Service, ports added subsequent to the initial installation of the new OC48 DSR Service, new OC192 DSR Service, or upgrade to OC192 DSR Service and to any service(s) connected to such OC48 DSR Service or OC192 DSR Service. (T) (T) (T) (T) (T)

(2) The OC48 DSR Service or OC192 DSR Service must be configured with a minimum of eight (8) and up to a maximum of twenty-two (22) OC48 or OC192 enhanced nodes, as applicable, that are located at customer designated premises or Telephone Company wire centers that are within the Serving Area of this Option 26, and the ring mileage must be greater than 40 miles. (T)

(3) Termination Liability

In the event that service is discontinued prior to the end of the Service Period, termination liability applies in accordance with the regulations set forth in Section 23.1 following. Subject to the application of rates described in Section 14.7 preceding, any termination liability charge shall be calculated using the rates set forth Section 23.1 following. (T) (T)

21. Contract Tariffs (Cont'd)

21.27 Contract Tariff Option 26 (Cont'd)

(E) Terms and Conditions (Cont’d)

(4) In the event that service is discontinued prior to the end of the minimum period, minimum period charges apply. When calculating the minimum period charge, the rates set forth in Section 23.1 following (T) are used and apply in accordance with the application of rates set forth in Section 14.7 preceding.

(5) Cancellation charges apply if the customer cancels the order, or part of the order, for DSR under this Option 26 prior to the service (T) date, unless the order or part of the order is cancelled due to the Telephone Company failure to provide service on the service date. Cancellation charges apply in accordance with Section 5.2.3(B)(4) preceding. When calculating the cancellation charge, the rates set forth in Section 23.1 following are used and apply in accordance (T) with the application of rates set forth in Section 14.7 preceding.

(6) Expiration of the Service Period

Upon completion of the Service Period for this Option 26, 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 service at the 5-year rates and charges set forth in Section 23.1 following which apply in (T) accordance with Section 14.7 preceding.

(d) In the event that the customer does not make an election of (a) through (c) preceding, the customer’s subscription to the OC48 DSR (T) Service or OC192 DSR Service will continue in accordance with (c) (T) preceding.

(7) Except as set forth in this Option 26, 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 OC48 DSR Service or OC192 DSR Service included (T) in this Option 26.

21. Contract Tariffs (Cont'd)

21.27 Contract Tariff Option 26 (Cont'd)

(F) Rates and Charges

The following rates and charges apply to the nodes, mileage, and ports that are installed coincident with the initial installation of service and associated with services under this Option 26. The rates and charges for all other rate elements associated with the services included in this Option 26, including those rate elements associated with services that connect to such OC48 DSR Service or OC192 DSR Service, are set forth in other sections of this tariff. (T)

Rate Element	USOC	Monthly Rate	Nonrecurring Charge
OC48 Enhanced Node, per enhanced node	-----	$3,222.80	None
OC192 Enhanced Node, per enhanced node	-----	$6,440.00	None
Mileage,			
OC48 per mile between nodes	-----	447.30	None
OC192 per mile between nodes	-----	895.30	None
Ports, per port			
DS1	-----	22.40	None
DS3	-----	92.00	None
GigE1	-----	184.00	None
GigE3	-----	276.00	None

21. CONTRACT TARIFFS (Cont'd)

21.28 Contract Tariff Option 27

(A) Scope

Contract Tariff Option 27, the New Connect Discount Plan H (**Plan H**), is an offering exclusively for:

- new installations of Special Access IntelliLight® Dedicated SONET Ring service as described in Section 23.1 following (**DSR**) or
- upgrades of DSR service as described in (B)(3)(b) following (**upgrades**).

Plan H offers a discount, as set forth in (E)(2) following (**Plan H discount**), on certain DSR rate elements, as set forth in (D) following, when such DSR is newly installed or upgraded in accordance with the terms of this Plan H. Switched Access DSR rate elements as set forth in Section 23.1 following are not eligible to receive the Plan H discount.

(B) Eligibility Requirements

The customer must meet all of the following requirements in order to be eligible for subscription to Plan H.

(1) A customer must subscribe to Plan H by submitting a written authorization in a manner designated by the Telephone Company during the period that begins on June 11, 2005 and ends on December 23, 2005 (**Subscription Period**). (T)

(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 Plan H discount, unless the later date is designated by the Telephone Company or another Exchange Telephone Company jointly providing service with the Telephone Company.

(3) A customer must order new installations of DSR or upgrades of existing DSR(s), as applicable, in accordance with this Plan H during the Subscription Period.

(a) Except for upgrades as set forth in (B)(3)(b) following, a new DSR service does not include DSR service that was disconnected from its current location and installed as new at the same location.

21. CONTRACT TARIFFS (Cont'd)

21.28 Contract Tariff Option 27 (Cont'd)

(B) Eligibility Requirements (Cont'd)

(3) (Cont'd)

(b) Upgrades of an existing DSR service under this Plan H are subject to the terms and conditions set forth in (E)(1) following and to all of the following requirements. (T)

(1) One (1) or two (2) existing DSRs (**the old DSR(s)**) must be upgraded to a single DSR (**the new DSR**), which new DSR must have a greater optical carrier rate than the combined optical carrier rate of the old DSR(s) being upgraded. For example: (T)

- An existing OC3 DSR that is changed to or replaced with a new OC12 DSR is an upgrade. (T)
- Two (2) existing OC12 DSRs that are changed to or replaced with one (1) new OC48 DSR is an upgrade. (T)

(2) The commitment period for the new DSR must have an expiration date that extends beyond the expiration date of the commitment period(s) associated with each of the old DSR(s); and (T)

(3) The new DSR must have at least one (1) customer premises node and one (1) CO node in common with each of the old DSR(s). (T)

(4) When two (2) existing DSRs are upgraded to single new DSR, the aggregate amount of all monthly charges for the nodes included in the new DSR commitment period must be at least twenty-five percent (25%) greater than the aggregate amount of the monthly charges for the nodes included in the remaining commitment period for the old DSR(s). (T)

21. CONTRACT TARIFFS (Cont'd)

21.28 Contract Tariff Option 27 (Cont'd)

(B) Eligibility Requirements (Cont'd)

(3) (Cont'd)

(c) The following types of changes are not upgrades under this Plan H and are not eligible for the Plan H discount:

- A change of an existing DSR with non-enhanced nodes to a DSR with enhanced nodes with the same optical carrier rate (e.g., an existing OC3 DSR with non-enhanced nodes that is changed to or replaced with a new OC3 DSR with enhanced nodes is not an upgrade) (T)
- An addition of one (1) or more port(s) or node(s) to an existing DSR service (T)
- Two (2) existing DSRs that are changed to or replaced with one (1) new DSR with the same optical carrier rate (e.g., 2 existing OC3 DSRs that are changed to or replaced with 1 new OC3 DSR is not an upgrade) (T)
- An existing DSR that is changed to or replaced with a new DSR with the same optical carrier rate but with additional nodes (e.g., an existing OC12 DSR with ten (10) nodes that is changed to or replaced with a new OC12 DSR with eleven (11) nodes is not an upgrade) (T)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.28 Contract Tariff Option 27 (Cont'd)

(C) Serving Area (N)

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

(a) The Plan H discount will be applied in the following MSAs in accordance with Section 14.7 preceding of this tariff.

Allentown-Bethlehem-Easton PA	MSA #58
Altoona PA	MSA #225
Baltimore MD	MSA #14
Charleston WV	MSA #140
Hagerstown MD	MSA #257
Harrisburg-Lebanon-Carlisle PA	MSA #84
Huntington-Ashland WV-KY-OH	MSA #110
Lancaster PA	MSA #105
Lynchburg VA	MSA #203
New York NY	MSA #1
Newport News-Hampton VA	MSA #104
Norfolk-Virginia Beach-Portsmoth VA/NC	MSA #43
Philadelphia PA-NJ	MSA #4
Pittsburgh PA	MSA #13
Reading PA	MSA #118
Richmond VA	MSA #59
Roanoke VA	MSA #157
Scranton-Wilkes Barre-Hazelton PA	MSA #56
Sharon PA	MSA #238
State College PA	MSA #259
Vineland-Millville-Bridgeton NJ	MSA #228
Washington DC-MD-VA	MSA #8
Williamsport PA	MSA #251
Wilmington-Newark DE-MD	MSA #69

(b) The Plan H discount will be applied to all eligible rate elements as set forth in (E)(2) following, except for the portion of the communications path connecting the serving wire center to the associated End User location or the node at the end user location.

Atlantic-Cape May NJ	MSA #134
New Brunswick-Perth Amboy-Sayerville NJ	MSA #62
Wheeling WV-OH	MSA #178

(2) The Telephone Company MSAs listing in (C)(1) preceding are in effect as of June 11, 2005. Any additions or changes to the wire centers included in the MSAs listed in (C)(1) preceding that occur after June 11, 2005 do not apply to this Plan H. (N)

21. Contract Tariffs (Cont'd)

21.28 Contract Tariff Option 27 (Cont'd)

(D) Eligible IDSR Rate Elements and Service Configurations

(1) Plan H offers a discount to the following DSR rate elements when such DSR is newly installed or upgraded in accordance with (E) following. (T) (T)

- Non Enhanced nodes (OC3 only)
- Enhanced nodes (OC12, OC48, OC192), including subtending nodes
- Mileage (OC3, OC12, OC48, OC192)
- Pass Through Interface, Per Interface (OC3, OC12, OC48, OC192)

(2) Plan H is available on either full ring or partial ring configurations.

(E) Description of Plan H

(1) Plan H offers a discount as set forth in (E)(2) following on all eligible DSR rate elements set forth in (D) preceding that meet the (T) conditions outlined in this Plan H. The Plan H discount will apply to the eligible DSR service monthly recurring rate for the rate (T) elements set forth in (D) preceding. Application of the Plan H discount on Mileage rate elements is limited to those instances where individual DSR service has at least two (2) contiguous serving wire (T) centers within an MSA identified in (C) above.

(2) Under Plan H, the customer will receive the following discount that coincides with the term plan selected by the customer for the newly installed or upgraded DSR service. (T)

- For any 3-year or 5-year term plan, the Plan H discount is 20%.
- For any 7 year term plan, the Plan H discount is 10%.

21. Contract Tariffs (Cont'd)

21.28 Contract Tariff Option 27 (Cont'd)

(E) Description of Plan H (Cont'd)

(3) Subscription to Other Contract Tariff Options

(a) A customer subscribing to DSR Service under this Plan H may concurrently subscribe to Contract Tariff Option 24 as set forth in Section 21.25 preceding. (T)

(b) A customer subscribing to DSR services under this Plan H 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. (T)

(c) Except as set forth in (E)(3)(a) and (b) above, the customer may not subscribe any DSR rate elements that receive the Plan H (T) discount to any other contract tariff, unless subscription of such DSR service is explicitly allowed under that contact tariff option. (T)

21. Contract Tariffs (Cont'd)

21.28 Contract Tariff Option 27 (Cont'd)

(F) 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 this Plan H. (T)

(1) The Plan H discount expires at the end of the term plan selected by the customer. If the customer renews or extends the term plan in accordance with Section 23.1 following, the Plan H discount is not applicable to such renewal or extension. (T)

(2) The Plan H discount is not used in calculating termination liability, cancellation charges, or other obligations as they may apply in other sections of this tariff.

(3) With the exception of adding or removing nodes to the DSR service subscribed to under this Plan H, any replacements, rearrangements, or other physical change to the service subscribed to Plan H will result in termination of the Plan H discount on all rate elements of the service. Any additions of one (1) or more node(s) after the Subscription Period will be billed at the then effective tariff rates, as set forth in Section 23.1 following, and such additional node(s) shall not be eligible for the Plan H discount. Ports may be added or removed to the DSR service subscribed to under this Plan H in accordance with Section 23.1 following at any time during the Service Period of this Plan H. (T) (T) (T) (T)

(4) Termination liability will not apply to the disconnection or upgrade of the old DSR(s) when the conditions set forth in (B)(3)(b) above are met. (T)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.29 Contract Tariff Option 28

(A) Scope

(1) Contract Tariff Option 28 (Option 28) provides discounted monthly rates to customers who upgrade two (2) existing IntelliLight® Dedicated SONET Rings (**DSR**) at capacities of OC48 or less into a single DSR at a capacity of OC192. DSR is described in Section 23.1 following.

(2) The terms and conditions, regulations and rates provided in this Section 21.29 apply to customers who subscribe to OC192 DSR as offered herein.

(B) Eligibility

All of the following requirements must be met in order to be eligible for subscription to Option 28.

(1) A customer must subscribe to Option 28 by submitting a written authorization in a manner designated by the Telephone Company during the subscription period which begins on June 11, 2005 and ends on August 10, 2005 (**Subscription Period**). (T)

(2) A customer must subscribe to Option 28 for the service period set forth in (D) following.

(3) A customer must replace two (2) existing DSRs at capacities of OC48 or less with a single DSR at a capacity of OC192 in accordance with the provisions set forth in this Option 28 and the upgrade provisions set forth in Section 23.1 following.

(4) All nodes on the existing DSRs and on the replacing OC192 DSR must be located in Telephone Company wire centers and at customer designated premises that are within the Serving Area specified in (C) following.

(5) The replacing OC192 DSR must be configured with:

(a) A minimum of ten (10) up to a maximum of fifteen (15) OC192 enhanced nodes (as defined in Section 23.1 following) that are located at customer designated premises or Telephone Company wire centers that are within the Serving Area of this Option 28. At least fifty percent (50%) of the total number of nodes on the ring must be located at customer designated premises or Telephone Company wire centers that are within the New Jersey portion of MSA #1. In determining the minimum number of nodes that must be located within MSA #1, always round up to the next node when the calculation results in a fraction of a node. For example, if the DSR is configured with a total of fifteen (15) nodes, at least eight (8) nodes must be located within the New Jersey portion of MSA #1 (50% of 15 nodes = 7.5 nodes and rounded to 8 nodes); and

21. Contract Tariffs (Cont'd)

21.29 Contract Tariff Option 28 (Cont'd)

(B) Eligibility (Cont'd)

(5) (Cont'd)

(b) the total mileage around the circumference of the OC192 DSR (as measured in accordance with Section 23.1 following) must be thirty-five (35) miles or more; and (T) (T)

(c) all of the following types and minimum number of ports

Type of Port	Minimum Number of Ports
DS1	340
DS3	42
OC3	4
GigE1	2
GigE3	2

In addition to the above port types and minimum quantities, the OC192 DSR may be configured with other ports in accordance with (E)(2) following. (T)

(C) Serving Area

(1) The serving area of Option 28 is comprised of the following Metropolitan Statistical Areas (**MSAs**):

New York NY MSA #1 (New Jersey wire centers only) (**MSA#1**)

New Brunswick-Perth Amboy-Sayerville NJ (**MSA#62**) (see Note)

Note: The discounted rates set forth in (F) following do not apply to the rate elements associated with the services provided by the Telephone Company that connect the End User Premises to its serving wire center in MSA#62.

(2) Wire centers for Phase II MSAs are listed in Section 14.7 preceding.

(3) Any additions or changes to the wire centers included in the above MSAs that occur after will apply and be included in Option 28.

21. Contract Tariffs (Cont'd)

21.29 Contract Tariff Option 28 (Cont'd)

(D) Service Period

(1) The service period for the OC192 DSR enhanced nodes and OC192 mileage under this Option 28 is sixty-six (66) months from the date that the OC192 DSR is available for use by the customer (**Service Period**). (T) (T)

(2) The Service Period for each port on the OC192 DSR shall commence with the installation of the port and end on the same date on which the Service Period for the enhanced nodes and mileage under (D)(1) preceding ends. (T)

(E) Terms and Conditions

(1) Except as set forth in this Section 21.29, the terms and conditions (e.g., additions of nodes) and application of rates and charges as set forth in Section 23.1 following apply to the OC192 DSR and to any service(s) connected to such DSR. (T) (T)

(2) In addition to the types and minimum quantities of ports set forth in (B)(5)(c) preceding, this Option 28 includes rates and charges for OC12 ports and Gigabit Ethernet ports at GigE6, GigE9, GigE12, and GigE24. There is no minimum number of OC12, GigE6, GigE9, GigE12, or GigE24 ports required on the OC192 DSR. The rates and charges for ports included in this Option 28 are set forth in (F) following. Subscription to any other port type that is offered under Section 23.1 following and not included in this Option 28 is provided at the rates and charges set forth in Section 23.1 following. (T) (T) (T) (T)

(3) Transitional Billing Period

Upon completion of the upgrade, six (6) months of transitional billing credit will apply. The transitional billing credit is equal to fifty percent (50%) of the monthly recurring rates for the node and mileage rate elements on both the existing DSR(s) and on the replacing OC192 DSR. (T) (T)

21. Contract Tariffs (Cont'd)

21.29 Contract Tariff Option 28 (Cont'd)

(E) Terms and Conditions (Cont'd)

(4) Termination Liability

In the event that service is discontinued prior to the end of the Service Period, termination liability applies in accordance with the regulations set forth in Section 23.1 following. Subject to the (T) application of rates described in Section 14.7 preceding, any termination liability charge shall be calculated using the rates set forth Section 23.1 following. (T)

(5) Expiration of the Service Period

Upon completion of the Service Period for this Option 28, 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 service at the 5-year rates and charges set forth in Section 23.1 following in accordance with (T) Section 14.7 preceding.

(6) Except as set forth in this Option 28, 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 OC192 included in this Option 28.

21. Contract Tariffs (Cont'd)

21.29 Contract Tariff Option 28 (Cont'd)

(F) Rates and Charges

The following rates and charges apply to the enhanced nodes, mileage, and ports associated with services included in this Option 28 (see Note). The rates and charges for all other rate elements associated with the services included in this Option 28, including those rate elements associated with services that connect to the OC192 DSR, are (T) set forth in other sections of this tariff.

Rate Element	USOC	Monthly Rate	Nonrecurring Charge
OC192 Enhanced Node, per enhanced node	-----	$7,360.00	None
Mileage, per mile between nodes	-----	900.00	None
Ports, per port			
DS1	-----	22.40	None
DS3	-----	92.00	None
OC3	-----	274.00	None
OC12	-----	513.00	None
GigE1	-----	184.00	None
GigE3	-----	276.00	None
GigE6	-----	364.00	None
GigE9	-----	428.00	None
GigE12	-----	516.00	None
GigE24	-----	704.00	None

Note: The rates and charges set forth above do not apply in MSA#62 to rate elements that are associated with the connection between an End User Premises and its serving wire center. For those rate elements, the rates and charges set forth in Section 23.1 following apply in accordance with Section 14.7 (T) preceding.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.30 Contract Tariff Option 29 (N)

(A) Scope

(1) Contract Tariff Option 29 (**Option 29**) provides a customer with a discount to the monthly recurring rates for Special Access multiplexed High Capacity 44.736 Mbps Services and certain SONET services when the customer subscribes to this Option 29 in accordance with the terms and conditions set forth herein.

(2) In order to receive the Option 29 discount, a customer must concurrently subscribe to Option 31 of Tariff F.C.C. No. 11 (**FCC11 Option 31**) and Option 16 of Tariff F.C.C. No. 14 (**FCC 14 Option 16**). (x)

(3) The Option 29 discount will only apply to those services specified in (E) following which the customer orders under Option 29 of this tariff.

(B) Eligibility

The customer must meet all of the criteria set forth following in order to be eligible to receive the Option 29 discounts.

(1) A customer subscribes to Option 29 by submitting a written authorization in a manner designated by the Telephone Company during the sixty (60) day period which begins on June 17, 2005 and ends August 15, 2005 (**Subscription Period**).

(2) For calendar year ending December 31, 2004, a customer must have at least six thousand (6,000) High Capacity 44.736 Mbps (**DS3**) channel terminations (**DS3 Terminations)** which are in service anywhere within the operating territories of this tariff and of the Telephone Company's Tariff F.C.C. No. 11, Tariff F.C.C. No. 14, and Tariff F.C.C. No. 16. When counting DS3 Terminations, the Telephone Company shall include: (x)

(a) Special Access High Capacity 44.736 Mbps Primary Premises Channel Terminations and Special Access High Capacity 44.736 Mbps High Capacity Secondary Premises Channel Terminations in this tariff and in Tariff F.C.C. No. 11; and/or (x)

(b) Special Access DS3 Special Access Lines in Tariffs F.C.C. Nos. 14 and 16. (N) (x)

(x) Issued under authority of Special Permission No. 05-025 of the Federal Communications Commission.

21. Contract Tariffs (Cont'd)

21.30 Contract Tariff Option 29 (Cont'd)

(B) Eligibility (Cont'd)

(3) Within eight (8) months of the effective date of Option 29 (**ramp up period**), a customer subscribing to this Option 29 must have ordered a minimum of two hundred fifty (250) new Special Access multiplexed DS3s (**minimum commitment**) anywhere within the operating territories of this tariff and of the Telephone Company's Tariff F.C.C. No. 11, Tariff F.C.C. No. 14, and Tariff F.C.C. No. 16 in order to continue to receive the Option 29 discount under this tariff on Special Access multiplexed High Capacity 44.736 Mbps Services (as specified in (E) following) and new SONET (as specified in (E) following). The Serving Area is specified in (D)(1) following. The minimum commitment is subject to (a) through (d) following.

(a) The following service arrangements will count as new Special Access multiplexed DS3s (**new SpA muxed DS3s**) for the purpose of determining if the customer has met the minimum commitment, provided that such new SpA muxed DS3 service arrangements are ordered on or after March 18, 2005 and prior to the end of the ramp up period:

(1) new SpA muxed DS3 that terminates on a DS3 Termination as defined in (B)(2) preceding; and
(2) new SpA muxed DS3 that connects to a DS3 port of a Verizon Dedicated SONET Ring (**DSR**); and (T)(T)
(3) new SpA muxed DS3 that terminates over an IntelliLight® Entrance Facility (**IEF**) with a Fractional OC48 interface; and
(4) new SpA muxed DS3 that connects to a DS3 Rider of a Custom Connect Service; and
(5) new SpA muxed DS3 that connects to a multiplexed IntelliLight® Broadband Transport Service (**IBT**).

(b) The count of new SpA muxed DS3s described in (a) preceding will not include the following:

(1) High Capacity multiplexed DS3 services that connect to a collocated arrangement; or
(2) NYNEX Enterprise DS3 Service as set forth in Section 7.2.13 of Tariff F.C.C. No. 11; or
(3) Facilities Management Service utilizing a DS3 interface as set forth in Section 7.2.13 preceding and Section 7.2.16 of Tariff F.C.C. No. 11; or
(4) DS3 facilities utilizing a DSR or DSR DS3 Transmux Port; or (T)
(5) any SpA muxed DS3 that is disconnected from its current location and installed as new at that same location for the purpose of subscribing that SpA muxed DS3 to this Option 29.

21. Contract Tariffs (Cont'd)

21.30 Contract Tariff Option 29 (Cont'd)

(B) Eligibility (Cont'd)

(3) (Cont'd)

(c) For new SpA muxed DS3s that are part of a Shared Use arrangement, the associated Special Access portion of the new SpA muxed DS3 will count as a single new SpA muxed DS3.

(d) Only those new SpA muxed DS3s that were ordered under a 3-year, 5-year, or 7-year term commitment and prior to the end of the ramp up period will be included in the count when determining whether the minimum commitment of new SpA muxed DS3s has been met.

(4) In order to receive the Option 29 discount on new SONET as defined below, the customer must meet the minimum commitment of new SpA muxed DS3 prior to the end of the ramp up period. There is no minimum commitment associated with the new SONET service. Unless a SONET service meets the requirement of an upgrade as set forth in 4(b) following, a new SONET service does not include SONET that was disconnected from its current location and installed as new at the same location for the purpose of subscribing that SONET to this Option 29. New SONET services eligible for the Option 29 discount include the following.

(a) New DSR and IBT that are ordered under this tariff in accordance with this Option 29 at any time beginning June 17, 2005 and ending June 16, 2006; and (T)

21. Contract Tariffs (Cont'd)

21.30 Contract Tariff Option 29 (Cont'd)

(B) Eligibility (Cont'd)

(4) (Cont'd)

(b) Upgrades of DSR to a new DSR with a greater Optical Carrier rate (e.g., OC12 to OC48) when ordered on or after June 17, 2005 and no later than June 16, 2006 (**upgrades**). Such upgrades are further subject to the requirements in either (1) or (2) following. (T)

(1) For upgrades in which the customer subscribes to both this Option 29 and Option 24 of this tariff, the upgrade is subject to the requirements set forth in this Option 29 and in Option 24 preceding.

(2) For all other upgrades, the upgrade is subject to (i) through (iv) following, (F)(1)(c) following, and Section 23.1 following. (T)

(i) One (1) or two (2) existing DSRs (**the old DSR(s)**) must be upgraded with a single DSR (**the new DSR**), which new DSR must have a greater optical carrier rate than the combined optical carrier rate of the old DSR(s) being upgraded. (T)

(ii) The commitment period for the new DSR must have an expiration date that extends beyond the expiration date of the commitment period(s) associated with each of the old DSR(s). (T)

(iii) The new DSR must have at least one (1) customer premises node and one (1) CO node in common with each of the old DSR(s). (T)

(iv) When two (2) existing DSRs are upgraded to a single new DSR, the aggregate amount of all monthly charges for the nodes included in the new DSR commitment period must be at least twenty-five percent (25%) greater than the aggregate amount of the monthly charges for the nodes included in the remaining commitment period for the old DSR(s). (T)

21. Contract Tariffs (Cont'd)

21.30 Contract Tariff Option 29 (Cont'd)

(B) Eligibility (Cont'd)

(4) (Cont'd)

(c) In order to receive the Option 29 discount on new SONET, the customer must accept service for new SONET on the original service date. If the customer does not accept new SONET on the original service date, the customer's acceptance of service on a later date will make that new SONET ineligible for the Option 29 discount, unless the later date is designated by the Telephone Company or another Exchange Telephone Company jointly providing service with the Telephone Company.

(5) Subscription to Other Contract Tariff Options of This Tariff

(a) A customer subscribing to new SpA muxed DS3 under this Option 29 may concurrently subscribe to Contract Tariff Option 22 as set forth in this Section 21.

(b) A customer subscribing to DSR under this Option 29 may (T)
concurrently subscribe to Contract Tariff Option 24 as set forth in this Section 21.

(c) A customer subscribing to the services included in this Option 29 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.

(d) Except as set forth in (a) through (c) above, the customer may not subscribe any new SpA muxed DS3 or new SONET rate element which receives the Option 29 discount to any other contract tariff, unless subscription of such new SpA muxed DS3 or new SONET rate element is explicitly allowed under that contact tariff option.

21. Contract Tariffs (Cont'd)

21.30 Contract Tariff Option 29 (Cont'd)

(C) Service Period

(1) Subject to the limitations in (C)(3) following, the service period for each new SpA muxed DS3 ordered under an individual circuit specific term plan in accordance with (B)(3) preceding is equal to the individual term commitment selected for such SpA muxed DS3 (**muxed DS3 service period**). Term plans for new SpA muxed DS3s are specified in (B)(3)(d) preceding.

(2) Subject to the limitations in (C)(3) following, the service period for each new SpA muxed DS3 ordered under a term plan that includes DS3 services and is managed on a non-circuit specific basis (e.g., CDP) is equal to the common expiration date for such DS3 term plan, or the time remaining in such existing DS3 term plan, as applicable. Available circuit specific term commitments for new SpA muxed DS3s are specified in (B)(3)(d) preceding.

(3) For new SpA muxed DS3 subscribed to this Option 29, and regardless of any term plan subscribed to by customer, the service period and corresponding discount in (F)(1)(a) following shall not extend beyond December 31, 2010.

(4) The service period for new SONET ordered under a term plan in accordance with this Option 29 is equal to the individual term plan selected for the specific new SONET involved and shall terminate coincident with expiration of the initial commitment period on such term plan (**SONET service period**). Term plans for such new SONET are specified in (F)(1)(a) following.

(D) Serving Area

(1) The serving area for new SpA muxed DS3s includes all of the Phase I and Phase II MSAs of this tariff and of the Telephone Company's Tariff F.C.C. Nos. 11 and 14. (C)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.30 Contract Tariff Option 29 (Cont'd) (N)

(D) Serving Area (Cont'd)

(2) The serving area for new SONET under Option 29 consists of the following MSAs.

(a) In the following MSAs, the Option 29 discount will be applied to all eligible rate elements set forth in (E)(1)(b) and (E)(1)(c) following in accordance with Section 14.7 preceding.

MSA Name	MSA Number
Allentown-Bethlehem-Easton PA	MSA #58
Altoona PA	MSA #225
Baltimore MD	MSA #14
Charleston WV	MSA #140
Hagerstown MD	MSA #257
Harrisburg-Lebanon-Carlisle PA	MSA #84
Huntington-Ashland WV-KY-OH	MSA #110
Lancaster PA	MSA #105
Lynchburg VA	MSA #203
New York NY	MSA #1
Newport News-Hampton VA	MSA #104
Norfolk-Virginia Beach-Portsmoth VA/NC	MSA #43
Philadelphia PA-NJ	MSA #4
Pittsburgh PA	MSA #13
Reading PA	MSA #118
Richmond VA	MSA #59
Roanoke VA	MSA #157
Sharon PA	MSA #238
Scranton-Wilkes Barre-Hazelton PA	MSA #56
State College PA	MSA #259
Vineland-Millville-Bridgeton NJ	MSA #228
Washington DC-MD-VA	MSA #8
Williamsport PA	MSA #251
Wilmington-Newark DE-MD	MSA #69

(b) In the following MSAs, the Option 29 discount will be applied to all eligible rate elements as set forth in (E)(1)(b) and (E)(1)(c) following, except for the portion of the communications path connecting the serving wire center to the associated end user location or the node at the end user location.

MSA Name	MSA Number
Atlantic-Cape May NJ	MSA #134
New Brunswick-Perth Amboy-Sayerville NJ	MSA #62
Wheeling WV-OH	MSA #17

(3) The Telephone Company MSAs listed in (D)(1) and (D)(2) preceding are in effect as of the effective date of this Option 29. Any additions or changes to the wire centers included in the MSAs listed in (D)(1) or (D)(2) preceding that occur after June 17, 2005 do not apply. (N)

21. Contract Tariffs (Cont'd)

21.30 Contract Tariff Option 29 (Cont'd)

(E) Services Eligible to Receive the Option 29 Discount

(1) The Option 29 discount specified in (F)(1) following will be applied to the following services and rate elements associated with new SpA muxed DS3 and new SONET that are provided within the MSAs as specified in (D)(2) preceding.

(a) New SpA Muxed DS3 that are ordered under a 3, 5 or 7 year term plan and by the end of the ramp up period set forth in (B)(3) preceding or after the ramp up period and prior to June 16, 2006:

(1) DS3 Primary Premises Channel Termination base rates; and
(2) DS3 Fixed and Per Mile Channel Mileage base rates; and
(3) DS3 to DS1 Central Office Multiplexing optional feature base rates.

(b) DSR Full and Partial Ring Configurations that are ordered under a (T)
3, 5 or 7 year term plan on or after June 17, 2005 and no later than June 16, 2006. So long as either one of the following dates is within the period between June 17, 2005 and June 16, 2006, then such DSR shall be included in this Option 29 and receive the (T)
Option 29 discount: (i) the date that the customer provides the Telephone Company with its written or electronic authorization (order) to begin construction of the ring, or (ii) the date that the customer submits the Access Service Request (order) to commence billing. In either case, the Option 29 discount will not commence until the date that billing commences.

(1) OC3 Nodes that are not enhanced; and
(2) OC12, OC48 and OC192 enhanced nodes; and
(3) OC3, OC12, OC48 and OC192 Mileage (see Note); and
(4) Partial Ring High Speed (Pass-Through) Interfaces.

Note: Application of the Option 29 discount on Mileage rate elements is limited to those instances where individual DSR (T)
service has at least two (2) contiguous serving wire centers within an MSA identified in (D)(2)(b) preceding.

(c) IBT Point-to-Point and Multiplexed Configurations that are ordered under a 3 or 5 year term plan on or after June 17, 2005 and no later than June 16, 2006.

(1) OC3, OC3c, STM1, OC12, OC12c, OC48, and OC48c Standard Channel Terminations; and
(2) OC3, OC3c, STM1, OC12, OC12c, OC48, and OC48c Ports (excludes all low speed ports associated with the multiplexing capability optional feature); and
(3) OC3, OC3c, STM1, OC12, OC12c, OC48, and OC48c Mileage; and
(4) Multiplexing Capability Optional Feature - OC3, OC12, and OC48 multiplexing nodes only.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.30 Contract Tariff Option 29 (Cont'd) (N)

(E) Services Eligible to Receive the Option 29 Discount (Cont'd)

(2) The percentage discounts set forth in (F)(1)(a) following will only be applied to the rate elements specified in (E)(1) preceding and only in those MSAs specified in (D) preceding that have achieved Phase I or Phase II pricing flexibility. Wire centers for the Phase II MSAs are listed in Section 14.7 preceding of this tariff, Section 15.3 of Tariff F.C.C. No. 11, (x) and Section 19.1 of Tariff F.C.C. No. 14. No discount will be (x) applied to new SpA muxed DS3 or new SONET within the Telephone Company operating territories of Tariff F.C.C. No. 16. (x)

(F) Terms and Conditions

(1) Percentage Discounts

(a) The discounts under this Option 29 are percentage based and are applied for the duration of the Service Period to the applicable rate elements set forth in (E)(1) preceding which are ordered by the customer in accordance with the terms of this Option 29. The customer will receive the following discount that coincides with the term plan selected by the customer for the newly installed SpA muxed DS3 and newly installed or upgraded SONET, as applicable.

Term	Percentage Discount
3-year	20%
5-year	20%
7-year	10%

(b) The Telephone Company will first apply any discount associated with the applicable term plan (such as TPP or CDP) under which the service is ordered, and then apply the Option 29 discount to that already discounted rate. When the service involved is also under another contract tariff option for which minimum revenue, total revenue, or minimum quantities are measured on an aggregate basis, the Telephone Company will apply the Option 29 discount prior to applying any discount associated with such other contract tariff option. For example: assume that the monthly rate for SpA muxed DS3 is $1,500 and that the TPP discount is twenty percent (20%). Also assume that the applicable discount under this Option 29 is ten percent (10%). The Telephone Company will first apply the TPP discount to the monthly rate [$1,500 – ($1,500 x 20%) = $1,200.00] and then apply the Option 29 discount to that already reduced rate [$1,200 – ($1,200 – 10%) = 1,080]. (N)

(x) Issued under authority of Special Permission No. 05-025 of the Federal Communications Commission.

21. Contract Tariffs (Cont'd)

21.30 Contract Tariff Option 29 (Cont'd)

(F) Terms and Conditions (Cont'd)

(1) Percentage Discounts (Cont'd)

(c) Discounts associated with term plans for new SpA muxed DS3s are specified in the Term Pricing Plan (TPP) as set forth in Section 7.4.13 preceding and the CDP as set forth in Section 25 following.

(d) Discounts associated with term plans for new SONET are specified in the TPP set forth in Section 23.1 following for DSR and Section 8.2(C)(1) for IBT. (T)

(e) Percentage Discount Beginning and Ending Dates

(1) For new SpA muxed DS3 that is ordered during the ramp up period set forth in (B)(3) preceding or after the ramp up period and prior to June 16, 2006, the Option 29 discount begins with the date of installation and continues for the duration of the muxed DS3 service period in accordance with (C) preceding, subject to the limitations set forth in (F)(2) following.

(2) For new SpA muxed DS3 that was ordered between March 18, 2005 and June 17, 2005, the Option 29 discount begins with the date of installation or the date of subscription to Option 29 (whichever is the later date) and continues for the duration of the muxed DS3 service period in accordance with (C) preceding, subject to the limitations set forth in (F)(2) following.

(3) For new SONET IBT, the Option 29 discount begins with the date of installation and continues for the duration of the SONET service period of the customer's initial term plan selected in accordance with (C)(4) preceding, subject to the limitations set forth in (F)(2) following.

(4) For DSR, the Option 29 discount begins coincident with the date that billing commences under Section 5.2 preceding and continues for the duration of the SONET service period of the customer's initial term plan selected in accordance with (C)(3) preceding, subject to the limitations set forth in (F)(2) following. The Option 29 discount will not apply during any period of renewal of, or extension to, the initial term plan selected. (T)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.30 Contract Tariff Option 29 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(1) Percentage Discounts (Cont'd)

(f) Shared Use as set forth in Section 5.2.8 preceding is allowed on new SpA muxed DS3s and new SONET under this Option 29. The percentage discount specified in (a) preceding will only be applied to the portion of the new SpA muxed DS3 or new SONET that is rated as Special Access.

(2) In the event that the customer has not satisfied the minimum commitment of new SpA muxed DS3s as required under (B)(3) preceding by the end of the ramp up period, the following applies:

(a) Shortfall charges (**ramp-up shortfall**) apply equal to fifty percent (50%) of the discount already applied under this Option 29 for the period of time that each new SpA muxed DS3 has received the Option 29 discount; and

(b) the Option 29 discount applicable to SpA muxed DS3 and new SONET under this Option 29 will cease at the end of the ramp up period; and

(c) the customer's subscription to Option 29 is terminated.

(N)

21. Contract Tariffs (Cont'd)

21.30 Contract Tariff Option 29 (Cont'd)

(F) Terms and Conditions (Cont'd)

(3) Termination Liability and Minimum Periods

Unless superseded by the terms and conditions set forth herein, all terms and conditions, including termination liability and minimum periods, as stated in other sections of this tariff apply to new SpA muxed DS3 or new SONET subscribed to this Option 29.

(a) Termination Liability

(1) When calculating termination liability charges for SpA muxed DS3 as they may apply under other sections of this tariff, first apply the Option 29 discount to the monthly rates used in such calculation.

(2) When calculating any termination liability charge for new SONET as it may apply under other sections of this tariff, do not apply the Option 29 discount to the monthly rates used in such calculation.

(3) Termination liability will not apply when disconnecting or upgrading old DSR(s) under (B)(4)(b) preceding. (T)

(b) Minimum Periods

When calculating any minimum period charges for SpA muxed DS3 or new SONET as they may apply under other sections of this tariff, do not apply the Option 29 discount to the monthly rates used in such calculation.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.30 Contract Tariff Option 29 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(4) At expiration of the Service Period for new SpA muxed DS3 or new SONET, the customer has the following options.

(a) For SpA muxed DS3, the following options apply:

(1) disconnect service (in this case, the Option 29 discount will cease upon disconnection of the service); or

(2) continue with the service on a month-to-month basis, during which time the Option 29 discount will continue to be applied as set forth herein through December 31, 2010; or

(3) renew or extend the expired term plan under the terms and conditions specified for the term plan involved, during which time the Option 29 discount will continue to be applied as set forth herein through December 31, 2010; or

(4) select any then effective Contract Tariff Option applicable to new SpA muxed DS3 for which the customer is eligible. In this case, the Option 29 discount will cease upon subscription to such Contract Tariff Option.

(b) For SONET service, the following options apply:

(1) disconnect service (in this case, the Option 29 discount will cease upon disconnection of the service); or

(2) renew or extend the expired term plan under the terms and conditions specified for that term plan during which period of renewal or extension the Option 29 discount will not apply; or

(3) select any then effective term plan or contract tariff option applicable to the new SONET involved and for which the customer is eligible to subscribe. In this case, the Option 29 discount will cease upon subscription to such other term plan or contract tariff option.

(4) Regardless of the option selected, the Option 29 discount will cease upon expiration of the initial term plan for the new SONET or in accordance with (1) through (3) preceding, whichever occurs first. (N)

21. Contract Tariffs (Cont'd)

21.31 Contract Tariff Option 30

(A) Scope

(1) Contract Tariff Option 30 (Option 30) provides a discount to the monthly rates applicable to Special Access Verizon Dedicated SONET Ring Service (**DSR**) in a full ring configuration that is subscribed to this Option 30 as: (T) (T)

(a) a new installation of DSR with an optical carrier rate of OC48 or OC192; or (T)

(b) an upgrade of an existing OC48 DSR to a new OC192; or (T)

(c) a conversion in subscription from OC48 or OC192 DSR that is subscribed to Contract Tariff Option 26, 27 or 29 to an OC48 or OC192 DSR that is subscribed to this Option 32. (T) (T)

(2) The terms and conditions, regulations and rates provided in this Section 21.31 apply to customers who subscribe to OC48 or OC192 DSR Service as offered herein. (T)

(B) Eligibility Requirements

All of the following requirements must be met in order to be eligible for subscription to Option 30.

(1) A customer must subscribe to Option 30 by submitting a written authorization in a manner designated by the Telephone Company during the subscription period which begins on August 10, 2005 and ends on December 31, 2005 (**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, any change to a later date will make the service ineligible for the discount, unless the change is initiated by the Telephone Company.

(3) A customer must subscribe to Option 30 for the service period set forth in (D) following.

(4) Each OC48 or OC192 subscribed to this Option 30 must be configured with between eight (8) and twenty-two (22) enhanced nodes that are located at customer designated premises or Telephone Company wire centers, and the ring mileage must be greater than 40 miles. A new OC48 or OC192 DSR under (A)(1)(a) preceding cannot be a DSR Service that was disconnected from another contract tariff option or discount plan in order to subscribe that DSR to this Option 30. (T) (T)

(5) All nodes for the OC48 or OC192 DSR must be located within the Serving Area as set forth in (C) following. (T)

21. Contract Tariffs (Cont'd)

21.31 Contract Tariff Option 30 (Cont'd)

(C) Serving Area

(1) The serving area of Option 30 is comprised of the New York wire centers that are within the New York Metropolitan Statistical Area (**MSA #1**) and the New Jersey wire centers that are within the New York and New Jersey Corridor portion of MSA #1. At least seventy-five (75) percent of the total number of nodes on the OC48 or OC192 DSR, as applicable, must be served by wire centers that are within (T) the New York and New Jersey Corridor portion of MSA #1. For example, a twelve (12) node OC48 DSR must have at least eight (8) (T) nodes that are served by the wire centers specified in (3) following and any remaining nodes must be served by other New York wire centers of MSA #1.

(2) Wire centers for Phase II MSAs are listed in Section 14.7 preceding, as the same may be amended from time to time.

(3) The following Telephone Company wire centers of MSA #1 comprise the geographic area of the New York and New Jersey Corridor:

New York Wire Centers

NYCKNY14	NYCMNY42	NYCQNYFR
NYCKNY71	NYCMNY50	NYCQNYHS
NYCKNY77	NYCMNY56	NYCQNYIA
NYCKNYAI	NYCMNY73	NYCQNYJA
NYCKNYAL	NYCMNY79	NYCQNYLI
NYCKNYAR	NYCMNY97	NYCQNYLN
NYCKNYAU	NYCMNYBS	NYCQNYNJ
NYCKNYAY	NYCMNYBW	NYCQNYNW
NYCKNYBR	NYCMNYCA	NYCQNYOP
NYCKNYBU	NYCMNYMN	NYCQNYRH
NYCKNYCL	NYCMNYPS	NYCRNYND
NYCKNYFA	NYCRNYNS	NYCRNYSS
NYCKNYFT	NYCMNYTH	NYCRNYWS
NYCKNYKP	NYCMNYVS	NYCXNYCI
NYCKNYLA	NYCMNYWA	NYCXNYCR
NYCKNYRA	NYCMNYWS	NYCXNYGC
NYCKNYTY	NYCMNYZO	NYCXNYHO
NYCKNYWM	NYCQNYAS	NYCXNYJE
NYCMNY13	NYCQNYBA	NYCXNYKB
NYCMNY18	NYCQNYBH	NYCXNYMH
NYCMNY30	NYCQNYCO	NYCXNYTB
NYCMNY36	NYCQNYFH	NYCXNYTR
NYCMNY37	NYCQNYFL	

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.31 Contract Tariff Option 30 (Cont'd) (N)

(C) Serving Area (Cont'd)

(3) The following Telephone Company wire centers of MSA #1 comprise the geographic area of the New York and New Jersey Corridor: (Cont'd)

New Jersey Wire Centers

BYNNNJ02	JRCYNJBR	PSSCNJPS
BLVLNJBE	JRCYNJJO	PTSNNJAR
BLFDNJBL	KRNYNJKN	PLFDNJPF
CFTNNJCF	LNDNNJ01	RCPKNJ02
CLWLNJCW	LTFLNJLF	RGWDNJRW
CFPKNJCS	LTFYNJLF	RHWYNJRA
CLSTNJCO	LVTNNJLI	RMSYNJRM
CNFRNJCR	MLBNNJMB	RSLLNJRL
DUMTNJDM	MTCLNJMC	RVDLNJPL
ELZBNJEL	MTVWNJMV	RTFRNJRU
ENWDNJEN	NBRGNJNB	SORGNJSO
EORNNJEO	NWPVNJMH	UNCYNJ02
ERLKNJEL	NWRKNJ03	UNINNJUV
FRLNNJFL	NWRKNJIR	WMFRNJ01
FRFDNJFA	NWRKNJ02	WORNNJWO
FTLENJLE	NWRKNJWA	WSFDNJWS
HCKNNJHK	NFLDNJNF	WYCKNJWK
HLDNNJ01	NTLYNJNU	
HLDLNJWE	OKLDNJ01	
IVTNNJES	RVEDNJOR	

(4) Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in this tariff) that occur during the Service Period of this Option 30 will apply. (N)

21. Contract Tariffs (Cont'd)

21.31 Contract Tariff Option 30 (Cont'd)

(D) Service Period

(1) The service period for OC48 or OC192 DSR nodes and mileage ordered as new under (A)(1)(a) preceding, ordered as an upgrade under (A)(1)(b) preceding, or converted from Contract Tariff Option 26, 27 or 29 under (A)(1)(c) preceding is sixty-three (63) months from the date that the DSR under this Option 30 is available for use by the customer or that the conversion from Contract Tariff Option 26, 27 or 29 is complete (**Service Period**) (T) (T)

(2) The Service Period for each port on the new OC48 DSR Service or on the new or upgraded OC192 DSR Service that is ordered with the initial installation of service shall commence with the installation of the port and end on the same date on which the Service Period for the nodes and mileage under (D)(1) preceding ends. (T) (T)

(3) The Service Period for each port added subsequent to the initial installation of service is subject to the terms and conditions set forth in Section 23.1 following, except that the commitment period for such port will be coterminous with the end of the Service Period for the nodes and mileage under (D)(1) preceding when such ports are added prior to the thirty-sixth (36th) month of the Service Period of this Option 30. Ports added after the 36th month of the Service Period of this Option 30 are subject to monthly terms as described in Section 23.1 following. (T) (T)

(E) Terms and Conditions

(1) Except as set forth in this Section 21.31, the terms and conditions (e.g., additions of nodes) and application of rates and charges as set forth in Section 23.1 following apply to the OC48 or OC192 DSR Service that is subscribed to this Option 30. Additionally, the terms and conditions (e.g., additions of nodes) and application of rates and charges as set forth in Section 23.1 following apply to ports added subsequent to the initial installation of DSR under this Option 30, and to any service(s) connected to such OC48 or OC192 DSR. (T) (T) (T) (T)

(2) The OC48 or OC192 DSR Service subscribed to this Option 30 must be configured with a minimum requirements set forth in (B)(4) preceding. (T)

21. Contract Tariffs (Cont'd)

21.31 Contract Tariff Option 30 (Cont'd)

(E) Terms and Conditions (Cont'd)

(3) Termination Liability

(a) In the event that service is discontinued prior to the end of the Service Period, termination liability applies in accordance with the regulations set forth in Section 23.1 following. Subject to (T) the application of rates described in Section 14.7 preceding, any termination liability charge shall be calculated using the rates set forth in Section 23.1 following. (T)

(b) Termination liability under Contract Tariff Option 26, 27 or 29 preceding will not apply when converting subscription of OC48 or OC192 DSR under one of those contract tariff options to this Option (T) 30.

(4) Minimum Period

(a) In the event that OC48 or OC192 DSR under this Option 30 is (T) discontinued prior to the end of the minimum period as set forth in Section 5.2.5 preceding, minimum period charges apply. When calculating the minimum period charge, the rates set forth in Section 23.1 following are used and apply in accordance with the (T) application of rates set forth in Section 14.7 preceding.

(b) Minimum period charges under Contract Tariff Option 26, 27 or 29 preceding do not apply for conversion from such contract tariff option to this Option 30.

21. Contract Tariffs (Cont'd)

21.31 Contract Tariff Option 30 (Cont'd)

(E) Terms and Conditions (Cont'd)

(5) Cancellation

Cancellation charges apply if the customer cancels the order, or part of the order, for new or upgraded DSR under this Option 30 prior to the service date, unless the order or part of the order is cancelled due to the Telephone Company failure to provide service on the service date. Cancellation charges apply in accordance with Section 5.2.3(B)(4) preceding. When calculating the cancellation charge, the rates set forth in Section 23.1 following are used and apply in accordance with the application of rates set forth in Section 14.7 preceding. (T) (T)

(6) Expiration of the Service Period

Upon completion of the Service Period for this Option 30, 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 service at the 5-year rates and charges set forth in Section 23.1 following which apply in accordance with Section 14.7 preceding. (T)

(d) In the event that the customer does not make an election of (a) through (c) preceding, the customer's subscription to the OC48 DSR Service or OC192 DSR Service will continue in accordance with (c) preceding. (T) (T)

(7) Except as set forth in this Option 30, 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 OC48 DSR Service or OC192 DSR Service included in this Option 30. (T)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.31 Contract Tariff Option 30 (Cont'd)

(F) Rates and Charges (N)(x)

The following rates and charges apply to the nodes, mileage, and ports that are installed coincident with the initial installation of service and associated with services under this Option 30. The rates and charges for all other rate elements associated with the services included in this Option 30, including those rate elements associated with services that connect to such OC48 DSR Service or OC192 DSR Service, are set forth in other sections of this tariff.

Rate Element	USOC	Monthly Rate	Nonrecurring Charge
OC48 Enhanced Node, per enhanced node	-----	$3,222.80	None
OC192 Enhanced Node, per enhanced node	-----	6,440.00	None
Mileage,			
OC48 per mile between nodes	-----	447.30	None
OC192 per mile between nodes	-----	895.30	None
Ports, per port			
DS1	-----	22.40	None
DS3	-----	92.00	None
GigE1	-----	184.00	None
GigE3	-----	276.00	None (N)(x)

(x) Reissues Contract Tariff Option 30 material originally filed on Original Page 21-256 under Transmittal No. 604 for effect August 10, 2005. Original Page 21-256 was inadvertently re-filed with Contract Tariff Option 31 material under Transmittal No. 617 for effect September 28, 2005.

21. Contract Tariffs (Cont'd)

21.31 Contract Tariff Option 30 (Cont'd)

(F) Rates and Charges

The following rates and charges apply to the nodes, mileage, and ports that are installed coincident with the initial installation of service and associated with services under this Option 30. The rates and charges for all other rate elements associated with the services included in this Option 30, including those rate elements associated with services that connect to such OC48 DSR Service or OC192 DSR Service, are set forth in other sections of this tariff. (T)

Rate Element	USOC	Monthly Rate	Nonrecurring Charge
OC48 Enhanced Node, per enhanced node	-----	$3,222.80	None
OC192 Enhanced Node, per enhanced node	-----	6,440.00	None
Mileage,			
OC48 per mile between nodes	-----	447.30	None
OC192 per mile between nodes	-----	895.30	None
Ports, per port			
DS1	-----	22.40	None
DS3	-----	92.00	None
GigE1	-----	184.00	None
GigE3	-----	276.00	None

21. Contract Tariffs (Cont'd)

21.32 Contract Tariff Option 31

(A) Scope

(1) Contract Tariff Option 31 (Option 31) is offered to customers who already subscribe to Special Access Optical Carrier 12 Verizon Dedicated SONET Ring (**existing OC12 DSR**) under a commitment period that expired prior to September 28, 2005, and reuses the nodes from such OC12 DSR to establish a new Special Access Optical Carrier 12 DSR (**new OC12 DSR**) that is subscribed to this Option 31 in accordance with (B) through (F) following. (T) (T) (T) (T)

(2) The terms and conditions, regulations, and rates provided in this Section 21.31 apply to customers who order OC12 DSR as offered herein. (T)

(B) Eligibility

All of the following requirements must be met in order to be eligible for subscription to Option 31.

(1) The customer must already subscribe to existing OC12 DSR that utilizes nodes that are not enhanced. (T)

(2) The commitment period for the existing OC12 DSR must have expired prior to September 28, 2005. (T)

(3) The customer must subscribe to a new OC12 DSR in a full ring configuration under this Option 31 by submitting a written authorization in a manner designated by the Telephone Company during the subscription period which begins on September 28, 2005 and ends on December 31, 2005 (**Subscription Period**). (T)

(4) The customer must subscribe to this Option 31 for the service period set forth in (D) following.

(5) Except as otherwise allowed under (B)(6) following, each node of the new OC12 DSR must be a node that was reused from the existing OC12 DSR. When configuring the new OC12 DSR, the reused nodes must be located at the same customer designated premises and Telephone Company wire centers as they were located under the existing OC12 DSR configuration. (T) (T) (T)

(6) In addition to the reused nodes described in (B)(5) preceding, the customer must install one or two nodes at a customer designated premises or Telephone Company wire center that was not part of the configuration for the old OC12 DSR. However, such different customer designated premise or Telephone Company wire center must be within the Serving Area of this Option 31. (T)

(x) Original Page 21-256.1 inadvertently filed as Original Page 21-256 under Transmittal No. 617 on September 13, 2005

21. Contract Tariffs (Cont'd)

21.32 Contract Tariff Option 31 (Cont'd)

(C) Serving Area

(1) The serving area of Option 31 is comprised of the Phase II, Level 2 wire centers of the Metropolitan Statistical Area (**MSAs**) specified in Section 14.7 preceding of this tariff.

(2) Wire centers for the Phase II, Level 2 MSAs are listed in Section 14.7 preceding, as the same may be amended from time to time.

(3) Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in this tariff) that occur after September 28, 2005 do not apply.

(D) Service Period

The service period for this Option 31 is one (1) year and commences with the date that the new OC12 DSR is available for use by the (T)
customer.

(E) Terms and Conditions

(1) Except as set forth in this Section 21.31, the terms and conditions and application of rates and charges as set forth in Section 23.1 (T)
following apply to the new OC12 DSR and to any service connected to (T)
such new OC12 DSR. (T)

(2) Each OC12 node must be located at a customer designated premises or a Telephone Company wire center that is within the Serving Area of this Option 31.

(3) The rate elements to be included in the 1-year service period of this Option 31 include only the nodes and mileage around the circumference of the new OC12 DSR. All ports on the new OC12 DSR (T)
must be ordered on monthly terms in accordance with Section 23.1 (T)
following. (T)

(4) When a node is installed in accordance with (B)(6) preceding, a Subsequent Installation Nonrecurring Charge as specified in Section 23.1 following applies. Such nonrecurring charge is set forth in (T)
Section 23.1 following (as determined in accordance with Section (T)
14.7 preceding).

(5) The new OC12 DSR may be configured with OC3 nodes that subtend the (T)
OC12 nodes or with an OC3 ring-on-ring configuration. In either case, the OC3 nodes are subject to the rates and charges set forth in (F) following.

21. Contract Tariffs (Cont'd)

21.32 Contract Tariff Option 31 (Cont'd)

(E) Terms and Conditions (Cont'd)

(6) Minimum Period

(a) The minimum period for the new OC12 DSR under this Option 31 is one year. In the event that the new OC12 DSR is discontinued prior to the end of the minimum period, the minimum period obligation for this Option 31 are satisfied through the application of a termination liability charge as determined in (E)(8) following. However, the customer remains responsible for satisfying any outstanding minimum period obligations on other rate elements purchased under Section 23.1 following and to any other services connected to the new OC12 DSR as purchased under other sections of this tariff. (T)

(b) When calculating any minimum period charges or cancellation charges as they apply under other sections of this tariff, the rates set forth in Section 23.1 following (as determined in accordance with Section 14.7 preceding) are used in lieu of the rates set forth in (F) following. (T)

(7) Except as set forth in this Option 31, 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 OC12 DSR of this Option 31. (T)

(8) Termination Liability

(a) If the new OC12 DSR under this Option 31 is discontinued prior to the end of the Service Period specified in (D) preceding, termination liability applies. Termination liability is calculated at one hundred percent (100%) of the monthly recurring charges for the node rate elements for the balance of the Service Period. (T)

(b) When applicable, the termination liability charge under this Option 31 is calculated using the rates set forth in (F) following.

(c) The customer remains responsible for satisfying any termination liability as it may apply to other rate elements purchased under Section 23.1 following and to any other services connected to the new OC12 DSR as purchased under other sections of this tariff. Such termination liability is calculated using the rates set forth in Section 23.1 following (as determined in accordance with Section 14.7 preceding). (T)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.32 Contract Tariff Option 31 (Cont'd)

(E) Terms and Conditions (Cont'd)

(9) Expiration of Service Period

Upon completion of the Service Period for this Option 31, 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 service on a month-to-month basis at the rates for the 5-year term plan set forth in Section 23.1 (T)
following (as determined in accordance with Section 14.7 (T)
preceding).

(d) In the event that the customer does not make an election of (a) through (c) preceding, the customer's subscription to the new OC48 DSR will continue in accordance with (c) preceding. (T)

21. Contract Tariffs (Cont'd)

21.32 Contract Tariff Option 31 (Cont'd)

(F) Rates and Charges

(1) The following rates and charges apply to the node and mileage rate elements of this Option 31. The rates and charges for all other rate elements associated with the new OC12 DSR, including those rate (T) elements associated with services that connect to such new OC12 DSR, (T) are set forth in other sections of this tariff

(a) Monthly Rates

Rate Element	USOC	Monthly Rate
OC12 Node, per node	-----	$2,238.00
OC3 Node, per node	-----	1,290.00
Mileage, OC12 per mile between OC12 nodes	-----	359.00

(b) Nonrecurring Charges

	Nonrecurring Charge	
OC12 or OC3 Node, per node reused	None	
OC12 or OC3 Node, per node installed at or moved to a new location	See Section 23.1 following	(T)

21. Contract Tariffs (Cont'd)

21.33 Contract Tariff Option 32 (S)(x)

(A) Scope

(1) Contract Tariff Option 32 (Option 32) provides discounted monthly rates to customers who convert an existing Special Access Verizon Dedicated SONET Ring as defined in (2) following (**existing DSR**) to a new Special Access IntelliLight® Verizon Dedicated SONET Ring (**new DSR**) in accordance with the requirements set forth in (B) through (F) following. (S)(x) (T)(y) (T)(y) (T)(y) (T)(y) (S)(x)

(2) An existing DSR at Optical Carrier 12 (OC12), 48 (OC48) or 192 (OC192) under Section 23.1 following that utilizes nodes that are not enhanced and has been in-service under its current term plan for at least the duration specified in (B)(7) following may convert to this Option 32 when the requirements and eligibility set forth herein are met. (T)(y) (T)(y) (S)(x)

(3) The terms and conditions, regulations and rates provided in this Section 21.33 apply to customers who convert to a new DSR as offered herein. (S)(x) (T)(y) (S)(x)

(B) Eligibility

All of the following requirements must be met in order to be eligible for subscription to Option 32.

(1) A customer must subscribe to Option 32 by submitting a written authorization in a manner designated by the Telephone Company during the subscription period which begins on November 4, 2005 and ends on December 30, 2005 (**Subscription Period**).

(2) A customer must subscribe to Option 32 for the service period set forth in (D) following. (S)(x)

(3) A customer must convert, in accordance with this Option 32, an existing DSR under Section 23.1 following to a new DSR under this Option 32. The existing DSR under Section 23.1 following must be configured with nodes that are not enhanced and the new DSR must be equipped with nodes that are enhanced. Enhanced nodes for DSR are described in Section 23.1 following. (T)(y) (T)(y)

(y) Issued under authority of Special Permission No. 05-056 of the Federal Communications Commission

(x) Reissued material filed under Transmittal No. 633 and effective November 4, 2005

21. Contract Tariffs (Cont'd)

21.33 Contract Tariff Option 32 (Cont'd) (S)(x)

(B) Eligibility (Cont'd) (S)(x)

(4) Except as allowed under (B)(7) following, the new DSR can not be an existing DSR that was disconnected from another contract tariff option or discount plan in order to subscribe that DSR to this Option 32. (T)(y) (S)(x)

(5) A customer may not concurrently subscribe the new DSR to any other contract tariff option in this Section 21 during its subscription to this Option 32. (T)(y) (S)(x)

(6) The new DSR must be the same optical carrier rate as the existing DSR. For example, an existing OC12 DSR can only be converted to a new OC12 DSR under this Option 32. (T)(y)

(7) The new DSR must be configured with at least the same number of nodes as the existing DSR.

(a) If the new DSR is configured with more nodes than the existing DSR, the existing DSR must have been in-service under its current term plan for at least twenty-four (24) months as of December 30, 2005, regardless of the number of months in the existing DSR term plan. (T)(y) (S)(x) (T)(y)

(b) If the new DSR is configured with the same number of nodes as the existing DSR, the existing DSR must have been in-service under it current term plan as of December 30, 2005 as follows: (T)(y) (S)(x)

Existing Term Plan	Minimum Number of Months In-Service
3-Year	24 Months
5-Year	36 Months
7-Year	48 Months

(S)(x)

(8) At least one of the premises enhanced nodes on the new DSR must be located at the same customer designated premises as a premises node on the existing DSR, and at least one of the central office enhanced nodes on the new DSR must be located at the same central office as a central office node on the existing DSR. All nodes on the new DSR must be located within the Serving Area of this Option 32. (T)(y) (S)(x) (T)(y) (T)(y) (T)(y) (S)(x)

(9) The new DSR must include at least two (2) ports capable of transmitting Ethernet signals. (T)(y) (S)(x)

(y) Issued under authority of Special Permission No. 05-056 of the Federal Communications Commission

(x) Reissued material filed under Transmittal No. 633 and effective November 4, 2005

21. Contract Tariffs (Cont'd)

21.33 Contract Tariff Option 32 (Cont'd) (S)(x)

(C) Serving Area

(1) The serving area of Option 32 is comprised of the Phase I and Phase II Metropolitan Statistical Areas (MSAs) of this tariff. Phase II MSAs are listed in Section 14.7 preceding.

(2) Wire centers for the Phase II MSAs are listed in Section 14.7 preceding, as the same may be amended from time to time.

(3) Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in this tariff) that occur during the Service Period of this Option 32 will apply.

(D) Service Period (S)(x)

(1) The service period for the enhanced nodes and mileage of the new DSR (T)(y) ordered under this Option 32 is thirty-eight (38) months for a 3- (S)(x) year term plan, sixty-two (62) months for a 5-year term plan, or eighty-six (86) months for a 7-year term plan. The selected 38 month, 62 month or 86 month service period is that period of time during which the rates set forth in (F) following apply and during which the customer is subject to termination liability for early discontinuance of service under this Option 32. The selected service period applies in lieu of the commitment period for the term (S)(x) plan specified in Section 23.1 following for the 3-year term plan, (T)(y) the 5-year term plan or the 7-year term plan, respectively. The (S)(x) number of months of the service period under this Option 32 includes two (2) months during which transitional billing credit as described in (E)(6) following applies. The service period commences with the (S)(x) date that the new DSR is available for use by the customer and ends (T)(y) 38 months, 62 months or 86 months later based on the term plan (S)(x) selected (**Service Period**). (S)(x)

(2) The term plan for each port or optional feature on the new DSR (T)(y) Service that is ordered with the initial installation of service (S)(x) shall commence with the installation of the port or optional feature and end on the same date on which the Service Period for the enhanced nodes and mileage under (D)(1) preceding ends. Except as (S)(x) set forth in this (D)(2), ports and optional features for DSR are (T)(y) offered under terms and conditions and rates set forth in Section (S)(x) 23.1 following. (T)(y)

(y) Issued under authority of Special Permission No. 05-056 of the Federal Communications Commission

(x) Reissued material filed under Transmittal No. 633 and effective November 4, 2005

21. Contract Tariffs (Cont'd)

21.33 Contract Tariff Option 32 (Cont'd) (S)(x)

(D) Service Period (Cont'd)

(3) The term plan for each port or optional feature added subsequent to the initial installation of service is subject to the terms and conditions set forth in Section 23.1 following, except that the service period selected in (D)(1) preceding shall apply in lieu of the commitment period for the term plan specified in Section 23.1 following. The expiration date of the service period for such port or optional feature will be coterminous with the expiration date of the Service Period for the enhanced nodes and mileage under (D)(1) preceding when such ports or optional features are added prior to completion of the twenty-first (21^{st}) month of the Service Period for a 3-Year term, the thirty-sixth (36^{th}) month of the Service Period for a 5-Year term, or the fiftieth (50^{th}) month of the Service Period for a 7-Year term. Ports or optional features added after the aforementioned periods are subject to month-to-month billing terms as described in Section 23.1 following. (S)(x) (T)(y) (S)(x) (T)(y) (T)(y) (S)(x) (S)(x) (T)(y)

(E) Terms and Conditions (S)(x)

(1) Except as set forth in this Section 21.33, the terms and conditions (e.g., additions of nodes) and application of rates and charges as set forth in Section 23.1 following apply to the new DSR and to any service(s) connected to such new DSR. (S)(x) (T)(y) (T)(y)

(2) The rates and charges set forth in (F) following for the node and mileage rate elements apply for nodes and mileage that are ordered during the subscription period specified in (B)(1) preceding. Nodes and mileage added after the end of the subscription period are subject to the rates and charges set forth in Section 23.1 following (as determined in accordance with Section 14.7 preceding). (S)(x) (S)(x) (T)(y) (S)(x)

(3) A new term plan and corresponding service period shall commence on the date that the new DSR is available for use by the customer. The customer may select any term plan offered, provided that the corresponding Service Period is equal to, or longer than, the number of months remaining in the term plan of the existing DSR. For example, if the existing DSR term plan is 7-Years and there are 48 months remaining to the end of that term plan, the customer may only select a 5-Year or a 7-Year term plan under this Option 32 for the new DSR. Additionally, no time-in-service credit will be applied for the period of time that the existing DSR was in-service under its current term plan. (S)(x) (T)(y) (S)(x) (S)(x) (T)(y) (T)(y) (S)(x) (S)(x) (T)(y) (T)(y) (S)(x)

(4) Except as set forth in this Option 32, 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 DSR included in this Option 32. (S)(x) (T)(y)

(y) Issued under authority of Special Permission No. 05-056 of the Federal Communications Commission
(x) Reissued material filed under Transmittal No. 633 and effective November 4, 2005

21. Contract Tariffs (Cont'd)

21.33 Contract Tariff Option 32 (Cont'd) (S)(x)

(E) Terms and Conditions (Cont'd) (S)(x)

(5) The conversion from the existing DSR to the new DSR is complete when all circuits on the existing DSR are disconnected from the existing DSR and are installed and operational on the new DSR, and the existing DSR is disconnected. (T)(y)

(6) Transitional Billing Credit (S)(x)

(a) Upon completion of the conversion and regardless of the time taken to complete the conversion, the customer will receive two (2) months of transitional billing credit for a conversion to new DSR under this Option 32. (S)(x) (T)(y)

(b) Transitional billing credit is applied at fifty percent (50%) of the monthly recurring charges for 2 months for the node and mileage rate elements on the existing DSR, as applicable, and 50% of the monthly recurring charges for 2 months for the enhanced node and mileage rate elements on the new DSR. (S)(x) (T)(y)

(7) Termination Liability (S)(x)

(a) Termination liability does not apply to discontinuance of the existing DSR when the terms and conditions set forth in this Option 32 are met. (S)(x) (T)(y)

(b) Termination liability does apply if the new DSR under this Option 32 is discontinued prior to the end of the Service Period. Termination liability is subject to the terms and conditions set forth in Section 23.1 following. (T)(y) (S)(x)

(c) When calculating any termination liability charge under this Option 32, the 3-year, 5-year or 7-year term plan rates set forth in Section 7.5.19 preceding (as determined in accordance with Section 14.7 preceding) are used. These rates apply in lieu of the 38 month, 62 month or 86 month service period rates set forth in (F) following. (S)(x)

(8) When calculating any minimum period charges or cancellation charges as they apply under other sections of this tariff, the 3-year, 5-year or 7-year term plan rates set forth in Section 23.1 following (as determined in accordance with Section 14.7 preceding) are used. These rates apply in lieu of the 38 month, 62 month or 86 month service period rates set forth in (F) following. (S)(x) (T)(y)

(y) Issued under authority of Special Permission No. 05-056 of the Federal Communications Commission

(x) Reissued material filed under Transmittal No. 633 and effective November 4, 2005

21. Contract Tariffs (Cont'd)

21.33 Contract Tariff Option 32 (Cont'd) (S)(x)

(E) Terms and Conditions (Cont'd)

(9) Expiration of Service Period

Upon completion of the Service Period for this Option 32, 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 service on a monthly basis at the applicable 3-Year, 5-Year or 7-Year term plan rates and charges set forth in Section 23.1 following (as determined in accordance with Section 14.7 preceding). (S)(x) (T)(y) (S)(x)

(d) In the event that the customer does not make an election of (a) through (c) preceding, the customer's subscription to the new DSR will continue in accordance with (c) preceding. (S)(x) (T)(y) (S)(x)

(y) Issued under authority of Special Permission No. 05-056 of the Federal Communications Commission

(x) Reissued material filed under Transmittal No. 633 and effective November 4, 2005

21. Contract Tariffs (Cont'd)

21.33 Contract Tariff Option 32 (Cont'd) (S)(x)

(F) Rates and Charges

The following rates and charges apply to the enhanced nodes and mileage of the new DSR when ordered at anytime up to the end of the subscription period. The rates and charges for nodes and mileage ordered after the end of the subscription period, and for all other rate elements associated with the new DSR (e.g., ports, CSM optional feature), including those rate elements associated with services that connect to such new DSR, are set forth in other sections of this tariff. (S)(x) (T)(y) (S)(x) (S)(x) (T)(y) (S)(x) (T)(y) (S)(x)

Rate Element	USOC	Monthly Rate	Nonrecurring Charge
OC12 Enhanced Node, per enhanced node			
38 Month Service Period	-----	$ 4,860.00	None
62 Month Service Period	-----	2,430.00	None
86 Month Service Period	-----	2,308.50	None
OC48 Enhanced Node, per enhanced node			
38 Month Service Period	-----	$10,658.00	None
62 Month Service Period	-----	4,143.60	None
86 Month Service Period	-----	3,935.85	None
OC192 Enhanced Node, per enhanced node			
38 Month Service Period	-----	$16,560.00	None
62 Month Service Period	-----	8,280.00	None
86 Month Service Period	-----	7,866.00	None
OC12 Mileage, per mile			
38 Month Service Period	-----	$ 671.00	None
62 Month Service Period	-----	323.10	None
86 Month Service Period	-----	323.95	None
OC48 Mileage, per mile			
38 Month Service Period	-----	$ 1,279.00	None
62 Month Service Period	-----	575.10	None
86 Month Service Period	-----	576.65	None
OC192 Mileage, per mile			
38 Month Service Period	-----	$ 2,559.00	None
62 Month Service Period	-----	1,151.10	None
86 Month Service Period	-----	1,154.25	None (S)(x)

(y) Issued under authority of Special Permission No. 05-056 of the Federal Communications Commission
(x) Reissued material filed under Transmittal No. 633 and effective November 4, 2005

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.34 Contract Tariff Option 33 (N)

(A) Scope

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

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

(a) Customer orders a new IBT (point-to-point or multiplexed) during the subscription period set forth in (B)(1) following (**new IBT**). Except as allowed under (B)(4)(b) following, a new IBT can not be a point-to-point IBT or a multiplexed IBT 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 IBT to a point-to-point or multiplexed IBT of a greater capacity (e.g., an upgrade of an OC3 IBT to an OC12 IBT) (**upgrade of IBT**). 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 IBT or an existing multiplexed IBT, in each case, where the term plan is scheduled to expire prior to December 31, 2006 (**renewal of IBT**). 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 IBT term plan, no other changes may be made to the IBT 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 21.34 apply to customers who order a new IBT, an upgrade of IBT, or a renewal of IBT as offered herein. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.34 Contract Tariff Option 33 (Cont'd) (N)

(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 IBT, an upgrade of IBT, or a renewal of IBT as defined in (A)(2) preceding and in accordance with this Option 33.

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

(a) must be a greater capacity than the IBT being replaced (e.g., replacing an OC12 IBT with an OC48 IBT); 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 IBT. For example, a point-to-point IBT under a 5-year term plan with 40 months remaining in the commitment period can only upgrade to IBT with a 5-year Service Period; and
(c) must have at least one location that was part of the service configuration of the replaced IBT.

(4) A customer may not subscribe IBT 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 IBT under this Option 33 may concurrently subscribe that IBT 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.

(b) A customer who subscribes its IBT to Option 29 preceding may either continue with its subscription to Option 29 for IBT services or may subscribe a new IBT, an upgrade of an IBT, or a renewal of IBT to this Option 33 if such services are ordered, upgraded, or renewed during the Subscription Period set forth in (B)(1) preceding. In no case can the same IBT be subscribed to both Option 29 and to this Option 33, and in no case will the Option 29 discount and the Option 33 discount be applied to the same IBT. Any IBT purchased prior to the December 27, 2005 under Option 29 preceding shall not be eligible to be subscribed to this Option 33, unless such IBT is renewed or upgraded in accordance with the terms of this Option 33. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.34 Contract Tariff Option 33 (Cont'd) (N)

(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 14.7 preceding.

(2) Wire centers for the Phase II MSAs are listed in Section 14.7 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 IBT 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 IBT, an upgrade of IBT, or a renewal of IBT 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 IBT or multiplexed IBT service from those offered under Section 8.2(C)(1) preceding. The term periods under Section 8.2(C)(1) preceding for IBT 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 IBT is a minimum of twelve (12) months. The customer may continue its subscription to this Option 33 until the IBT is disconnected or until the first bill period following December 31, 2016, whichever occurs first.

(2) The selected Service Period for a new IBT or an upgrade of IBT under this Option 33 commences with the date that billing for the new IBT or upgrade of IBT commences. The selected service period for a renewal of IBT 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 an IBT 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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.34 Contract Tariff Option 33 (Cont'd) (N)

(E) Terms and Conditions

(1) Except as set forth in this Section 21.34, the terms and conditions and application of rates and charges as set forth in Section 8.2 preceding apply to the new IBT, an upgrade of IBT, or a renewal of IBT.

(2) The rates for IBT 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 IBTs that are ordered as new, as an upgrade of IBT, or as a renewal of IBT during the subscription period of this Option 33 will receive the rates set forth in (F) following. IBTs 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 IBTs are subject to the rates and charges set forth in Section 8.2(E) preceding (as determined in accordance with Section 14.7 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 IBT, the upgrade of IBT, or the renewal of IBT subscribed to this Option 33 and to any other service connected to such IBT.

(4) For customers who subscribe IBT 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 IBT or multiplexed IBT service. (N)

21. Contract Tariffs (Cont'd)

21.34 Contract Tariff Option 33 (Cont'd) (N)

(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 IBT, an upgrade of IBT, or a renewal of IBT 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 14.7 preceding).

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

Minimum period charges apply to a new IBT, an upgrade of IBT, or a renewal of IBT when such IBT 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 14.7 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 IBT, the upgrade of IBT or the renewal of IBT 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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.34 Contract Tariff Option 33 (Cont'd) (N)

(F) Rates and Charges

The following rates will be applied to a new IBT, an upgrade of IBT, or a renewal of IBT 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 IBT after the end of the Service Period or Extended Service Period, as applicable, and for any other rate not shown, whether for the IBT or for a service connected to such IBT, 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 - New York NY MSA		
Month-to-Month	$3,218.00	$1.00
3-Year	2,328.00	1.00
5-Year	2,240.00	1.00
Basic - All Other MSAs		
Month-to-Month	3,678.00	1.00
3-Year	2,660.00	1.00
5-Year	2,560.00	1.00
W/FPD - New York NY MSA		
Month-to-Month	3,605.00	1.00
3-Year	2,660.00	1.00
5-Year	2,590.00	1.00
W/FPD - All Other MSAs		
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 - New York NY MSA		
Month-to-Month	$6,860.00	$2.00
3-Year	4,571.00	2.00
5-Year	3,150.00	2.00
Basic - All Other MSAs		
Month-to-Month	7,840.00	2.00
3-Year	5,224.00	2.00
5-Year	3,600.00	2.00
W/FPD - New York NY MSA		
Month-to-Month	7,350.00	2.00
3-Year	5,096.00	2.00
5-Year	3,465.00	2.00
W/FPD - All Other MSAs		
Month-to-Month	8,400.00	2.00
3-Year	5,824.00	2.00
5-Year	3,960.00	2.00

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.34 Contract Tariff Option 33 (Cont'd) (N)

(F) Rates and Charges (Cont'd)

(1) Special Access Terminations (Cont'd), each

	Monthly Rates	Nonrecurring Charges
OC48/OC48c		
Basic - New York NY MSA		
Month-to-Month	$ 7,700.00	$3.00
3-Year	5,250.00	3.00
5-Year	4,445.00	3.00
Basic - All Other MSAs		
Month-to-Month	8,800.00	3.00
3-Year	6,000.00	3.00
5-Year	5,080.00	3.00
W/FPD - New York NY MSA		
Month-to-Month	8,295.00	3.00
3-Year	5,807.00	3.00
5-Year	4,890.00	3.00
W/FPD - All Other MSAs		
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 - New York NY MSA		
Month-to-Month	$17,600.00	$4.00
3-Year	11,200.00	4.00
5-Year	8,800.00	4.00
Basic - All Other MSAs		
Month-to-Month	19,800.00	4.00
3-Year	12,600.00	4.00
5-Year	9,900.00	4.00
W/FPD - New York NY MSA		
Month-to-Month	18,960.00	4.00
3-Year	13,520.00	4.00
5-Year	9,480.00	4.00
W/FPD - All Other MSAs		
Month-to-Month	21,330.00	4.00
3-Year	15,210.00	4.00
5-Year	10,665.00	4.00

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.34 Contract Tariff Option 33 (Cont'd) (N)

(F) Rates and Charges (Cont'd)

(2) Special Access Ports*, per Termination

	Monthly Rates	Nonrecurring Charges
OC3		
2 Fiber – New York NY MSA		
Month-to-Month	$142.00	$1.00
3-Year	127.00	1.00
5-Year	96.00	1.00
2 Fiber – All Other MSAs		
Month-to-Month	170.00	1.00
3-Year	150.00	1.00
5-Year	112.00	1.00
4 Fiber 1 + 1 – New York NY MSA		
Month-to-Month	263.00	1.00
3-Year	248.00	1.00
5-Year	180.00	1.00
4 Fiber 1 + 1 – All Other MSAs		
Month-to-Month	315.00	1.00
3-Year	293.00	1.00
5-Year	210.00	1.00
OC3c or STM1		
2 Fiber – New York NY MSA		
Month-to-Month	$168.00	$1.00
3-Year	156.00	1.00
5-Year	108.00	1.00
2 Fiber – All Other MSAs		
Month-to-Month	202.00	1.00
3-Year	182.00	1.00
5-Year	126.00	1.00
4 Fiber 1 + 1 – New York NY MSA		
Month-to-Month	315.00	1.00
3-Year	288.00	1.00
5-Year	192.00	1.00
4 Fiber 1 + 1 – All Other MSAs		
Month-to-Month	378.00	1.00
3-Year	336.00	1.00
5-Year	224.00	1.00

(N)

* Excludes multiplexing option low speed ports. See (F)(4)(b) following for Option 33 rates applicable to low speed ports. (N)
(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.34 Contract Tariff Option 33 (Cont'd) (N)

(F) Rates and Charges (Cont'd)

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

	Monthly Rates	Nonrecurring Charges
OC12		
2 Fiber – New York NY MSA		
Month-to-Month	$315.00	$2.00
3-Year	276.00	2.00
5-Year	192.00	2.00
2 Fiber – All Other MSAs		
Month-to-Month	378.00	2.00
3-Year	322.00	2.00
5-Year	224.00	2.00
4 Fiber 1 + 1 – New York NY MSA		
Month-to-Month	600.00	2.00
3-Year	540.00	2.00
5-Year	360.00	2.00
4 Fiber 1 + 1 – All Other MSAs		
Month-to-Month	720.00	2.00
3-Year	630.00	2.00
5-Year	420.00	2.00
OC12c		
2 Fiber – New York NY MSA		
Month-to-Month	$365.00	$2.00
3-Year	288.00	2.00
5-Year	216.00	2.00
2 Fiber – All Other MSAs		
Month-to-Month	438.00	2.00
3-Year	336.00	2.00
5-Year	252.00	2.00
4 Fiber 1 + 1 – New York NY MSA		
Month-to-Month	700.00	2.00
3-Year	558.00	2.00
5-Year	390.00	2.00
4 Fiber 1 + 1 – All Other MSAs		
Month-to-Month	840.00	2.00
3-Year	651.00	2.00
5-Year	455.00	2.00

(N)

* Excludes multiplexing option low speed ports. See (F)(4)(b) following for Option 33 rates applicable to low speed ports. (N)
(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.34 Contract Tariff Option 33 (Cont'd) (N)

(F) Rates and Charges (Cont'd)

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

	Monthly Rates	Nonrecurring Charges
OC48		
2 Fiber – New York NY MSA		
Month-to-Month	$ 525.00	$3.00
3-Year	495.00	3.00
5-Year	360.00	3.00
2 Fiber – All Other MSAs		
Month-to-Month	630.00	3.00
3-Year	585.00	3.00
5-Year	420.00	3.00
4 Fiber 1 + 1 – New York NY MSA		
Month-to-Month	1,050.00	3.00
3-Year	990.00	3.00
5-Year	720.00	3.00
4 Fiber 1 + 1 – All Other MSAs		
Month-to-Month	1,260.00	3.00
3-Year	1,170.00	3.00
5-Year	840.00	3.00
OC48c		
2 Fiber – New York NY MSA		
Month-to-Month	$ 550.00	$3.00
3-Year	523.00	3.00
5-Year	390.00	3.00
2 Fiber – All Other MSAs		
Month-to-Month	660.00	3.00
3-Year	618.00	3.00
5-Year	455.00	3.00
4 Fiber 1 + 1 – New York NY MSA		
Month-to-Month	1,100.00	3.00
3-Year	1,045.00	3.00
5-Year	600.00	3.00
4 Fiber 1 + 1 – All Other MSAs		
Month-to-Month	1,320.00	3.00
3-Year	1,235.00	3.00
5-Year	600.00	3.00

(N)

* Excludes multiplexing option low speed ports. See (F)(4)(b) following for Option 33 rates applicable to low speed ports. (N)
(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.34 Contract Tariff Option 33 (Cont'd) (N)

(F) Rates and Charges (Cont'd)

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

	Monthly Rates	Nonrecurring Charges
OC192		
2 Fiber – New York NY MSA		
Month-to-Month	$2,000.00	$1.00
3-Year	1,680.00	1.00
5-Year	1,440.00	1.00
2 Fiber – All Other MSAs		
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 – New York NY MSA		
Month-to-Month	4,000.00	1.00
3-Year	3,360.00	1.00
5-Year	2,880.00	1.00
4 Fiber 1 + 1 – All Other MSAs		
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 – New York NY MSA		
Month-to-Month	$2,160.00	$1.00
3-Year	1,840.00	1.00
5-Year	1,600.00	1.00
2 Fiber – All Other MSAs		
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 – New York NY MSA		
Month-to-Month	4,160.00	1.00
3-Year	3,520.00	1.00
5-Year	3,040.00	1.00
4 Fiber 1 + 1 – All Other MSAs		
Month-to-Month	4,680.00	1.00
3-Year	3,960.00	1.00
5-Year	3,420.00	1.00

(N)

* Excludes multiplexing option low speed ports. See (F)(4)(b) following for Option 33 rates applicable to low speed ports. (N)
(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.34 Contract Tariff Option 33 (Cont'd) (N)

(F) Rates and Charges (Cont'd)

(3) Special Access IOF Mileage

	Monthly Rates Fixed	Monthly Rates Per Mile
OC3/OC3c or STM1		
New York NY MSA		
Basic Month-to-Month	$1,313.00	$231.00
Basic 3-Year	1,271.00	194.00
Basic 5-Year	1,140.00	107.00
All other MSAs		
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
New York NY MSA		
W/FPD Month-to-Month	1,313.00	243.00
W/FPD 3-Year	1,271.00	208.00
W/FPD 5-Year	1,140.00	119.00
All other MSAs		
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		
New York NY MSA		
Basic Month-to-Month	$3,000.00	$580.00
Basic 3-Year	2,750.00	540.00
Basic 5-Year	2,100.00	270.00
All other MSAs		
Month-to-Month	3,600.00	696.00
3-Year	3,500.00	630.00
5-Year	2,450.00	315.00
New York NY MSA		
W/FPD Month-to-Month	3,000.00	738.00
W/FPD 3-Year	2,750.00	696.00
W/FPD 5-Year	2,100.00	315.00
All other MSAs		
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

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.34 Contract Tariff Option 33 (Cont'd) (N)

(F) Rates and Charges (Cont'd)

(3) Special Access IOF Mileage (Cont'd)

	Monthly Rates Fixed	Monthly Rates Per Mile
OC48/OC48c		
New York NY MSA		
Basic Month-to-Month	$5,445.00	$1,475.00
Basic 3-Year	5,157.00	1,410.00
Basic 5-Year	3,780.00	813.00
All other MSAs		
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
New York NY MSA		
W/FPD Month-to-Month	5,445.00	1,625.00
W/FPD 3-Year	5,157.00	1,560.00
W/FPD 5-Year	3,780.00	897.00
All other MSAs		
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		
New York NY MSA		
Basic Month-to-Month	$12,720.00	$2,360.00
Basic 3-Year	10,400.00	1,880.00
Basic 5-Year	8,625.00	1,000.00
All other MSAs		
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
New York NY MSA		
W/FPD Month-to-Month	12,720.00	2,600.00
W/FPD 3-Year	10,400.00	2,080.00
W/FPD 5-Year	8,625.00	1,104.00
All other MSAs		
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

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.34 Contract Tariff Option 33 (Cont'd) (N)

(F) Rates and Charges (Cont'd)

(4) Special Access Multiplexing Capability

(a) Per Arrangement

	Monthly Rates	Nonrecurring Charges
OC3 Multiplexer		
Month-to-Month New York MSA	$1,114.00	$1,599.00
3-Year New York MSA	1,055.00	1,599.00
5-Year New York MSA	774.00	1,599.00
Month-to-Month All Other MSAs	1,337.00	1,599.00
3-Year All Other MSAs	1,231.00	1,599.00
5-Year All Other MSAs	903.00	1,599.00
OC12 Multiplexer		
Month-to-Month New York MSA	1,972.00	1,599.00
3-Year New York MSA	1,855.00	1,599.00
5-Year New York MSA	1,343.00	1,599.00
Month-to-Month All Other MSAs	2,366.00	1,599.00
3-Year All Other MSAs	2,164.00	1,599.00
5-Year All Other MSAs	1,567.00	1,599.00
OC48 Multiplexer		
Month-to-Month New York MSA	5,329.00	1,599.00
3-Year New York MSA	4,579.00	1,599.00
5-Year New York MSA	2,762.00	1,599.00
Month-to-Month All Other MSAs	6,395.00	1,599.00
3-Year All Other MSAs	5,342.00	1,599.00
5-Year All Other MSAs	2,993.00	1,599.00

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.34 Contract Tariff Option 33 (Cont'd) (N)

(F) Rates and Charges (Cont'd)

(4) Special Access Multiplexing Capability (Cont'd)

(b) Low Speed Ports*, per port

	Monthly Rates	Nonrecurring Charges
OC3		
2 Fiber – New York NY MSA		
Month-to-Month	$142.00	$1.00
3-Year	127.00	1.00
5-Year	96.00	1.00
2 Fiber – All Other MSAs		
Month-to-Month	170.00	1.00
3-Year	150.00	1.00
5-Year	112.00	1.00
4 Fiber 1 + 1 – New York NY MSA		
Month-to-Month	263.00	1.00
3-Year	248.00	1.00
5-Year	180.00	1.00
4 Fiber 1 + 1 – All Other MSAs		
Month-to-Month	315.00	1.00
3-Year	293.00	1.00
5-Year	210.00	1.00
OC3c or STM1		
2 Fiber – New York NY MSA		
Month-to-Month	$168.00	$1.00
3-Year	156.00	1.00
5-Year	108.00	1.00
2 Fiber – All Other MSAs		
Month-to-Month	202.00	1.00
3-Year	182.00	1.00
5-Year	126.00	1.00
4 Fiber 1 + 1 – New York NY MSA		
Month-to-Month	315.00	1.00
3-Year	288.00	1.00
5-Year	192.00	1.00
4 Fiber 1 + 1 – All Other MSAs		
Month-to-Month	378.00	1.00
3-Year	336.00	1.00
5-Year	224.00	1.00

(N)

* DS1, DS3 and STS1 low speed ports are not applicable for the Option 33 discount. (N)
(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.34 Contract Tariff Option 33 (Cont'd) (N)

(F) Rates and Charges (Cont'd)

(4) Special Access Multiplexing Capability (Cont'd)

(b) Low Speed Ports* (Cont'd), per port

	Monthly Rates	Nonrecurring Charges
OC12		
2 Fiber - New York NY MSA		
Month-to-Month	$315.00	$2.00
3-Year	276.00	2.00
5-Year	192.00	2.00
2 Fiber - All Other MSAs		
Month-to-Month	378.00	2.00
3-Year	322.00	2.00
5-Year	224.00	2.00
4 Fiber 1 + 1 - New York NY MSA		
Month-to-Month	600.00	2.00
3-Year	540.00	2.00
5-Year	360.00	2.00
4 Fiber 1 + 1 - All Other MSAs		
Month-to-Month	720.00	2.00
3-Year	630.00	2.00
5-Year	420.00	2.00
OC12c		
2 Fiber - New York NY MSA		
Month-to-Month	$365.00	$2.00
3-Year	288.00	2.00
5-Year	216.00	2.00
2 Fiber - All Other MSAs		
Month-to-Month	438.00	2.00
3-Year	336.00	2.00
5-Year	252.00	2.00
4 Fiber 1 + 1 - New York NY MSA		
Month-to-Month	700.00	2.00
3-Year	558.00	2.00
5-Year	390.00	2.00
4 Fiber 1 + 1 - All Other MSAs		
Month-to-Month	840.00	2.00
3-Year	651.00	2.00
5-Year	455.00	2.00 (N)

* DS1, DS3 and STS1 low speed ports are not applicable for the Option 33 discount. (N)
(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.35 Contract Tariff Option 34 (N)

(A) Scope

(1) Contract Tariff Option 34 (**Option 34**) is an offering exclusively for customers who order a minimum of two (2) new Special Access Dedicated SONET Ring Services at Optical Carrier 48 (OC48), Optical Carrier 192 (OC192) or a combination of both (**new DSRs**). Option 34 provides discounted monthly rates for certain monthly rate elements for such new DSRs which are ordered in accordance with the requirements set forth in this Option 34 and which meet the requirements set forth herein.

(2) The terms and conditions, regulations, and rates provided in this Section 21.35 apply to customers who order new DSRs as offered herein.

(B) Eligibility

All of the following requirements must be met in order to be eligible for subscription to Option 34.

(1) A customer must subscribe to Option 34 by submitting a written authorization in a manner designated by the Telephone Company during the subscription period which begins on February 28, 2006 and ends on March 29, 2006 (**Subscription Period**).

(2) A customer must be ordering a minimum of two (2) new OC48 DSRs, a minimum of two (2) new OC192 DSRs, or a minimum of two (2) new DSRs that are a combination of OC48 and OC192 DSRs in accordance with this Option 34.

(3) Each of the new DSRs must be configured with a minimum of ten (10) enhanced nodes. Enhanced nodes are described in Section 23.1 following.

(4) The new DSRs must be located within the serving areas set forth in (C) following. (N)

21. Contract Tariffs (Cont'd)

21.35 Contract Tariff Option 34 (Cont'd) (N)

(C) Serving Area

(1) The serving area of Option 34 is comprised of the wire centers that are within the New York and New Jersey Corridor and within the New York NY Metropolitan Statistical Area (**MSA**).

The New York wire centers that are within the New York NY MSA are listed in Section 14.7 preceding, as the same may be amended from time to time.

(2) The following Telephone Company wire centers of the New York NY MSA comprise the geographic area of the New York and New Jersey Corridor:

New York Wire Centers

NYCKNY14	NYCMNY42	NYCQNYFR
NYCKNY71	NYCMNY50	NYCQNYHS
NYCKNY77	NYCMNY56	NYCQNYIA
NYCKNYAI	NYCMNY73	NYCQNYJA
NYCKNYAL	NYCMNY79	NYCQNYLI
NYCKNYAR	NYCMNY97	NYCQNYLN
NYCKNYAU	NYCMNYBS	NYCQNYNJ
NYCKNYAY	NYCMNYBW	NYCQNYNW
NYCKNYBR	NYCMNYCA	NYCQNYOP
NYCKNYBU	NYCMNYMN	NYCQNYRH
NYCKNYCL	NYCMNYPS	NYCRNYND
NYCKNYFA	NYCRNYNS	NYCRNYSS
NYCKNYFT	NYCMNYTH	NYCRNYWS
NYCKNYKP	NYCMNYVS	NYCXNYCI
NYCKNYLA	NYCMNYWA	NYCXNYCR
NYCKNYRA	NYCMNYWS	NYCXNYGC
NYCKNYTY	NYCMNYZO	NYCXNYHO
NYCKNYWM	NYCQNYAS	NYCXNYJE
NYCMNY13	NYCQNYBA	NYCXNYKB
NYCMNY18	NYCQNYBH	NYCXNYMH
NYCMNY30	NYCQNYCO	NYCXNYTB
NYCMNY36	NYCQNYFH	NYCXNYTR
NYCMNY37	NYCQNYFL	

(N)

21. Contract Tariffs (Cont'd)

21.35 Contract Tariff Option 34 (Cont'd) (N)

(C) Serving Area

(2) The following Telephone Company wire centers of the New York NY MSA comprise the geographic area of the New York and New Jersey Corridor: (Cont'd)

New Jersey Wire Centers

BYNNNJ02	JRCYNJBR	PSSCNJPS
BLVLNJBE	JRCYNJJO	PTSNNJAR
BLFDNJBL	KRNYNJKN	PLFDNJPF
CFTNNJCF	LNDNNJ01	RCPKNJ02
CLWLNJCW	LTFLNJLF	RGWDNJRW
CFPKNJCS	LTFYNJLF	RHWYNJRA
CLSTNJCO	LVTNNJLI	RMSYNJRM
CNFRNJCR	MLBNNJMB	RSLLNJRL
DUMTNJDM	MTCLNJMC	RVDLNJPL
ELZBNJEL	MTVWNJMV	RTFRNJRU
ENWDNJEN	NBRGNJNB	SORGNJSO
EORNNJEO	NWPVNJMH	UNCYNJ02
ERLKNJEL	NWRKNJ03	UNINNJUV
FRLNNJFL	NWRKNJIR	WMFRNJ01
FRFDNJFA	NWRKNJ02	WORNNJWO
FTLENJLE	NWRKNJWA	WSFDNJWS
HCKNNJHK	NFLDNJNF	WYCKNJWK
HLDNNJ01	NTLYNJNU	
HLDLNJWE	OKLDNJ01	
IVTNNJES	RVEDNJOR	

(3) Any additions of, or changes to, the wire centers within an MSA that occur during the Service Period of this Option 34 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 DSRs under this Option 34, 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. (N)

21. Contract Tariffs (Cont'd)

21.35 Contract Tariff Option 34 (Cont'd) (N)

(D) Service Period

(1) The service period for each of the new DSRs represents that period of time during which that new DSR is subscribed to under this Option 34 and during which the rates and charges set forth in (F) following apply. During the service period and subject to (E)(6)(b) following, the customer is subject to termination liability under (E)(7) following for early discontinuance of one or more of the DSRs subscribed to under this Option 34.

(a) Each DSR will have an initial service period of sixty-three (63) months (**Initial Service Period**).

(b) Up to two (2) extensions of the service period are permitted with each extension being twelve (12) months in duration thereby extending the service period to seventy-five (75) months (one extension) or eight-seven (87) months (two extensions) (**Extended Service Period**).

(2) Each new DSR under this Option 34 will have an Initial Service Period that commences with the date that billing for that new DSR commences and will continue for sixty-three (63) months unless otherwise extended under (D)(1)(b) preceding or converted under (E)(6)(b) following.

(3) The rates set forth in (F) following will apply during the Initial Service Period, and if applicable, during the Extended Service Period.

(E) Terms and Conditions

(1) Except as set forth in this Section 21.35, the terms and conditions and application of rates and charges as set forth in Section 23.1 following apply to the new DSR.

(2) The rates for new DSR subscribed to under this Option 34 are set forth in (F) following and will be applied for the duration of the Service Period specified in (D) preceding. Only those new DSRs that are ordered during the subscription period of this Option 34 will receive the rates set forth in (F) following. New DSRs ordered at any time prior to, or after, the subscription period of this Option 34 are not eligible for the rates set forth in (F) following. Such DSRs are subject to the 5-year term plan rates and charges set forth in Section 23.1 following (as determined in accordance with Section 14.7 preceding). (N)

21. Contract Tariffs (Cont'd)

21.35 Contract Tariff Option 34 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(3) Except as set forth in this Option 34, 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 DSR subscribed to under this Option 34 (e.g., the Customer Service Management optional feature) and to any other service connected to such new DSR.

(4) Minimum Service Period

The minimum service period for each DSR subscribed to under this Option 34 is twenty-four (24) months.

(5) Node Disconnections and Node Moves

(a) Upon completion of the minimum service period set forth in (E)(4) preceding of each DSR subscribed to under this Option 34, the customer may disconnect or move up to fifteen percent (15%) of the total number of nodes on all new DSRs that are subscribed to under this Option 34 without incurring termination liability as it applies under (E)(7) following. To determine the total number of nodes that can be disconnected or moved without termination liability, first sum the total number of nodes on each new DSR that is subscribed to under this Option 34 and then multiply by 15%. When the calculation results in a fraction of a node, round down to the nearest whole node. For example, if the customer subscribes 3 new DSRs to this Option 34 and each DSR is configured with ten (10) nodes for a total of thirty (30) nodes subscribed to under this Option 34, the customer may disconnect or move up to four (4) of the nodes (30 nodes multiplied by 15% equals 4.5 nodes which is then rounded down to 4 nodes that may be disconnected or moved) without the application of termination liability. Node moves are subject to a Subsequent Installation Nonrecurring Charges as described in Section 23.1(D)(5) following.

(b) Termination liability will apply to each additional node (i.e., those nodes in excess of 15%) that is disconnected or moved after satisfying the minimum service period set forth in (E)(4) preceding is satisfied.

(c) Termination liability will also apply to each node that is disconnected or moved prior to satisfying the minimum service period set forth in (E)(4) preceding. (N)

21. Contract Tariffs (Cont'd)

21.35 Contract Tariff Option 34 (Cont'd)

(E) Terms and Conditions (Cont'd)

(6) Subscription to Other Contract Tariff Options, Conversion to General Tariff, Conversion to Another Contract Tariff Option, or Conversion to Telephone Company Provided dedicated SONET ring service (C)

(a) Subscription to Other Contract Tariff Options

Except as allowed under (E)(6)(b) following, the customer may not subscribe new DSR under this Option 34 to any other Contract Tariff Option unless specifically allowed to do so under that other Contract Tariff Option.

(b) Conversion to General Tariff, Conversion to Another Contract Tariff Option, or Conversion to Telephone Company Provided dedicated SONET ring service (C)

(1) Upon completing the first thirty-six (36) months of the Initial Service Period, the customer may order conversion of a new DSR subscribed to under this Option 34 to general tariff rates and charges, may order conversion of a new DSR subscribed to under this Option 34 to any other Contract Tariff Option in this Section 21 for which the customer is eligible for subscription to that Contract Tariff Option, or may order conversion of a new DSR subscribed to under this Option 34 to a Telephone Company provided dedicated SONET ring service, subject to the following. (C)

(a) The conversion must be ordered during the period that begins the first day of month thirty-seven (37) of the Initial Service Period and ends the last day of month thirty-nine (39) of the Initial Service Period; and

(b) The customer must order DSR service under the general tariff's rates, terms and conditions set forth in Section 34 following and with an initial commitment period that expires later than the date on which the Initial Service Period under this Option 34 would have expired if service was not converted to general tariff; or

(c) The customer must order DSR service under another Contract Tariff Option in this Section 21, or must order Telephone Company provided dedicated SONET ring service, in each case at the rates, terms and conditions applicable to such service and with an initial commitment period that expires later than the date on which the Initial Service Period under this Option 34 would have expired if service was not converted to another Contract Tariff Option or Telephone Company provided dedicated SONET ring service; and (C)

(d) With the exception of conversion to general tariff, to another Contract Tariff Option, or to Telephone Company provided dedicated SONET ring service, no other changes may be made to the new DSR (e.g., addition of a node). (C)

21. Contract Tariffs (Cont'd)

21.35 Contract Tariff Option 34 (Cont'd)

(E) Terms and Conditions (Cont'd)

(6) Subscription to Other Contract Tariff Options, Conversion to General Tariff, Conversion to Another Contract Tariff Option, or Conversion to Telephone Company Provided dedicated SONET ring service (Cont'd) (C)

(b) Conversion to General Tariff, Conversion to Another Contract Tariff Option, or Conversion to Telephone Company Provided dedicated SONET ring service (Cont'd) (C)

(2) Upon conversion to general tariff, other Contract Tariff Option, or Telephone Company provided dedicated SONET ring service, the rates set forth in (F) following will cease and the customer's subscription of the DSR(s) under Option 34 is terminated. The elapsed portion of the Initial Service Period under this Option 34 will not be counted towards the commitment period selected under the general tariff, towards the service period of the other Contract Tariff Option, or towards the commitment period of the Telephone Company provided dedicated SONET ring service to which service is converted. Additionally, the rates applicable to the new general tariff, Contract Tariff Option, or Telephone Company provided dedicated SONET ring service, as applicable, will not apply retroactively to the service as it was provided under this Option 34. (C)

Certain material formerly appearing on this page now appears on Original Page 21-290.1.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.35 Contract Tariff Option 34 (Cont'd)

(E) Terms and Conditions (Cont'd)

(7) Termination Liability and Minimum Period Charges (M)

(a) Termination Liability

(1) Except as allowed under (E)(5)(a) or (E)(6) preceding, termination liability applies if a new DSR that is subscribed to under this Option 34 is discontinued prior to the end of the Initial Service Period. Termination liability is subject to the terms and conditions set forth in Section 23.1(E) following. Termination liability does not apply when service under this Option 34 is discontinued during the Extended Service Period.

(2) When calculating any termination liability charge under this Option 34, the rates set forth in (F) following are not used. Such termination liability will be calculated using the 5-year term plan rates set forth in Section 23.1 following (as determined in accordance with Section 14.7 preceding).

(b) Minimum Period Charges

Minimum period charges apply when a new DSR that is subscribed to under this Option 34 is disconnected or moved prior to the end of the first twenty-four (24) months of its Initial Service Period. When calculating any minimum period charges under this Option 34, the rates set forth in (F) following are not used. Such minimum period charges will be calculated using the 5-year term plan rates set forth in Section 23.1 following (as determined in accordance with Section 14.7 preceding).

(8) Shared Use as set forth in Section 5.2.8 preceding is allowed under this Option 34; however, only the Special Access portion of the new DSR is eligible for the rates set forth in (F) following. (M)

Certain material now appearing on this page formerly appeared on 2nd Revised Page 21-290.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.35 Contract Tariff Option 34 (Cont'd)

(E) Terms and Conditions (Cont'd)

(9) Expiration of Service Period

Upon completion of the Initial Service Period or Extended Service Period, as applicable, the customer may discontinue service under this Option 34 without termination liability. If the customer does not discontinue service, the service will continue at the 5-year term plan rates set forth in Section 23.1 following (as determined in accordance with Section 14.7 preceding) until such time as the customer either cancels service or subscribes to a new term plan, (C)
contract tariff option for which the customer is eligible, or other (C)
Telephone Company provided service. In all cases, the rates set (C)
forth in (F) following will cease upon expiration of the Initial Service Period or the Extended Service Period.

(F) Rates and Charges

The following rates will be applied to the new DSRs that are subscribed to under this Option 34. Such rates will continue through the end of the Initial Service Period selected by the customer or through the end of the Extended Service Period selected by the customer, as applicable. The rates and charges that apply to such new DSR after the end of the Initial Service Period or Extended Service Period, as applicable, and for any other rate not shown, whether for a new DSR or for a service connected to such new DSR, are the rates and charges set forth in other sections of this tariff.

	Monthly Rates	Nonrecurring Charges
(1) **Enhanced Nodes**, per node		
OC48 Enhanced Node	$2,946.56	None
OC192 Enhanced Node	5,888.00	None

	Monthly Rates
(2) **Mileage**, per mile	
OC48	$408.96
OC192	818.56

	Monthly Rates	Nonrecurring Charges
(3) **Ports**, per ports		
DS1 Port @ OC48 Node	$ 22.40	None
DS1 Port @ OC192 Node	22.40	None
DS3 Port @ OC48 Node	92.00	None
DS3 Port @ OC192 Node	92.00	None

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.36 Contract Tariff Option 35 (N)

(A) Scope

(1) Contract Tariff Option 35 (Option 35) provides discounted monthly rates to customers who order a minimum of six (6) Special Access Verizon Dedicated SONET Rings in partial ring or full ring configurations (**new DSRs**). The new DSRs may be newly installed services or may be other Special Access SONET, purchased under this tariff, under Tariff F.C.C. No. 11, under Tariff F.C.C. No. 14, or (x) under any combination of the three tariffs (**existing SONET** (x) **services**), that are converted or upgraded to new DSRs in accordance (x) with the requirements set forth in (B) through (F) following. The Option 35 discounted monthly rates are applicable for certain rate elements of such new DSRs when ordered in accordance with the requirements set forth herein.

(a) Existing SONET services purchased under this tariff consist of the following Special Access Services.

(1) Existing Verizon Dedicated SONET Rings (**existing DSRs**) at Optical Carrier 3 (OC3) utilizing nodes that are not enhanced. These services may be upgraded to new DSR at Optical Carrier 12 (OC12), 48 (OC48) or 192 (OC192). The new DSRs will utilize enhanced nodes. Upgrades are further subject to (E)(6) following.

(2) Existing DSRs at OC12, OC48 or OC192 utilizing enhanced nodes or nodes that are not enhanced. These services may be converted to new DSRs of the same optical carrier rate (e.g., an OC12 existing DSR can be converted to a new OC12 DSR). The new DSRs will utilize enhanced nodes.

(3) Existing DSRs at OC12 or OC48 utilizing enhanced nodes or nodes that are not enhanced. These services may be upgraded to new DSRs of a higher optical carrier rate (e.g., an OC12 existing DSR can be upgraded to a new OC48 DSR or to a new OC192 DSR). The new DSRs will utilize enhanced nodes. Upgrades are further subject to (E)(6) following.

(4) Existing SONET services as defined in (A)(1)(a)(1) through (3) preceding are further subject to the eligibility requirements set forth in (B) following.

(5) Existing SONET services as defined in (A)(1)(a)(1) through (3) preceding must be existing SONET services that were purchased under other sections of this tariff or under other contract tariff option(s) of this Section 21.

(2) The terms and conditions, regulations, and rates provided in this Section 21.36 apply to customers that order new DSRs, and convert or upgrade existing DSR as offered herein. (N)

(x) Issued under authority of Special Permission No. 06-007 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.36 Contract Tariff Option 35 (Cont'd) (N)

(B) Eligibility

All of the following requirements must be met in order to be eligible for subscription to Option 35.

(1) A customer must subscribe to Option 35 by submitting a written authorization in a manner designated by the Telephone Company during the subscription period which begins on March 3, 2006 and ends on June 30, 2006 (**Subscription Period**).

(2) A customer must order a minimum of six (6) new DSRs during the subscription period set forth in (B)(1) preceding. Such new DSRs may be ordered under Option 35 of this tariff, under Option 38 of (x) Tariff F.C.C. No. 11, under Option 18 of Tariff F.C.C. No. 14 or (x) under a combination of these tariffs. Each of the new DSRs must either be an existing SONET that is converted to new DSR, an existing SONET that is upgraded to new DSR, a newly installed service as described in (A)(1)(a) preceding, or any combination of converted, upgraded and newly installed services.

(a) At least seventy-five percent (75%) of the total number of existing SONET services that are converted and/or upgraded to new DSR must have been in-service for at least twenty-four (24) months as of the date of subscription to this Option 35 or March 3, 2006, whichever is the later date. For those existing SONET services that have not satisfied their minimum period obligations, minimum period charges apply as set forth in other sections of this tariff; and

(b) At least forty percent (40%) of the total number of existing SONET services that are converted and/or upgraded to new DSRs must have an initial term plan that has either already expired as of March 3, 2006 or that will expire no later than March 2, 2007, whichever is the later date; and

(c) At least fifty percent (50%) of the new DSRs subscribed to this Option 35 (whether converted or upgraded from existing SONET services or newly installed service) must have an optical carrier rate of OC48 or OC192.

(3) The new DSRs must be located within the serving areas specified in (C) following. (N)

(x) Issued under authority of Special Permission No. 06-007 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.36 Contract Tariff Option 35 (Cont'd) (N)

(C) Serving Area

(1) The serving area of Option 35 is comprised of the wire centers that are within the Phase I and Phase II Metropolitan Statistical Area (**MSAs**) of this tariff. Wire centers within the Phase II MSAs of this tariff are set forth in Section 14.7 preceding.

(2) Any additions of, or changes to, the wire centers within an MSA that occur during the Service Period of this Option 35 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 new DSRs under this Option 35, 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 Option 35 is sixty (60) months unless the customer elects the transitional billing option set forth in (E)(5) following in which case the service period of this Option 35 is sixty-four (64) months (**Service Period**). The Service Period is applicable to the enhanced nodes, partial ring high speed (pass-through) interfaces, and mileage of each new DSR that is subscribed to this Option 35. The Service Period is that period of time during which the rates set forth in (F) following apply and is in lieu of the commitment period for the 5-year term plan specified in Section 23.1 following.

(2) When ordering a conversion from existing SONET service or an upgrade of existing SONET service, and the customer elects the transitional billing option set forth in (E)(5) following, the 64 month Service Period under this Option 35 shall include four (4) months during which transitional billing credit as described in (E)(5) following shall apply.

(3) Each new DSR subscribed to this Option 35 shall have its own Service Period of either sixty (60) months or sixty-four (64) months depending on whether or not the customer elects the transitional billing option set forth in (E)(5) following.

(a) The Service Period for a newly installed service commences with the date that the new DSR is available for use by the customer.

(b) The Service Period for an existing SONET service that is converted or upgraded to a new DSR commences with the date that the new DSR is available for use by the customer and ends sixty (60) months later (when ordered without the transitional billing option) or sixty-four (64) months later (when ordered with the transitional billing option), unless otherwise extended due to the addition of a node as described in (D)(4) following. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.36 Contract Tariff Option 35 (Cont'd) (N)

(D) Service Period (Cont'd)

(4) Node Additions

(a) An additional node(s) may be added to a new DSR at any time prior to the end of the 60 or 64 month Service Period, as applicable.

(b) Nodes added after the initial installation of a new DSR and during the subscription period specified in (B) preceding will have an expiration date that is coterminous with the expiration date of the 60 or 64 month Service Period for the initial nodes ordered, as applicable, and will be subject to the rates and charges set forth in (F) following.

(c) Nodes added after the subscription period and prior to completion of the thirty-sixth (36^{th}) month of the Service Period will have an expiration date that is coterminous with the expiration date of the 60 or 64 month Service Period for the initial nodes installed, as applicable, and will be subject to the rates and charges set forth in Section 23.1(L) following as determined in accordance with Section 14.7 preceding.

(d) Nodes added after the first 36 months of the Service Period will have an expiration date of twenty-four (24) months from the date that the additional node(s) is placed into service. The addition of these nodes also requires that the 60 or 64 month Service Period for the new DSR, as applicable, 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 new DSR. The additional node(s) will be subject to the rates and charges set forth in Section 23.1(L) following as determined in accordance with Section 14.7 preceding. The rates and charges applicable to the new DSR during the extended Service Period are set forth in (F) following. (N)

21. Contract Tariffs (Cont'd)

21.36 Contract Tariff Option 35 (Cont'd) (N)

(E) Terms and Conditions

(1) Except as set forth in this Section 21.36, the terms and conditions and application of rates and charges as set forth in Section 23.1 following apply to the new DSRs and to any service connected to the new DSRs.

(2) The rates for the new DSRs subscribed to this Option 35 are set forth in (F) following and will be applied for the duration of the Service Period specified in (D) preceding or extended Service Period as set forth in (D)(4)(d) preceding. Only those new DSRs that are ordered during the subscription period of this Option 35 will receive the rates set forth in (F) following. New DSRs ordered at any time prior to or after the subscription period of this Option 35 are not eligible for the rates set forth in (F) following. Such new DSRs are subject to the rates and charges set forth in Section 23.1 as determined in accordance with Section 14.7 preceding, unless otherwise subscribed to another contract tariff option in which case the rates and charges applicable to that contract tariff option apply.

(3) Except as set forth in this Option 35, all other rates and charges and terms and conditions set forth in other sections of this tariff apply for any other rate elements or work activity that may be associated with the new DSRs subscribed to this Option 35 (e.g., ports) and to any other service connected to such new DSRs.

(4) The conversion or upgrade from the existing SONET service to new DSR is complete when all circuits on the existing SONET service are disconnected from the existing SONET service and are installed and operational on the new DSR, and the existing SONET service is disconnected.

(5) Transitional Billing

(a) At the time of ordering a conversion involving physical work activity (e.g., conversion from DSR without enhanced nodes to DSR with enhanced nodes) or an upgrade of existing SONET service to new DSR, a customer requesting the transitional billing option must specify such option in its order for service. In doing so, the customer will receive four (4) months of transitional billing credit as further described in (E)(5)(b) following, when the requirements set forth herein are met.

(b) Transitional billing credit is applied 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 SONET service and 50% of the monthly recurring charges for the enhanced node, partial ring high speed (pass-through) interface and mileage rate elements on each new DSR for which the customer orders the transitional billing option. Transitional billing credit is not applicable to ports or any other rate element on either the existing SONET service or new DSR. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.36 Contract Tariff Option 35 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(6) Upgrade of Existing SONET Services

An upgrade of existing DSR under this Option 35 is subject to the following requirements:

(a) One (1) or two (2) existing DSRs (**the old ring(s)**) must be replaced with a single DSR of greater capacity (**the new DSR**) than the combined capacity of the old ring(s) being replaced (e.g., an OC12 old ring can be upgraded to a new OC48 DSR or to a new OC192 DSR, or two OC12 old rings can be upgraded to a new OC48 DSR); 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 ring, the Service Period for the new DSR must have an expiration date that extends beyond the expiration date of the commitment period for that old ring. When upgrading two old rings, the Service Period for the new DSR must have an expiration date that extends beyond the expiration date of the old ring with the longer expiration date; and

(d) The new DSR must have at least one (1) customer premises node and one (1) CO node in common with each of the old ring(s); and

(e) When two (2) old rings are being upgraded into a single, higher capacity new DSR, the aggregate amount of all monthly charges for the nodes and ports included in the Service Period of the new DSR subscribed to under this Option 35 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 rings being disconnected; and

(f) The customer must specify in its order for service whether or not the transitional billing option as set forth in (E)(5) preceding will apply for the upgrade of existing SONET service.

(7) Termination Liability and Minimum Period Charges

(a) Termination Liability

(1) Termination liability will not apply for disconnection of an existing SONET service when such disconnection occurs for the purpose of converting that existing SONET service to a new DSR under this Option 35.

Termination liability will not apply for disconnection of an existing SONET service when such disconnection occurs for the purpose of upgrading that existing SONET service to a new DSR under this Option 35 and the requirements set forth in (E)(6) preceding are met. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.36 Contract Tariff Option 35 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(7) Termination Liability and Minimum Period Charges (Cont'd)

(a) Termination Liability (Cont'd)

(2) Termination liability will apply if a new DSR that is subscribed to this Option 35 is discontinued prior to the end of the thirty-sixth (36^{th}) month of the Service Period (when ordered without the transitional billing option as set forth in (E)(5) preceding) or prior to the end of the fortieth (40^{th}) month of the Service Period (when ordered with the transitional billing option as set forth in (E)(5) preceding). Except as set forth in (E)(7)(a)(2)(a) and (b) following, termination liability is subject to the terms and conditions set forth in Section 23.1(E) following.

(a) Termination Liability on a new DSR that is ordered without the transitional billing option set forth in (E)(5) preceding applies to the node and partial ring high speed (pass-through) interface rate elements only at 100% of the monthly recurring charge from the date of disconnection through the end of the first twenty-four (24) months of the Service Period and 75% of the monthly recurring charge from the twenty-fifth (25th) month of the Service Period through the end of the thirty-sixth (36th) month of the Service Period. Termination liability does not apply in months thirty-seven (37) through months sixty (60) of the Service Period.

(b) Termination Liability on a new DSR that is ordered with the transitional billing option set forth in (E)(5) preceding applies to the node and partial ring high speed (pass-through) interface rate elements only at 100% of the monthly recurring charge from the date of disconnection through the end of the first twenty-eight (28) months of the Service Period and 75% of the monthly recurring charge from the twenty-ninth (29th) month of the Service Period through the end of the fortieth (40^{th}) month of the Service Period. Termination liability does not apply in months forty-one (41) through months sixty-four (64) of the Service Period.

(3) When calculating any termination liability charge under this Option 35, the rates set forth in (F) following are not used. Such termination liability will be calculated using the 5-year term plan rates set forth in Section 23.1(L) following as (N)
determined in accordance with Section 14.7 preceding.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.36 Contract Tariff Option 35 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(7) Termination Liability and Minimum Period Charges (Cont'd)

(b) Minimum Period Charges

Minimum period charges apply if a new DSR or any service connected to such new DSR is disconnected prior to satisfying the minimum period requirement for the service involved. Minimum periods for each service are specified in Section 5.2.5 preceding. When calculating any minimum period charges under this Option 35, the rates set forth in (F) following are not used. Such minimum period charges will be calculated using the applicable rates for the type of service involved as set forth in Section 23.1(L) following as determined in accordance with Section 14.7 preceding.

(8) Shared Use as set forth in Section 5.2.8 preceding is allowed under this Option 35; however, only the Special Access portion of the new DSRs are eligible for the rates set forth in (F) following.

(9) Expiration of Service Period

Upon completion of the Service Period for this Option 35, 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 service on a monthly basis at the 5-year term plan rates and charges set forth in Section 23.1(L) following as determined in accordance with Section 14.7 preceding.

(d) In the event that the customer does not make an election of (E)(9)(a) through (c) preceding, the customer's subscription to the new DSR will continue in accordance with (E)(9)(c) preceding. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.36 Contract Tariff Option 35 (Cont'd) (N)

(F) Rates and Charges

The following rates will be applied to the new DSRs that are subscribed to this Option 35. Such rates will continue through the end of the Service Period specified in (D) preceding. The rates and charges that apply to such new DSRs after the end of the Service Period and for any other rate not shown, whether for the new DSRs or for a service connected to such new DSRs, 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	$1,890.00	None
OC48 Enhanced Node	3,222.80	None
OC192 Enhanced Node	6,440.00	None
(2) **Partial Ring High Speed (Pass-through) Interfaces**, per interface		
OC12 Interface	$1,890.00	None
OC48 Interface	3,222.80	None
OC192 Interface	6,440.00	None

	Monthly Rates
(3) Ring **Mileage**, per mile	
OC12	$251.30
OC48	447.30
OC192	895.30

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.37 Contract Tariff Option 36 (N)

(A) Scope

(1) Contract Tariff Option 36 (**Option 36**) is an offering exclusively for customers who upgrade a minimum of two (2) existing Special Access Optical Carrier 12 Verizon Dedicated SONET Ring Services that are configured with nodes that are not enhanced (**existing OC12 DSRs**) to the same number of new Special Access Optical Carrier 48 Verizon Dedicated SONET Ring Services that are configured with nodes that are enhanced (**new OC48 DSRs**) in accordance with the requirements set forth herein. Option 36 provides discounted monthly rates for certain rate elements of such new OC48 DSRs when ordered in accordance with the requirements set forth in this Option 36.

(2) The terms and conditions, regulations, and rates provided in this Section 21.37 apply to customers who upgrade to new OC48 DSRs as offered herein.

(B) Eligibility

All of the following requirements must be met in order to be eligible for subscription to Option 36.

(1) A customer must subscribe to Option 36 by submitting a written authorization in a manner designated by the Telephone Company during the three (3) month subscription period which begins on March 4, 2006 and ends on June 3, 2006 (**Subscription Period**).

(2) A customer must order a minimum of two (2) upgrades of existing OC12 DSRs as follows.

(a) A minimum of one (1) existing OC12 DSR located in the Boston MA-NH Metropolitan Statistical Area (**MSA**) of the Telephone Company's (x) Tariff F.C.C. No. 11 (**Tariff FCC 11**) must be upgraded to one (1) (x) new OC48 DSR within that same MSA; and

(b) a minimum of one (1) existing OC12 DSR located in the New York NY MSA of this tariff, of Tariff FCC 11, or as jointly provided under (x) this tariff and Tariff FCC 11 must be upgraded to one (1) new OC48 (x) DSR within that same MSA.

(c) Each existing OC12 DSR that is upgraded to a new OC48 DSR under (B)(2)(a) or (b) preceding must have been in service under its current service configuration for a minimum of two (2) years.

(3) The total number of new OC48 DSRs subscribed to this Option 36 must collectively be configured with at least ten (10) enhanced nodes and at least sixteen (16) miles in total for all of the new OC48 DSRs. Enhanced nodes are described in Section 23.1 following.

(4) The new DSRs must be located within the serving areas set forth in (C) following. (N)

(x) Issued under authority of Special Permission No. 06-008 of the Federal Communications Commission

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.37 Contract Tariff Option 36 (Cont'd) (N)

(C) Serving Area

(1) The serving area of Option 36 is comprised of the wire centers that are within the Boston MA-NH MSA (**MSA #6**) and the New York NY MSA (**MSA #1**) of Tariff FCC 11 and MSA #1 of this tariff. The wire centers for MSA#1 of this tariff are specified in Section 14.7 preceding. (x)

(2) Any additions of, or changes to, the wire centers within an MSA that occur during the Service Period of this Option 36 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 DSRs under this Option 36, 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 Option 36 is sixty-four (64) months for the new OC48 DSRs and any DS1 ports, DS3 ports, DS3 Transmux ports or GigE3 ports that are ordered during the subscription period specified in (B) preceding. The service period is that period of time during which the rates set forth in (F) following apply and is in lieu of the commitment period for the 5-year term plan specified in Section 23.1 following. The service period under this Option 36 includes four (4) months during which transitional billing credit as described in (E)(5) following applies. Beginning with the date that service is available for use by the customer and continuing through the end of the service period set forth in this (D), the customer is subject to termination liability under (E)(6) following for early discontinuance of any node or port that is subscribed to this Option 36. In the case of discontinuance of one or more nodes, the collective minimum requirements set forth in (B)(3) preceding must be maintained or the customer's subscription to this Option 36 shall cease upon disconnection of such node(s).

(2) A single service period applies for all of the new OC48 DSRs that are subscribed to this Option 36 and commences with the date that the last of the new OC48 DSRs is installed and available for use by the customer (**Service Period**) and ends 64 months later. In the event that the Service Period of one (1) or more of the new OC48 DSRs is extended under (D)(5) following, the Service Period for the remaining new OC48 DSRs will not be extended, in which case a single Service Period no longer applies. The rates set forth in (F) following will apply beginning with the date that each new OC48 DSR is available for use by the customer and continuing through the end of the Service Period. (N)

(x) Issued under authority of Special Permission No. 06-008 of the Federal Communications Commission

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.37 Contract Tariff Option 36 (Cont'd) (N)

(D) Service Period (Cont'd)

(3) The Service Period for each DS1 port, DS3 port, DS3 Transmux port or GigE3 port that is ordered with the initial installation of service or at any time during the subscription period set forth in (B) preceding will commence with the installation of the port and end on the same date on which the Service Period for the enhanced nodes and mileage under (D)(1) preceding ends. Except as set forth in this (D)(3), all other ports and optional features associated with the new OC48 DSR are offered under terms and conditions and rates set forth in Section 23.1 following.

(4) For each port or optional feature added at any time after the end of the subscription period set forth in (B) preceding, the port or optional feature is added under the terms and conditions and rates set forth in Section 23.1 following, except that the expiration date of the term plan for such port or optional feature will be coterminous with the expiration date of the Service Period when such ports or optional features are added prior to completion of the fortieth (40th) month of the Service Period or prior to the last twenty-four (24) months of the Expired Service Period, as applicable. Ports or optional features added after the first 40 months of the Service Period or within the last 24 months of the Expired Service Period are subject to month-to-month billing terms as described in Section 23.1 following. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.37 Contract Tariff Option 36 (Cont'd) (N)

(D) Service Period (Cont'd)

(5) Node Additions

(a) An additional node(s) may be added to the new OC48 DSR at any time prior to the end of the sixty-four month Service Period.

(b) Nodes added after the initial installation of the new OC48 DSR and during the subscription period specified in (B) preceding will have an expiration date that is coterminous with the expiration date of the sixty-four (64) month Service Period for the initial nodes ordered and will be subject to the rates and charges set forth in (F) following.

(c) Nodes added after the subscription period and prior to completion of the fortieth (40th) month of the Service Period will have an expiration date that is coterminous with the expiration date of the 64 month Service Period for the initial nodes installed and will be subject to the rates and charges set forth in Section 23.1 following (as determined in accordance with Section 14.7 preceding).

(d) Nodes added after the first 40 months of the Service Period will have an expiration date of twenty-four (24) months from the date that the additional node(s) is placed into service. This also requires that the 64 month Service Period for that particular new OC48 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 remaining nodes for that new OC48 DSR (**Extended Service Period**). The Service Period for any remaining new OC48 DSRs will not be extended, in which case a single Service Period for all new OC48 DSRs no longer applies. 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 14.7 preceding). The rates and charges applicable to the remaining rate elements of the new OC48 DSR for the Extended Service Period are set forth in (F) following. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.37 Contract Tariff Option 36 (Cont'd) (N)

(E) Terms and Conditions

(1) Except as set forth in this Section 21.37, the terms and conditions and application of rates and charges as set forth in Section 23.1 following apply to the new OC48 DSRs and to any service connected to the new OC48 DSRs.

(2) The rates and charges for the new OC48 DSRs subscribed to this Option 36 are set forth in (F) following and will be applied beginning with the date that each new OC48 DSR is available for use by the customer and continuing through the end of the Service Period specified in (D) preceding or the Extended Service Period specified in (D)(5)(d) preceding. Only those new OC48 DSRs and DS1 ports, DS3 ports, DS3 Transmux ports or GigE3 ports that are ordered during the subscription period of this Option 36 will receive the rates set forth in (F) following. New OC48 DSRs, DS1 ports, DS3 ports, DS3 Transmux ports or GigE3 ports ordered at any time prior to, or after, the subscription period of this Option 36 are not eligible for the rates set forth in (F) following. Such new OC48 DSRs, DS1 ports, DS3 ports, DS3 Transmux ports and GigE3 ports are subject to the rates and charges set forth in Section 23.1 following (as determined in accordance with Section 14.7 preceding).

(3) Except as set forth in this Option 36, all other rates and charges and terms and conditions set forth in other sections of this tariff apply for any other rate elements or work activity that may be associated with the new OC48 DSRs subscribed to this Option 36 (e.g., OCn ports) and to any other service connected to such new OC48 DSR.

(4) The upgrade is considered complete when all circuits on the existing OC12 DSRs are disconnected from the existing OC12 DSRs and are installed and available for use on the new OC48 DSRs, and the existing OC12 DSRs are disconnected.

(5) Transitional Billing

(a) This customer will receive four (4) months of transitional billing credit for the upgrade of existing OC12 DSRs to new OC48 DSRs under this Option 36.

(b) Transitional billing credit is applied at fifty percent (50%) of the monthly recurring charges for the node and mileage rate elements on the existing OC12 DSRs and 50% of the monthly recurring charges for the node and mileage rate elements on the new OC48 DSRs. Transitional billing credit is not applicable to ports. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.37 Contract Tariff Option 36 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(6) Termination Liability and Minimum Period Charges

(a) Termination Liability

(1) Termination liability will not apply for disconnection of the existing OC12 DSRs when such disconnection occurs for the purpose of upgrading those existing OC12 DSRs to new OC48 DSRs under this Option 36.

(2) Termination liability will apply if a new OC48 DSR, DS1 port, DS3 port, DS3 Transmux port, or GigE3 port that is subscribed to this Option 36 is discontinued prior to the end of the Service Period or Extended Service Period, as applicable. Termination liability is subject to the terms and conditions set forth in Section 23.1(E) following.

(3) When calculating any termination liability charge under this Option 36, the rates set forth in (F) following are not used. Such termination liability will be calculated using the 5-year term plan rates set forth in Section 23.1 following (as determined in accordance with Section 14.7 preceding). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.37 Contract Tariff Option 36 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(6) Termination Liability and Minimum Period Charges (Cont'd)

(b) Minimum Period Charges

Minimum period charges apply if the new OC48 DSRs or any service connected to such new OC48 DSRs is disconnected prior to satisfying the minimum period requirement for the service involved. Minimum periods for each service are specified in Section 5.2.5 preceding. When calculating any minimum period charges under this Option 36, the rates set forth in (F) following are not used. Such minimum period charges will be calculated using the applicable rates for the type of service involved as set forth in Section 23.1 following (as determined in accordance with Section 14.7 preceding).

(7) Shared Use as set forth in Section 5.2.8 preceding is allowed under this Option 36; however, only the Special Access portion of the new DSR is eligible for the rates set forth in (F) following.

(8) Expiration of Service Period

Upon completion of the Service Period or Extended Service Period for this Option 36, as applicable, 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 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 14.7 preceding).

(d) In the event that the customer does not make an election of (E)(8)(a) through (c) preceding, the customer's subscription to the new OC48 DSR will continue in accordance with (E)(8)(c) preceding. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.37 Contract Tariff Option 36 (Cont'd) (N)

(F) Rates and Charges

The following rates and charges will be applied to the new OC48 DSRs and ports that are subscribed to this Option 36. The monthly rates set forth below will continue through the end of the Service Period specified in (D) preceding or the end of the Extended Service Period specified in (D)(5)(d) preceding, as applicable. The rates and charges that apply to such new OC48 DSRs and ports after the end of the Service Period or the end of the Extended Service Period, as applicable, and for any other rate not shown, whether for the new OC48 DSRs or for a service connected to such new OC48 DSRs, are the rates and charges set forth in other sections of this tariff.

	Monthly Rates	Nonrecurring Charges
(1) **OC48 Enhanced Node**, per node	$3,453.00	None

	Monthly Rates Per Mile
(2) **OC48 Mileage**, per mile	$479.25

	Monthly Rates	Nonrecurring Charges
(3) **Ports**, per port added during the Subscription Period		
DS1 Port @ OC48 Node	$ 21.00	None
DS3 Port @ OC48 Node	86.25	None
DS3 Transmux @ OC48 Nodes	300.00	None
GigE3 Port @ OC48	258.75	None

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.38 Contract Tariff Option 37 (N)

(A) Scope

Contract Tariff Option 37 (**Option 37**) provides a customer with monthly billing credits on (i) the Facility Management Service (**FMS**) Channel Mileage rate elements when it maintains a minimum number of FMS transport miles and (ii) on the IntelliLight® Entrance Facilities (IEF) rate elements, when the customer satisfies the other criteria as set forth in this Option 37. Calculation of monthly billing credits shall be in accordance with the terms of this Option 37.

(B) Definitions

The following definitions are used in this Option 37.

(1) **Alternative Tariff Arrangement** shall mean collectively any other generally available tariff arrangement, contract tariff option, special service 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 37.

(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) **Billing Credit** shall mean collectively the amounts (if any) provided to the customer as a credit on its monthly bill at the end of each Quarter during the Service Period based on the applicable discounts on the specific services (as set forth in (H) following) offered to the customer pursuant to this Option 37. Calculation of the applicable Billing Credits is described in (I) following.

(4) **Discount** shall mean collectively the discounts (if any) on FMS Channel Mileage rate elements and on IEF monthly rate elements as provided under the terms of Option 37 of this tariff and Option 40 (x)
of the Verizon Telephone Companies Tariff F.C.C. No. 11 (FCC 11). (x)
Discounts offered on FMS Channel Mileage Rate Elements and on all IEF monthly rate elements are described in (H) following. (N)

(x) Issued under authority of Special Permission No. 06-015 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.38 Contract Tariff Option 37 (Cont'd) (N)

(B) Definitions (Cont'd)

(5) **FMS Channel Mileage Rate Elements** shall mean the monthly recurring rates for the channel mileage rate elements included within the FMS Plan as follows.

(a) The FMS Channel Mileage Rate Elements for this tariff are described in Section 6.8.26(D)(10) preceding for Switched Access FMS and Section 7.2.13(D)(11) preceding for Special Access FMS.

(b) The monthly recurring rates for FMS Channel Mileage in this tariff are set forth in Section 6.9.10(D) preceding for Switched Access FMS and Section 7.5.18(C) preceding for Special Access FMS (as determined in accordance with Section 14.7 preceding).

(c) The FMS Channel Mileage Rate Elements for FCC 11 are described in Section 6.2.12(F)(3) for Switched Access FMS and Section 7.2.16(F)(3) for Special Access FMS. (x)

(d) The monthly recurring rates for Switched Access FMS Channel Mileage for FCC 11 are set forth in Sections 30.6.9(A)(2) and (B)(2) for Price Band rates and Section 31.6.9(A)(2) and (B)(2) for all other rates as determined in Section 15.3. The monthly recurring rates for Special Access FMS Channel Mileage for FCC 11 are set forth in Sections 30.7.18(A)(2) and (B)(2) for Price Band rates and Section 31.7.18(A)(2) and (B)(2) for all other rates as determined in Section 15.3. (x)

(6) **FMS Plan** shall mean the Switched Access or Special Access FMS Services provided pursuant to Sections 6.8.26 and 7.2.13 preceding of this tariff and Sections 6.2.12 and 7.2.16 of FCC 11. (x)

(7) **FMS Transport Miles** shall mean the aggregate number of miles billed by the Telephone Company to the customer for FMS Channel Mileage Rate Elements during each month of the Service Period for all FMS Plan Services provided pursuant to this tariff and to FCC 11 and (x) which miles are not subject to dispute by the customer. If the customer disputes the billing of any mileage for the FMS Channel Mileage Rate Elements (e.g., number of miles billed for a circuit is incorrect), then such miles shall not be included in the calculation of FMS Transport Miles. Unless manifest error can be demonstrated by the customer, the Telephone Company's calculation of such aggregate mileage shall be deemed to be accurate, and shall not be subject to dispute by the customer. (N)

(x) Issued under authority of Special Permission No. 06-015 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.38 Contract Tariff Option 37 (Cont'd) (N)

(B) Definitions (Cont'd)

(8) **Grooms** shall mean a change in the connecting facility assignment (**CFA**) or termination point of a Special Access DS1 or DS3 Service, and shall include any of the following types of moves, rearrangements, reterminations, disconnection and reconnection, or other changes (however characterized) to the Special Access Service: (i) a change in the customer designated premises from one location to another; (ii) a change in the CFA or termination point within a single Telephone Company wire center; or (iii) 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 associated with a facility provided by either the Telephone Company or provided by a collocator).

(9) **IEF** shall mean IntelliLight® Entrance Facility Service (IEF) as described in Section 7.2.15 preceding of this tariff and Section 26.1.4 of FCC 11. Rate elements and rates for IEF are set forth in Section 7.5.21 preceding of this tariff, and Section 30.26.4 and 31.26.4 of FCC 11. Any IEF Services which are included in an FMS Plan are ineligible for Discounts and Billing Credits. (x)

(10) **Maximum Monthly Grooms** shall have the meaning set forth in Section (J) following.

(11) **Minimum FMS Transport Miles** shall have the meaning set forth in (G) following.

(12) **MRC** shall mean monthly recurring rates or charges for the services provided pursuant to Telephone Company tariffs.

(13) **Quarter** shall mean either of the following periods, as applicable: (i) the first Quarter is the period beginning with the date of subscription to the end of that month and the three (3) consecutive months following such month; 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 three (3) calendar months after such date. (N)

(x) Issued under authority of Special Permission No. 06-015 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.38 Contract Tariff Option 37 (Cont'd) (N)

(C) Eligibility

The customer must meet all of the following criteria in order to be eligible the rates, terms and conditions of this Option 37.

(1) During the three (3) month period beginning three (3) months prior to the date of subscription and ending with the date of subscription, the customer must have been continuously subscribed to the FMS Plan (as defined in (B)(6) preceding) offered in this tariff and in FCC 11 and must continuously subscribe to the FMS Plan during the Service Period. (x)

(2) During the 3 month period beginning three (3) months prior to the date of subscription and ending with the date of subscription, the customer must have maintained a minimum average of one hundred sixty thousand (160,000) billed FMS Transport Miles per month.

(3) The customer may not concurrently subscribe to an Alternative Tariff Arrangement which meets any of the following criteria at any time during the Service Period: (i) an Alternative Tariff Arrangement which provides a discount, credit, or other reduction in rates or terms for IEF Services; and (ii) an Alternative Tariff Arrangement which provides discounts on FMS Channel Mileage Rate Elements or on other rate elements included within the FMS Plan. If the customer wishes to subscribe to such an Alternate Tariff Arrangement, then the customer shall not receive any Discounts and Billing Credits under this Option 37.

(4) A customer must subscribe to Option 37 by submitting a written authorization in a manner designated by the Telephone Company during the sixty day (60) period that begins on April 29, 2006 and ends on June 28, 2006 (**Subscription Period**)

(D) Service Period

The Service Period of this Option 40 shall commence with the date of subscription and continue through the last day of the month that is twelve (12) consecutive months following the month after that date of subscription. For example, if the Service Period commences May 20, 2006, then the Service Period shall end May 31, 2007. (N)

(x) Issued under authority of Special Permission No. 06-015 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.38 Contract Tariff Option 37 (Cont'd) (N)

(E) Services and Rate Elements Subject to This Option 37

Subject to the terms and conditions of this Option 37, the applicable Discount (as described in (H) following) shall be provided on the following Services and the following rate elements:

(1) FMS Channel Mileage Rate Elements

The applicable Discount on FMS Channel Mileage Rate Elements (as described in (H)(1) following) shall only be applied to the MRCs for FMS Channel Mileage Rate Elements that are billed during the Service Period and that meet all of the following criteria during each month of the Service Period:

(a) The entire circuit (all portions other than the End User channel termination to the secondary premises), must be included within the FMS Plan; and

(b) The FMS Channel Mileage Rate Element must be a rate element of an FMS Plan circuit that has a Network Channel (NC) Code of either HC, HF, or OC (i.e., the circuit must be DS1 or greater bandwidth); and

(c) The FMS Channel Mileage Rate Elements must be billing one of the following USOCs: 1A59S, 1A64S, 1A6US, 1A6VS, 1YJB3, 1YJB5, 1YJBX, 1A5YS, 1A87S, 1A88S, 1A89S, 1YAMS, 1YANS, 1YAPS, 1YAQS,1YARS, 1YJD3, 1YJD5, 1YJDX, 1YJF3, 1YJF5, 1YJFX, 1YJA3, 1YJA5, 1YJAX,; and

(d) The customer meets the requirements of maintaining the Minimum FMS Transport Miles as more specifically described in (G) following, and the requirements regarding disputes, payments, credits and debits set forth in (I)(4) following. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.38 Contract Tariff Option 37 (Cont'd) (N)

(E) Services and Rate Elements Subject to This Option 37 (Cont'd)

(2) IEF Services

The applicable Discount (as defined in Section (H)(2) following) shall apply only to the MRC rate elements for IEF Services which are installed and billed during the Service Period.

(3) The Discount and Billing Credit is provided only (i) on billed FMS Channel Mileage Rate Elements that meet the requirements of this Option 37 (including (I) following) and (ii) IEF MRC rate elements that are billed and installed during each Quarter of the Service Period. The following types of charges (which is an illustrative list and is not intended to be a comprehensive listing of all other charges excluded from application of Discounts and Billing Credits) are not included in the application of Discounts and the calculation of the Billing Credits:

(a) Any 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 billed amount related to Qualifying Services for which payment is being withheld or under dispute by the customer;
(e) Any debits or credits for Services rendered in prior Quarters or periods prior to the date of subscription, subject to (I) following;
(f) Minimum period charges;
(g) Termination liabilities; or
(h) Any other charges which are not applied on a recurring monthly basis. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.38 Contract Tariff Option 37 (Cont'd) (N)

(F) Service 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 Section 14.7 preceding of this tariff. Wire centers for the Phase II MSAs of this tariff are listed in Section 14.7 preceding. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in the tariff) that occur during the Service Period of this Option 37 will apply.

(G) Minimum FMS Transport Miles

(1) Subject to the terms and conditions set forth in this Option 37, including the requirement to maintain the Minimum FMS Transport Miles as set forth in this Section (G), the customer is eligible to receive the applicable Discount set forth in Table 1 of (H)(1) following.

(2) In order to receive the applicable Discount (as set forth in Table 1 of (H)(1) following) and the Billing Credits (as determined in accordance with (I) following) associated therewith, in any given month of the Service Period, the customer must meet either one of the following criteria (individually and collectively referred to as **Minimum FMS Transport Miles**):

(a) During any month of the Service Period, the customer must maintain in-service no less than 160,000 FMS Transport Miles per month. If the customer meets this criteria, then the Telephone Company will not calculate, and the customer is not required to meet the requirements of (G)(2)(b) following; or

(b) During any Quarter, the customer must maintain an average of no less than 160,000 FMS Transport Miles during each month of such Quarter. If the customer maintains an average number of miles of no less than 160,000 FMS Transport Miles during each month of such Quarter, but does not otherwise meet the criteria as set forth in (G)(2)(a) preceding (i.e., the actual monthly FMS Transport Miles in a given calendar month are less than 160,000 miles), the customer shall still be eligible for the applicable Discounts set forth in (H) following. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.38 Contract Tariff Option 37 (Cont'd) (N)

(G) FMS Minimum Transport Miles (Cont'd)

(2) (Cont'd)

(b) (Cont'd)

The following two illustrative examples are presented.

Example 1: During Quarter 1, the Telephone Company calculates the customer's FMS Transport Miles during each such month of Quarter 1 as follows:

Month 1 - 154,000 miles, and

Month 2 – 160,000 miles, and

Month 3 – 161,000 miles.

Since Month 1 did not meet the requirements of (G)(2)(a)(2) preceding, this results in an average number of FMS Transport Miles for Quarter 1 of 158,333 miles per month (i.e., an aggregate of 475,000 Transport Miles for Quarter 1 divided by 3 months).

Based on this information, the customer would not receive the applicable Discounts (as set forth in Table 1 of (H)(1) following) or the Billing Credits (as set forth in (I) following) in month 1 of Quarter 1 because the customer has not met either of the criteria set forth in (G)(2) preceding (i.e., the actual FMS Transport Miles in month 1 are less than 160,000 miles, and the average monthly FMS Transport Miles, as measured throughout the three months of Quarter 1, are less than 160,000 miles). However, the customer would be eligible for the applicable Discounts (as set forth in Table 1 of (H) following) and the Billing Credits (as set forth in (I) following) because the customer meets the Minimum FMS Transport Mile criteria in (G)(2)(a) preceding (i.e., it's actual FMS Transport Miles for months 2 and 3 are each above 160,000 miles). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.38 Contract Tariff Option 37 (Cont'd) (N)

(G) FMS Minimum Transport Miles (Cont'd)

(2) (Cont'd)

(b) (Cont'd)

Example 2: During Quarter 1, the Telephone Company calculates the customer's FMS Transport Miles (excluding any miles which are disputed by the customer) during each such month of Quarter 1 as follows:

Month 1 - 159,000 miles, and

Month 2 – 164,000 miles, and

Month 3 – 166,000 miles.

This results in an average number of FMS Transport Miles for Quarter 1 of 163,000 miles per month (i.e., an aggregate of 489,000 Transport Miles for Quarter 1 divided by 3 months).

Based on this information, the customer would receive the applicable Discounts (as set forth in Table 1 of (H)(1) following) and the Billing Credits (as set forth in (I) following) for each month of Quarter 1 because the customer meets the Minimum FMS Transport Mile criteria in (G)(2)(b) preceding (i.e., the average monthly FMS Transport Miles are greater than 160,000 miles for each month of Quarter 1). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.38 Contract Tariff Option 37 (Cont'd) (N)

(H) Discounts

(1) FMS Plan Discounts

Subject to the terms of this Option 37, including the requirement to maintain the Minimum FMS Transport Miles as set forth in (G) preceding, and the method of calculation and timing of the Billing Credit as set forth in (I) following, the Telephone Company will apply the applicable Discount (as set forth in Table 1 below) to the customer's FMS Channel Mileage Rate Elements. The applicable Discount is derived by (i) assigning each circuit included in the FMS Plan to a mileage band (as set forth in Table 1 below) based on the length of the channel mileage billed for such circuit; and (ii) assigning all circuits included in the FMS Plan into FMS Transport Mile tiers (as set forth in Table 1 below) based on the aggregate billed FMS Transport Miles in any given month of the Service Period.

Table 1: Discounts by Mileage Band and FMS Transport Miles

FMS Transport Miles	Mileage Band 1 1 - 10 Miles	Mileage Band 2 11 - 20 Miles	Mileage Band 3 21 Miles or Above
Tier 1 1 - 160,000	32.0%	27.5%	24.0%
Tier 2 160,001 and above*	50.0%	40.0%	35.0%

* The aggregate Billing Credits payable at this tier are subject to an aggregate and overall cap of three-million dollars ($3,000,000) for the entire Service Period.

For example, assume that in a given month in the Service Period, the customer had 165,000 FMS Transport Miles. Then, the customer would be eligible for the applicable Discounts based on mileage bands for all FMS Transport Miles up to 160,000 miles, and would be eligible for applicable Discounts in Tier 2 based on mileage bands for all FMS Transport Miles greater than 160,000 miles. The actual Discount level would depend on the length of the circuit. A detailed method of calculation is described in (I) following.

(2) Discounts on IEF Services

Subject to the terms of this Option 37, including the requirement to maintain the Minimum FMS Transport Miles as set forth in (G) preceding, and the method of calculation and timing of payment of the Billing Credit as set forth in (I) following), the Telephone Company will apply a ten percent (10%) Discount to the MRC rate elements for each IEF Service that is newly ordered and billed during the Service Period. (N)

21. Contract Tariffs (Cont'd)

21.38 Contract Tariff Option 37 (Cont'd) (N)

(I) Calculation and Payment of Billing Credits

(1) Method of Calculation of the Applicable Billing Credit

(a) Following the end of each Quarter during the Service Period, the Telephone Company will calculate the applicable Billing Credit (if any) to be applied to the customer's BANs by assigning the FMS Transport Miles (excluding any miles which are disputed or payment is withheld by customer) for each month of the Quarter into Table 1 of (H)(1) preceding, and then applying the corresponding discount based on the assignment of those FMS Transport Miles. Specifically, (i) the first 160,000 FMS Transport Miles and the associated FMS Transport MRCs for each month of the Quarter are assigned into Tier 1 of Table 1 in (H)(1) preceding, and (ii) any miles in excess of 160,000 FMS Transport Miles and the associated FMS Transport MRCs, if any, for that same month of the Quarter are assigned into Tier 2 of Table 1 in (H)(1) preceding. Finally, the discounts set forth in Table 1 of (H)(1) preceding are applied to the assigned FMS Transport MRCs for each month and all such discounted sums are totaled to determine the Billing Credit due for the Quarter. The associated MRCs of any FMS Transport Miles that are unpaid or under dispute at the time of performing this calculation will not be assigned.

(b) Finally, the Billing Credit for FMS Transport Miles determined in (a) preceding will be reduced to reflect any Grooms which exceed the Maximum Monthly Grooms specified in (J) following. For month 1 of Quarter 1, the Billing Credit shall be pro-rated based on the number of days beginning with the date of subscription to the end of such calendar month.

(c) The Telephone Company will then calculate any Billing Credits for IEF Services by multiplying the ten percent (10%) discount specified in (H)(2) preceding by the aggregate amount of all MRC rate elements for IEF Service that is newly ordered and billed during each month.

(d) The calculations specified in (a) through (c) preceding will be repeated for each month in each Quarter. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.38 Contract Tariff Option 37 (Cont'd) (N)

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

(1) Method of Calculation of the Applicable Billing Credit (Cont'd)

Consider the following illustrative example:

Assume the customer has 154,000 FMS Transport Miles for month 1 of Quarter 2, but otherwise has met the Minimum FMS Transport Miles set forth in (G)(2) preceding. Assume further that the customer had MRCs which were billed in Quarter 1 of $3,000,000, and that the customer disputed and did not pay $450,000 of such billed MRCs claiming that the FMS Channel Mileage was incorrectly calculated. Hence, in calculating the Billing Credit, the MRC would be calculated as $2,550,000 ($3,000,000 less $450,000). Thus, after the completion of the preceding calculation, the customer has the following distribution of FMS Transport Miles and MRCs for the FMS Channel Mileage Rate Elements:

	Miles	MRC
Mileage band 1	30,000	$ 750,000
Mileage band 2	29,000	800,000
Mileage band 3	95,000	1,000,000
Total	154,000	$2,550,000

After applying the discount from Table 1 of (H)(1) preceding, the calculation yields the following Billing Credits by mileage band:

Mileage band 1	$750,000 x .32	= $240,000
Mileage band 2	$800,000 x .275	= $220,000
Mileage band 3	$1,000,000 x .24	= $240,000

The total Billing Credit is $700,000 ($240,000 plus $220,000 plus $240,000).

Assume further that the customer had purchased $500,000 of IEF Services MRCs. Also assume that the customer did not exceed the Maximum Monthly Grooms which would otherwise incur a reduction under (J) following. Hence the final billing credits in this example are $700,000 for FMS Channel Mileage and $50,000 for IEF Services. Each of the above calculations would be repeated for each month in a Quarter to arrive at the aggregate Billing Credit for the Quarter. (N)

21. Contract Tariffs (Cont'd)

21.38 Contract Tariff Option 37 (Cont'd) (N)

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

(2) Payment of Billing Credits

If the customer is eligible for a Billing Credit as set forth in this Option 37, then, subject to the terms of this Option 37, no later than sixty (60) days after the end of each Quarter during the Service Period, the Telephone Company shall credit the customer's BANs with the applicable Billing Credit(s) as determined in accordance with the terms of this Option 37. The Billing Credits will be provided only in the MSAs that have achieved Phase I or Phase II pricing flexibility under this tariff.

(3) Upfront Billing Credit

No later than thirty (30) days following the date of subscription, and subject to the terms and conditions of this Option 37, the Telephone Company will provide the customer with a one-time Billing Credit of eight-hundred thousand dollars ($800,000), which credit shall be applied by the Telephone Company to specific BANs as agreed to by the customer and the Telephone Company. The Upfront Billing Credit shall not be included in the Billing Credits or calculation of Discounts for Quarter 1.

(4) In calculating the Billing Credit, all of the following requirements shall apply.

(a) The Telephone Company shall not include in the calculation of the Billing Credit any amounts which are unpaid and/or disputed by the customer as of the thirtieth (30^{th}) 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 claiming that the FMS Channel Mileage was incorrectly calculated. Hence, in calculating the Billing Credit (as set forth in (I) preceding, the MRC would be calculated as $2,550,000 ($3,000,000 less $450,000). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.38 Contract Tariff Option 37 (Cont'd) (N)

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

(4) (Cont'd)

(b) To the extent that the customer has any disputes, then the customer must submit such disputes to the Telephone Company no later than the thirtieth (30^{th}) day following the end of each Quarter. Each dispute must be submitted in a manner designated by the Telephone Company and must clearly state next to the circuit ID and amount under dispute the following "Dispute Associated with 2006 Contract Tariff.".

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

(d) For the purpose of calculating the Billing Credit, the Telephone Company shall not include in MRCs any credits or debits for 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 Credit is being calculated. As an illustrative example, assume that the customer had MRCs for all FMS Channel Mileage Rate Elements 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 claiming that the FMS Channel Mileage was incorrectly calculated. Hence, in calculating the Billing Credit (as set forth in (I) preceding), the MRC would be calculated as $2,550,000 ($3,000,000 less $450,000). 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 FMS Channel Mileage Rate Elements. Then, in Quarter 2, the Telephone Company shall not include such credit adjustment of $300,000 nor the subsequent debit of $150,000 for purposes of calculating the customer's Billing Credit in Quarter 2. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.38 Contract Tariff Option 37 (Cont'd) (N)

(J) Limitation on Grooms

In consideration for the terms and conditions set forth herein, the Discounts and Billing Credit offered by the Telephone Company, the customer and the Telephone Company agree to the following:

(1) Commencing on the date of subscriptionand during each month of the Service Period, the Telephone Company shall not be required to perform Grooms of more than twenty-five (25) Special Access circuits per month, of which number no more than two (2) Special Access circuits may be equal to DS3 or greater bandwidth (**Maximum Monthly Grooms**).

(2) The Maximum Monthly Grooms limitation set forth in (J)(1) preceding shall only apply to the following LATAs: 128, 132, 130, 134, 136, 140, 224, 226, 228, 230, 234, 236, 238, 248, 252. When determining the Maximum Monthly Grooms limitation, the Telephone Company shall count all Grooms ordered during the month in any of the operating territories for such LATAs of this tariff and within any of the operating territories specified for such LATAs in the Telephone (x)
Company's Tariff F.C.C. No. 14 and/or F.C.C. No. 16. (N)(x)

(x) Issued under authority of Special Permission No. 06-015 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.38 Contract Tariff Option 37 (Cont'd) (N)

(J) Limitation on Grooms (Cont'd)

(3) The following types of Grooms shall not be included in the Maximum Monthly Grooms and shall be performed by the Telephone Company in accordance with its normal business practices:

(a) Telephone Company Initiated Grooms: Any Groom initiated by the Telephone Company shall not be included in the number of Maximum Monthly Grooms.

(b) 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 be included in the number of Maximum Monthly Grooms. A **Maintenance Groom** shall mean a circuit which meets all of the following criteria:

(1) there is no change in the mileage between the original and Groomed circuit; and

(2) the original circuit is experiencing service failures as a result of equipment problems, and grooming will correct such problems; and

(3) the total MRC billed by the Telephone Company to the customer for such Groomed circuit shall be equal to or greater than the original circuit prior to the Groom being performed. All Maintenance Grooms shall be subject to review and acceptance by the Telephone Company and the Telephone Company's final decision shall be binding as to whether a specific Groom is a Maintenance Groom, or whether such Groom is to be included in the Maximum Monthly Grooms. The Telephone Company may route such circuit as it deems necessary, and such routing shall be at the Telephone Company's sole discretion.

(c) Optimization Grooms: Any Grooms where (i) there is no change in the mileage between the original and Groomed circuit and (ii) the total MRCs billed by the Telephone Company to the customer for such Groomed circuit shall be equal to or greater than the original circuit prior to the Grooming activities having been performed;

(d) Any circuit that is at a bandwidth less than a DS1 level shall not be subject to the Maximum Monthly Grooms limitation. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.38 Contract Tariff Option 37 (Cont'd) (N)

(J) Limitation on Grooms (Cont'd)

(4) The customer may submit requests to the Telephone Company to perform Grooms that exceed the Maximum Monthly Grooms during any calendar month, but the Telephone Company shall not be obligated to perform any Grooms in excess of the Maximum Monthly Grooms, unless the customer specifically instructs the Telephone Company in writing to perform Grooms in excess of the Maximum Monthly Grooms. Any Grooms performed by the Telephone Company that are in excess of the Maximum Monthly Grooms shall be subject to the terms of (J)(6) following.

(a) If the customer submits requests to the Telephone Company to perform Grooms that are less than the Maximum Monthly Grooms during any calendar month and there are no other Grooms that are being carried over from prior months, then the customer may "bank" or carryover the additional Grooms that are less than the Maximum Monthly Grooms to a subsequent month or subsequent months of the Service Period. For example, if the customer submits only 20 requests for Grooms in a given month, then the customer may carryover or bank the five (5) Grooms and can use them in successive months. No additional Billing Credit or Discount will be provided for any banked or carried over Grooms which are not used by the end of the Service Period.

(b) If the Telephone Company is unable to complete any of the scheduled Grooms in a given calendar month, and as a result the customer has fewer than the Maximum Monthly Grooms, then the Maximum Monthly Groom for the next successive calendar month of the Service Period shall be increased by the number of Grooms that were not completed by the Telephone Company in the prior month. For example, if the Telephone Company did not complete five (5) Grooms in month 4 of the Service Period, and as a result completed only 20 Grooms in month 4, then the Maximum Monthly Groom for month 5 shall be increased from 25 to 30. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.38 Contract Tariff Option 37 (Cont'd) (N)

(J) Limitation on Grooms (Cont'd)

(5) When a Special Access Circuit is channelized, then a request to perform a Groom on such circuit shall mean that all lower bandwidth circuits that ride such higher bandwidth shall each individually be counted as a separate request for Grooming in addition to the higher bandwidth circuit. For example, if a Special Access DS3 service is channelized such that 10 Special Access DS1 circuits ride such a Special Access DS3, then a Groom of such Special Access DS3 circuit will be counted as 11 Grooms in total.

(6) In any given month during the Service Period, if the customer submits one or more requests to the Telephone Company, and the Telephone Company agrees to perform more than the Maximum Monthly Grooms, then the Billing Credit shall be reduced for each Groomed Special Access circuit that is above the Maximum Monthly Groom limitation by an amount set forth in Table 2 below. The reduction charges in Table 2 below will be in addition to any retermination charges currently assessed under this tariff.

Table 2: Reductions in Billing Credits for Exceeding Maximum Monthly Grooms

Length of Special Access Circuit being Groomed	Special Access DS1 Reduction Charge	Special Access DS3 Reduction Charge
1 – 10 Miles	$ 700.00	$ 5,400.00
11 – 20 Miles	1,300.00	10,600.00
21 Miles or greater	2,250.00	17,000.00

(7) No representation or warranty is made by the Telephone Company with respect to the number of Grooms, process, speed, or completion of any Grooms in addition to the Maximum Monthly Grooms, and such additional Grooms shall not be subject to the terms of this Option 37 with respect to any remedies for failure to perform the Grooms. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.38 Contract Tariff Option 37 (Cont'd) (N)

(K) Termination of Plan

Subject to the terms set forth in this Section (L), the customer may terminate this Option 37 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 37, and termination of this Option 37 shall be deemed to be an automatic termination of Option 40 in FCC 11. (x)

(1) If the customer terminates or cancels this Option 37 within the first six (6) months following (add tariff effective date), then the customer shall pay (no later than thirty (30) days after such date of termination) to the Telephone Company an amount equal to the sum of the following: (i) fifty percent (50%) of all Billing Credits paid up to the date of such termination plus (ii) nine-hundred thousand dollars ($900,000).

(2) If the customer terminates or cancels this Option 37 at any time on or after the seventh (7th) month following the date of subscription, then the customer shall pay (no later than thirty (30) days after such date of termination) to the Telephone Company an amount equal to the sum of the following: (i) twenty-five percent (25%) of all Billing Credits paid up to the date of such termination plus (ii) four-hundred thousand dollars ($400,000). (N)

(x) Issued under authority of Special Permission No. 06-015 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.39 Contract Tariff Option 38 (N)

(A) Scope

(1) Contract Tariff Option 38 (**Option 38**) provides a transitional billing credit for certain monthly recurring rates assessed during a conversion (as described below) from Special Access Verizon Dedicated SONET Ring (DSR) service(s) to Special Access IntelliLight® Optical Transport Service (IOTS).

(2) DSR is described in Section 23.1 following. IOTS is described in Section 7.2.14(C)(4) preceding.

(B) Eligibility Requirements

All of the following requirements must be met in order to be eligible for subscription to Option 38.

(1) A customer must subscribe to Option 38 by submitting a written authorization in a manner designated by the Telephone Company during the sixty day (60) period that begins on May 9, 2006 and ends on July 8, 2006 (**Subscription Period**).

(2) The customer must place an order for a conversion from DSR to IOTS. For each conversion of DSR to IOTS that is ordered, the customer must meet all of the following requirements.

(a) A conversion under this Option 38 is the replacement of one (1) or two (2) in-service DSRs which are equipped with enhanced nodes or with nodes that are not enhanced (**the existing DSR(s)**) with a single IOTS (**the replacing IOTS**). At the customer's option, the replacing IOTS may also include a new DSR that utilizes IOTS SONET optical transport channels as the backbone transmission facilities between the DSR enhanced nodes (**the new DSR**). The new DSR is subject to the DSR requirements set forth in Section 23.1 following and to the IOTS requirements set forth in Section 7.2.14(C)(4) preceding as they apply to connecting DSR to IOTS.

(b) For each existing DSR being converted, the replacing IOTS must include a SONET optical transport channel that has an optical carrier rate equal to, or greater than, the optical carrier rate of the existing DSR. For example, when converting one (1) existing Optical Carrier 12 (OC12) DSR to IOTS, the IOTS must include a SONET optical transport channel with an optical carrier rate of OC12 or greater.

(c) The existing DSR(s) must have been purchased under Section 23.1 following or under another contract tariff option in this Section 21. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.39 Contract Tariff Option 38 (Cont'd) (N)

(B) Eligibility Requirements (Cont'd)

(2) (Cont'd)

(d) The commitment period for the term plan of the replacing IOTS must extend beyond the expiration date of the commitment period for the term plan of the existing DSR as follows:

(1) When converting one existing DSR to IOTS, the commitment period for the term plan of the replacing IOTS (as selected under Section 7.2.14(C)(4) preceding or under another contract tariff option in this Section 21) must have an expiration date that extends beyond the expiration date of the commitment period for the term plan of the existing DSR.

(2) When converting two existing DSRs to a single IOTS, the commitment period for the term plan of the replacing IOTS (as selected under Section 7.2.14(C)(4) preceding or under another contract tariff option in this Section 21) must have an expiration date that extends beyond the expiration date of the commitment period for the DSR term plan with the later expiration date.

(e) The replacing IOTS must be within the same operating territory as the existing DSR(s) and must be configured as follows.

(1) Where one existing DSR is converted to IOTS, the replacing IOTS must have at least one (1) customer premises node location and one (1) CO node location in common with the existing DSR being replaced.

(2) Where two existing DSRs are converted to a single IOTS, the replacing IOTS must have at least one (1) customer premises node location and one (1) CO node location in common with either of the existing DSR(s) being replaced.

(C) Serving Area

(1) The serving area of Option 38 consists of the Phase I and Phase II Metropolitan Statistical Areas (**MSAs**) of this tariff. Wire centers within the Phase II MSAs of this tariff are set forth in Section 14.7 preceding.

(2) Any additions of, or changes to, the wire centers within an MSA that occur during the Service Period of the replacing IOTS subscribed to under this Option 38 will apply and be included in this Option 38. (N)

21. Contract Tariffs (Cont'd)

21.39 Contract Tariff Option 38 (Cont'd) (N)

(D) Terms and Conditions

(1) Except as set forth in this Section 21.39, the terms and conditions applicable to Special Access IOTS, as set forth in Section 7.2.14(C)(4) preceding also apply.

(2) Upon completion of the conversion, and regardless of the actual time taken to complete the conversion, a transitional billing credit applies as follows.

(a) two (2) months of transitional billing credit equal to fifty percent (50%) of the recurring monthly rates for the node, high speed pass-through interface, amplification and mileage Special Access rate elements of the replacing IOTS will apply; and

(b) two (2) months of transitional billing credit equal to fifty percent (50%) of the recurring monthly rates for the node, high speed pass-through interfaces, and mileage Special Access rate elements of the existing DSR(s) will apply.

(c) When the replacing IOTS also includes a new DSR that utilizes IOTS SONET optical transport channels as the transmission facilities between the DSR enhanced nodes, transitional billing credit is not applicable to the enhanced nodes for such new DSR.

(d) Shared Use as set forth in Section 5.2.8 preceding is allowed under this Option 38; however, only the Special Access portion of such existing DSR(s) or replacing IOTS is eligible for the transitional billing credit.

(e) The conversion from DSR to IOTS is complete when all circuits on the existing DSR(s) are disconnected and the SONET optical transport channels on the replacing IOTS (as required under (B)(2)(b) preceding) are installed and operational on the replacing IOTS, and the existing DSR(s) are disconnected.

(3) For each conversion the customer subscribes to under this Option 38, the commitment period of the term plan for the replacing IOTS (as selected by the customer under Section 7.2.14(C)(4) preceding or the applicable contract tariff option under this Section 21) will be extended by two (2) months beyond the selected commitment period (**extended commitment period**). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.39 Contract Tariff Option 38 (Cont'd) (N)

(D) Terms and Conditions (Cont’d)

(4) Subscription to Other Contract Tariff Options

A customer subscribing an IOTS to this Option 38 may concurrently subscribe that same IOTS 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 commitment period, which tariff arrangement, contract tariff option, special service arrangement, or ICB allows subscription to IOTS.

(5) Termination liability will not apply to disconnection of the existing DSR(s) when the conditions set forth in (B)(2) preceding and Section 7.2.14(C)(4)(f) preceding or the applicable contract tariff option in this Section 21 are met. The customer will remain responsible for any outstanding minimum period obligations on services connected to the existing DSR(s) as they may apply under Section 5.2.5 preceding.

(6) During the extended commitment period (as set forth in (D)(3) preceding) for the replacing IOTS, the customer is subject to termination liability under Section 7.2.14(C)(4)(e) preceding or the applicable contract tariff option in this Section 21 if service subscribed to under this Option 38 is discontinued prior to the end of the extended commitment period. (N)

ACCESS SERVICE

21. CONTRACT TARIFFS (Cont'd)

21.40 Contract Tariff Option 39 (N)

(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 Verizon 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. (N)

ACCESS SERVICE

21. CONTRACT TARIFFS (Cont'd)

21.40 Contract Tariff Option 39 (Cont'd) (N)

(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. (N)

ACCESS SERVICE

21. CONTRACT TARIFFS (Cont'd)

21.40 Contract Tariff Option 39 (Cont'd) (N)

(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). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.40 Contract Tariff Option 39 (Cont'd) (N)

(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.

Allentown-Bethlehem-Easton PA	MSA #58
Altoona PA	MSA #225
Baltimore MD	MSA #14
Charleston WV	MSA #140
Hagerstown MD	MSA #257
Harrisburg-Lebanon-Carlisle PA	MSA #84
Huntington-Ashland WV-KY-OH	MSA #110
Lancaster PA	MSA #105
Lynchburg VA	MSA #203
New York NY	MSA #1
Newport News-Hampton VA	MSA #104
Norfolk-Virginia Beach-Portsmoth VA/NC	MSA #43
Philadelphia PA-NJ	MSA #4
Pittsburgh PA	MSA #13
Reading PA	MSA #118
Richmond VA	MSA #59
Roanoke VA	MSA #157
Scranton-Wilkes Barre-Hazelton PA	MSA #56
Sharon PA	MSA #238
State College PA	MSA #259
Vineland-Millville-Bridgeton NJ	MSA #228
Washington DC-MD-VA	MSA #8
Williamsport PA	MSA #251
Wilmington-Newark DE-MD	MSA #69

(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.

Atlantic-Cape May NJ	MSA #134
New Brunswick-Perth Amboy-Sayerville NJ	MSA #62
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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.40 Contract Tariff Option 39 (Cont'd) (N)

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.40 Contract Tariff Option 39 (Cont'd) (N)

(D) Service Period (Cont'd)

(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.

(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 14.7 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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.40 Contract Tariff Option 39 (Cont'd) (N)

(D) Service Period (Cont'd)

(8) Node Additions (Cont'd)

(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 14.7 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.

(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.

(2) When DSR service under this Option 39 is provided within the New York and New Jersey Corridor, billing for the rates and charges under this Option 39 are further subject to the requirements set forth in Section 2.4.7 preceding. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.40 Contract Tariff Option 39 (Cont'd) (N)

(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 14.7 preceding) are used.

(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 14.7 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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.40 Contract Tariff Option 39 (Cont'd) (N)

(G) Terms and Conditions (Cont'd)

(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.

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.40 Contract Tariff Option 39 (Cont'd) (N)

(G) Terms and Conditions (Cont'd)

(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 14.7 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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.40 Contract Tariff Option 39 (Cont'd) (N)

(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 14.7 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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.40 Contract Tariff Option 39 (Cont'd) (N)

(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

(N)

ACCESS SERVICE

21. CONTRACT TARIFFS (Cont'd)

21.41 Contract Tariff Option 40 (N)

(A) Scope

(1) Contract Tariff Option 40 (**Option 40**) provides discounted rates and charges to certain rate elements of Special Access Verizon Dedicated SONET Ring service (**DSR**). In order to receive the discounted rates and charges, a customer must order an upgrade of Special Access Optical Carrier 3 (**OC3**), Optical Carrier 12 (**OC12**) or Optical Carrier 48 (**OC48**) DSR to Special Access Optical Carrier 192 (**OC192**) DSR and in accordance with the terms and conditions set forth herein (**upgrade to OC192 DSR**).

(2) Each upgrade to OC192 DSR that is subscribed to this Option 40 shall receive the discounted rates set forth in (H) following. Switched Access DSR rate elements as set forth in Section 23.1 following are not eligible for the 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 40.

(1) A customer must subscribe to Option 40 by submitting a written authorization in a manner designated by the Telephone Company during the thirty (30) day period that begins on May 13, 2006 and ends on June 12, 2006 (**Subscription Period**).

(2) A customer must order an upgrade to OC192 DSR during the Subscription Period specified in (B)(1) preceding.

(3) 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 40 rates and charges set forth in (H) following, unless the later service date is designated by the Telephone Company. (N)

21. CONTRACT TARIFFS (Cont'd)

21.41 Contract Tariff Option 40 (Cont'd) (N)

(B) Eligibility Requirements (Cont'd)

(4) Each upgrade under this Option 40 is subject to all of the following:

(a) An upgrade under this Option 40 is defined as the replacement of two (2) in-service OC3, OC12 or OC48 DSRs (collectively, **the old DSRs**) with a new OC192 DSR. The old DSRs to be converted can be any combination of OC3, OC12 and OC48.

(b) The new OC192 DSR must use enhanced nodes.

(c) The new OC192 DSR must be ordered and configured with at least sixty-five (65) equivalent Synchronous Transport Signal 1 (**STS-1**) SONET services and such minimum SONET capacity must be at least twenty percent (20%) greater than the combined equivalent STS-1 SONET capacity of the old DSRs.

(d) The new OC192 DSR will have a Service Period as set forth in (C) following. The applicable Service Period for the new OC192 DSR must have an expiration date that extends beyond the expiration date of the old DSR with the later expiration date.

(e) The new OC192 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).

(f) The aggregate amount of all monthly charges associated with the node and port rate elements for the entire Service Period of the new OC192 DSR must be at least twenty-five percent (25%) greater than the aggregate amount of monthly charges associated with the node and port rate elements remaining in the commitment period of the old DSRs.

(g) 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.

(h) For all other upgrades, the requirements and rates set forth in Section 23.1 following apply in lieu of the requirements and rates set forth in this Option 40. (N)

21. Contract Tariffs (Cont'd)

21.41 Contract Tariff Option 40 (Cont'd)

(C) Serving Area

(1) The serving area of Option 40 consists of the Metropolitan Statistical Areas (**MSAs**) set forth in (C)(1)(a) and (b) following.

(a) In the following MSAs, the Option 40 discounted monthly rates will be applied to all of the eligible rate elements for the service as specified in (E) following. (T)

Allentown-Bethlehem-Easton PA	MSA #58
Altoona PA	MSA #225
Baltimore MD	MSA #14
Charleston WV	MSA #140
Hagerstown MD	MSA #257
Harrisburg-Lebanon-Carlisle PA	MSA #84
Huntington-Ashland WV-KY-OH	MSA #110
Lancaster PA	MSA #105
Lynchburg VA	MSA #203
New York NY	MSA #1
Newport News-Hampton VA	MSA #104
Norfolk-Virginia Beach-Portsmouth VA/NC	MSA #43
Philadelphia PA-NJ	MSA #4
Pittsburgh PA	MSA #13
Reading PA	MSA #118
Richmond VA	MSA #59
Roanoke VA	MSA #157
Scranton-Wilkes Barre-Hazelton PA	MSA #56
Sharon PA	MSA #238
State College PA	MSA #259
Vineland-Millville-Bridgeton NJ	MSA #228
Washington DC-MD-VA	MSA #8
Williamsport PA	MSA #251
Wilmington-Newark DE-MD	MSA #69

(b) In the following MSAs, the Option 40 discounted monthly rates 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. (T)

Atlantic-Cape May NJ	MSA #134
New Brunswick-Perth Amboy-Sayerville NJ	MSA #62
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 new OC192 DSR subscribed to under this Option 40 will apply beginning on the effective date of such change and continuing through the end of the commitment period.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.41 Contract Tariff Option 40 (Cont'd) (N)

(D) Service Period

(1) The service period for each new OC192 DSR that is subscribed to this Option 40 is sixty-six (66) months, unless the Transitional Billing Option as set forth in (G)(5) following is ordered in which case the service period is extended to seventy-two (72) months (**Service Period**) or the Service Period is extended due to the addition of a node(s) under (D)(5)(d) following (**Extended Service Period**).

(2) The Service Period set forth in (D)(1) preceding is applicable to the enhanced nodes, partial ring high speed (pass-through) interfaces, mileage and ports of each new OC192 DSR that is subscribed to this Option 40. 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.

(3) The Service Period under this Option 40 commences with the date that billing for the new OC192 DSR begins and ends sixty-six (66) months later, unless the customer elects the transitional billing option under (G)(5) following in which case the Service Period ends seventy-two (72) months later. The Service Period may also be extended under (D)(5)(d) following.

(4) During the Service Period or Extended Service Period, as applicable, the customer is subject to termination liability under (G)(2) following if service under this Option 40 is discontinued prior to the end of the applicable Service Period or Extended Service Period.

(5) Additions of Service

(a) An additional node(s) may be ordered for a new OC192 DSR that is subscribed to this Option 40 at any time prior to the end of the Service Period. Except as set forth in (D)(5)(b) through (e) following, the addition of a node(s) is subject to the requirements set forth in Section 23.1 following.

(b) Nodes ordered after the initial installation of the new OC192 DSR under this Option 40 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 node(s) are the rates and charges set forth in (H) following. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.41 Contract Tariff Option 40 (Cont'd) (N)

(D) Service Period (Cont'd)

(5) Additions of Service (Cont'd)

(c) Nodes ordered after the subscription period and prior to completion of the first forty-two (42) months of the Service Period (when the new OC192 DSR is ordered without the transitional billing option) or forty-eight (48) months of the Service Period (when the new OC192 DSR is 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 nodes will be subject to the rates and charges set forth in Section 23.1(L) following (as determined in accordance with Section 14.7 preceding) and to termination liability under Section 23.1(E) 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 the new OC192 DSR or added prior to the end of the subscription period) and for other eligible rate elements (e.g., mileage, ports) will be the rates specified in (H) following during the Service Period.

(d) Nodes added after the first forty-two (42) months of the Service Period (when the replacing OC192 is ordered without the transitional billing option) or after the first forty-eight (48) months of the Service Period (when the replacing OC192 is ordered with the transitional billing option) require that the applicable Service Period for the entire OC192 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 Sect ion 23.1(L) following (as determined in accordance with Section 14.7 preceding) and to termination liability under Section 23.1(E) 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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.41 Contract Tariff Option 40 (Cont'd) (N)

(D) Service Period (Cont'd)

(5) Additions of Service (Cont'd)

(e) During the Extended Service Period, the added node(s) will be subject to the rates and charges set forth in Section 23.1(L) following (as determined in accordance with Section 14.7 preceding) and to termination liability under (G)(2) 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 the new OC192 DSR or added prior to the end of the subscription period) and for other eligible rate elements (e.g., mileage, ports) will be the rates specified in (H) following during the extended Service Period.

(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:

- OC192 Enhanced nodes
- OC192 Mileage
- OC192 High Speed (pass-through) Interface
- Ports as specified in (H) following. For all other ports not shown in (H) following, the rates and charges set forth in Section 23.1(L) following apply.

(2) Both full ring and partial ring service configurations may be subscribed to this Option 40.

(F) Application of Rates and Charges

(1) The rates and charges for this Option 40 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 new OC192 DSRs subscribed to this Option 40.

(2) The nonrecurring charges for ports under this Option 40 are differentiated by whether or not the ports are installed coincident with the initial installation of the new OC192 DSR or at any time subsequent to the initial installation. Additionally, such nonrecurring charges are applied on a First and Additional basis in accordance with Section 23(D)(3)(a) following. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.41 Contract Tariff Option 40 (Cont'd) (N)

(G) Terms and Conditions

Unless superseded by the terms and conditions set forth herein, all terms and conditions, including termination liability under Section 23.1 following, apply to new OC192 DSR subscribed to under this Option 40.

(1) The Option 40 rates and charges set forth in (H) following will apply for the duration of the Service Period set forth in (D)(1) preceding or the Extended Service Period set forth in (D)(5)(d) preceding. If the customer renews or extends the commitment period for such new OC192 DSR in accordance with Section 23.1 following, the rates and charges set forth in (H) following do not apply during such period of renewal or extension.

(2) Termination Liability

(a) When a new OC192 DSR or any rate element associated with such new OC192 DSR is discontinued prior to the end of the Service Period or Extended Service Period, as applicable, termination liability applies as follows.

(1) For nodes and high speed (pass-through) interfaces ordered with the initial installation of service or at any time prior to the end of the subscription period, termination liability applies in accordance with Section 23.1(E) following except that such termination liability charges will be calculated using the rates set forth in (H) following.

(2) For nodes and high speed (pass-through) interfaces ordered after the end of the subscription period, termination liability applies in accordance with Section 23.1(E) following and is calculated using the rates set forth in Section 23.1(L) following.

(3) Termination liability charges do not apply to the mileage rate element.

(4) Termination liability does not apply to ports purchased under this Option 40. However, each port purchased under this Option 40 is subject to one (1) month of minimum billing (for billing purposes one month is thirty (30) days of billing). For example, assume that an OC3 port is ordered on May 30, 2006 and disconnected on June 10, 2006. The customer will be billed a minimum of one month for such port without any prorated adjustment for the period beginning May 30, 2006 and ending June 29, 2006. Service connecting to a port purchased under this Option 40 is subject to minimum period requirements and termination liability as they apply to such connecting service under other sections of this tariff.

(b) Termination liability will not apply to cancellation of the term plan on an old DSR when such old DSR term plan is discontinued for the purpose of upgrading to a new OC192 DSR under this Option 40 and Section 23.1 following. (N)

21. Contract Tariffs (Cont'd)

21.41 Contract Tariff Option 40 (Cont'd)

(G) Terms and Conditions (Cont'd)

(3) Work Activity Ordered on New OC192 DSR Subscribed to Option 40

(a) With the exception of adding a node under (D)(5) preceding, removing a node of a new OC192 DSR subscribed to under this Option 40, or adding or removing ports under (G)(3)(b) following, any replacements, rearrangements, or other physical change to the service subscribed to Option 40 will result in cancellation of the customer's subscription to this Option 40 for that new OC192 DSR, in which case the rates and charges set forth in Section 23.1(L) following (as determined in accordance with Section 14.7 preceding) will apply for the balance of the commitment period for the affected new OC192 DSR. If the addition or removal of a node, in accordance with (D)(5) preceding, 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 ports at the rates and charges set forth in (H) following. At any time during the Service Period or Extended Service Period, as applicable, the customer may remove ports in accordance with Section 23.1 following, except that such ports will be subject to minimum billing of one (1) month and not subject to termination liability as it would otherwise apply under Section 23.1 following.

(4) Subscription to Other Contract Tariff Options

(a) A customer subscribing to new OC192 DSR under this Option 40 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 commitment 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) Except as set forth in (G)(4)(a) preceding, the customer may not subscribe any DSR rate element that receives the Option 40 discounted monthly rates to any other contract tariff, unless (T)
subscription of such DSR is explicitly allowed under that contact tariff option.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.41 Contract Tariff Option 40 (Cont'd) (N)

(G) Terms and Conditions (Cont'd)

(5) Transitional Billing

(a) At the time of ordering an upgrade of DSR under this Option 40, 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 40 shall be seventy-two (72) months and the customer will receive six (6) months of transitional billing credit upon completion of the upgrade, regardless of the actual time taken for the upgrade. Transitional billing credit is described in (G)(5)(b) following and will be applied when the requirements set forth herein are met.

(b) Transitional billing credit is applied for 6 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 old 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 new OC192 DSR for which the customer has ordered the transitional billing option. Transitional billing credit is not applicable to ports or to any other rate element associated with the old DSR(s) or the new OC192 DSR.

(6) Shared Use as set forth in Section 5.2.8 preceding is allowed under this Option 40; however, only the Special Access portion of such DSR is eligible for the rates and charges set forth in (H) following.

(7) Expiration of Service Period

Upon completion of the Service Period or Extended Service Period for this Option 40, as applicable, the customer's subscription to this Option 40 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 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 14.7 preceding).

(d) In the event that the customer does not make an election of (G)(7)(a) through (c) preceding, the customer's subscription to the new OC192 DSR will continue in accordance with (G)(7)(c) preceding. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.41 Contract Tariff Option 40 (Cont'd) (N)

(H) Rates and Charges

The following rates and charges will apply for the rate elements specified in (E) preceding of each new OC192 DSR that is subscribed to this Option 40. Rates and charges in this Section (H) will continue through the end of the Service Period set forth in (D)(1) preceding or the Extended Service Period set forth in (D)(5)(d) preceding. The rates and charges that apply to such new OC192 DSR rate elements after the end of the Service Period or Extended Service Period, as applicable, or to any other rate element not shown, whether for the new OC192 DSR or for a service connected to such new OC192 DSR, are the 5-Year rates and charges set forth in other sections of this tariff.

	Monthly Rates	Nonrecurring Charges
(1) OC192 Enhanced Node, per enhanced node	$5,520.00	None
(2) Partial Ring High Speed (Pass-through) Interfaces, per interface		
OC192 Interface	$5,520.00	None

	Monthly Rates
(3) OC192 Ring Mileage, per mile	$767.40
(4) Ports	
DS1 @ OC192 Node	$16.80
DS3 @ OC192 Node	69.00
OC3 @ OC192 Node	205.80
OC3c @ OC192 Node	164.40
OC12 @ OC192 Node	385.20
OC12c @ OC192 Node	308.40
OC48 @ OC192 Node	840.00
OC48c @ OC192 Node	720.00
GigE1 @ OC192 Node	138.00
GigE3 @ OC192 Node	207.00
GigE6 @ OC192 Node	273.00
GigE9 @ OC192 Node	321.00
GigE12 @ OC192 Node	387.00
GigE24 @ OC192 Node	528.00

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.41 Contract Tariff Option 40 (Cont'd) (N)

(H) Rates and Charges (Cont'd)

(4) Ports (Cont'd)

(a) Initial Installation

	Nonrecurring Charges First	Nonrecurring Charges Additional
DS1 @ OC192 Node	$525.00	$210.00
DS3 @ OC192 Node	805.00	343.00
OC3 @ OC192 Node	805.00	343.00
OC3c @ OC192 Node	805.00	343.00
OC12 @ OC192 Node	767.00	327.00
OC12c @ OC192 Node	767.00	327.00
OC48 @ OC192 Node	767.00	327.00
OC48c @ OC192 Node	767.00	327.00
GigE1 @ OC192 Node	767.00	327.00
GigE3 @ OC192 Node	767.00	327.00
GigE6 @ OC192 Node	767.00	327.00
GigE9 @ OC192 Node	767.00	327.00
GigE12 @ OC192 Node	767.00	327.00
GigE24 @ OC192 Node	767.00	327.00

(b) Subsequent Installation

	First	Additional
DS1 @ OC192 Node	$1.00	$0.75
DS3 @ OC192 Node	1.00	0.75
OC3 @ OC192 Node	1.00	0.75
OC3c @ OC192 Node	1.00	0.75
OC12 @ OC192 Node	1.00	0.75
OC12c @ OC192 Node	1.00	0.75
OC48 @ OC192 Node	1.00	0.75
OC48c @ OC192 Node	1.00	0.75
GigE1 @ OC192 Node	1.00	0.75
GigE3 @ OC192 Node	1.00	0.75
GigE6 @ OC192 Node	1.00	0.75
GigE9 @ OC192 Node	1.00	0.75
GigE12 @ OC192 Node	1.00	0.75
GigE24 @ OC192 Node	1.00	0.75

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.42 Contract Tariff Option 41 (N)

(A) Scope

Contract Tariff Option 41 (**Option 41**) is offered for a service period of three (3) years and provides a customer with billing credits when the customer maintains a Minimum Annual Revenue Commitment (**MARC**), as determined in (F)(1) following for the Qualifying Services set forth in (E)(1) following (**MARC for Qualifying Services**). Calculation of the MARC for Qualifying Services and the billing credits shall be in accordance with the terms of this Option 41.

(B) Eligibility

The customer must meet all of the following criteria in order to be eligible for subscription to Option 41 and to receive the billing credits set forth in (G) following.

(1) A customer subscribes to Option 41 by submitting a written authorization in a manner designated by the Telephone Company during the thirty (30) day period which begins on May 20, 2006 and ends on June 18, 2006 (**Subscription Period**).

(2) During the twelve (12) month period prior to the commencement of the Service Period set forth in (C) following, the customer must have achieved a minimum of one hundred thirty-six million $136,000,000 (**$136M**) in billed monthly recurring revenue (**MRC**)for the Qualifying Services (as defined in (E)(1) following).

(3) During the Service Period, in order to receive any Billing Credits, the customer must:

(a) Meet or exceed the MARC, as described in (F) following, for Qualifying Services; and

(b) Must satisfy the Network Grooms Restriction described in (J)(1) following.

(4) The MARC for Qualifying Services shall be calculated using the criteria and mechanism set forth in (F) following. Billing Credits shall vary depending on the MARC for Qualifying Services achieved by the customer during the Service Period, and such Billing Credits shall be calculated in accordance with (G)(1) and (G)(2) following. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.42 Contract Tariff Option 41 (Cont'd) (N)

(B) Eligibility (Cont'd)

(5) Other than as set forth in (K) following, the customer may not concurrently subscribe to any other tariff arrangement, contract tariff option, special service arrangement, or Individual Case Basis (ICB) tariff offered by the Telephone Company and available to the customer either currently or at any time during the Service Period which provides a discount, credit, or other reduction in rates or terms based on achievement of certain targets by the customer for the Qualifying Services without written consent from the Telephone Company. Notwithstanding the foregoing, the customer will be eligible to continue to participate in Contract Option 4 offered in the Verizon (x)
Telephone Companies Tariff F.C.C. No. 14 (**FCC 14**). (x)

(C) Service Period

The Service Period of this Option 41 shall be for a period of three (3) years from the date of subscription to Option 41.

(D) Service Area

The Service Area for this Option 41 includes all of the Metropolitan Statistical Areas (MSAs) that have achieved Phase I or Phase II pricing flexibility under this tariff and under the Verizon Telephone (x)
Companies Tariff F.C.C. No. 11 (**FCC 11**), FCC 14, and the Verizon (x)
Telephone Companies Tariff F.C.C. No. 20 (**FCC 20**). Wire centers for (x)
the Phase II MSAs in this tariff are listed in Section 14.7 preceding. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status) that occur during the Service Period will apply. No Billing Credits will be provided in the operating territories of the Verizon Telephone Companies Tariff F.C.C. (x)
No. 16 (**FCC 16**), but the calculation of the MARC for the Qualifying (x)
Services will include all Qualifying Services specified in (E)(1)(a) following which are purchased by the customer under FCC 16. (N)(x)

(x) Issued under authority of Special Permission No. 06-019 of the Federal Communications Commission

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21. Contract Tariffs (Cont'd)

21.42 Contract Tariff Option 41 (Cont'd) (N)

(E) Qualifying Services

(1) Qualifying Services will be comprised of the following services purchased by the customer during the Service Period:

(a) SONET and Optical Services, as set forth in Sections 6, 7, 8 and 23 of this tariff, Sections 6, 7, 26 and 34 of FCC 11, Section 20 of FCC 14 (including Banded Optical Transport Services within that section), and Section 20 of FCC 16 (including Banded Optical Transport Services within that section), and Federal Telecommunications Access Service, as set forth in Section 17 of this tariff and Section 24 of FCC 11, (collectively, **SONET/Optical Services**); (x)

(b) Advanced Services (Frame Relay, Asynchronous Transfer Mode (ATM), and Transparent LAN Services) as set forth in FCC 1 (Section 16) and FCC Tariff No.20 (Section 5); and (x)

(c) FMS Services as set forth in this tariff (Sections 6.8.26 and 7.2.13) and in FCC 11 (Sections 6.2.12 and 7.2.16). (x)

(2) If the Telephone Company introduces new SONET/Optical Services, Advanced Services or FMS Services, or an enhancement to such services during the Service Period set forth in (C) preceding, then such services shall be automatically included in the Qualifying Services, and the customer's purchases of such new or enhanced Qualifying Services shall be included in the calculation of the MARC, subject to the terms and conditions set forth herein.

(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 41. (N)

(x) Issued under authority of Special Permission No. 06-019 of the Federal Communications Commission

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.42 Contract Tariff Option 41 (Cont'd) (N)

(F) Minimum Annual Revenue Commitment (MARC)

(1) General

(a) Subject to any credits or adjustments as set forth in this (F)(1)(a), the customer's MARC shall include only MRCs for the Qualifying Services, which shall include any credits or discounts given under existing pricing term plans (e.g., Service Discount Plan, Term Payment Plans, or Commitment Discount Plan) or Contract Tariff Option 4 under FCC 14, if applicable, that are generated in the course of billing monthly recurring revenue for the Qualifying Services provided during the Service Period. Any credits and adjustments made to MRC amounts for Qualifying Services, as set forth above, which are purchased by the customer during the Service Period shall be included in the calculation of the MARC for the Qualifying Services. (x)

(b) The MARC for the Qualifying Services does not include any revenue other than as set forth in Section (F)(1)(a) preceding. As an illustrative example, the following types of charges are not included in the calculation of the MARC for the Qualifying Services. The following is an illustrative list and is not intended to be a comprehensive listing of all other charges excluded from the calculation of the MARC for the Qualifying Services.

(1) Any non recurring charges
(2) Taxes, or other charges imposed by a federal, state, local, or other governmental entity (e.g. Federal Universal Service Fund)
(3) Service or administrative fees or charges imposed by the Telephone Company (e.g. Interest penalty, late payment penalty)
(4) Any other billed amount related to Qualifying Services for which payment is being withheld or under dispute by the customer
(5) 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
(6) Shortfall or overage charges associated with term plan true-ups, (for example, such as failure to satisfy commitment levels pursuant to the CDP Plan); or
(7) Termination liabilities and minimum period charges
(8) Any other charges which are not applied on a recurring monthly basis.

(c) In calculating the MARC for Qualifying Services, the Telephone Company shall determine the total amount of billed MRCs for Qualifying Services which have been purchased by the customer during the Service Period. (N)

(x) Issued under authority of Special Permission No. 06-019 of the Federal Communications Commission

21. Contract Tariffs (Cont'd)

21.42 Contract Tariff Option 41 (Cont'd)

(F) Minimum Annual Revenue Commitment (MARC) (Cont'd)

(1) General (Cont'd)

(d) Unless otherwise mutually agreed to by the customer and the Telephone Company, 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, the following terms and conditions will apply.

(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 the MARC for Qualifying Services.

(2) The customer may continue subscribing to this Option 41 for the duration of the Service Period based on its business with the Telephone Company as of the date of subscription to this Option 41, without adding the revenues attributable to expansion of the customer's purchase of Services from the Telephone Company though merger, transfer, assignment, or acquisition.

(3) The Telephone Company reserves right to terminate the customer's subscription to this Option 41 if the customer does not adhere to the provisions of this Section (F)(1)(d).

(e) If an Issuing Carrier of this tariff is acquired by an unaffiliated third party (**Acquired VZ Telco**), or all or part of the assets of such Issuing Carrier are acquired by an unaffiliated third party (Acquired VZ Telco), then the MARC for Qualifying Services shall be proportionately reduced by the applicable Acquisition Reduction Amount (defined in (F)(1)(e)(1) following).

(1) An Acquisition Reduction Amount shall be calculated for the Qualifying Services as follows:

(a) calculate the amount of Qualifying Services purchased by the customer from the Acquired VZ Telco during the twelve (12) months prior to the time that the Acquired VZ Telco ceases to provide the Qualifying Services; then (T)

(b) calculate the average monthly amount purchased by the customer from the Acquired VZ Telco for Qualifying Services by dividing the number calculated in (a) preceding by 12; and

(c) multiply the average monthly amount for Qualifying Services calculated in (b) preceding by the number of months remaining in the year in which the acquisition occurs. (C)

21. Contract Tariffs (Cont'd)

21.42 Contract Tariff Option 41 (Cont'd)

((F) Minimum Annual Revenue Commitment (MARC) (Cont'd)

(1) General (Cont'd)

(e) (Cont'd)

(2) As an illustrative example:

(a) Assume that Verizon New York Inc. was acquired by an unaffiliated third party and ceased to operate in month 15 of the Service Period.

(b) Assume that the customer purchased $12M of Qualifying Services from Verizon New York Inc. during the 12 months prior to the time that Verizon New York Inc. ceased to provide the Qualifying Services under this Option 41.

(c) Assume that at the end of the first year of the Service Period, the customer's MARC for Qualifying Services is $140M.

(d) Then the Acquisition Reduction Amount would be $9M ($12M divided by 12 months, then multiplied by 9, the remaining months of the second year of the Service Period).

(e) The new MARC for year two of the Service Period would be $131M ($140M minus Acquisition Reduction Amount of $9M). (C)

21. Contract Tariffs (Cont'd)

21.42 Contract Tariff Option 41 (Cont'd)

(F) Minimum Annual Revenue Commitment (MARC) (Cont'd)

(1) General (Cont'd)

(g) When the Telephone Company (i) ceases to offer one or more of the Qualifying Services specified in (E)(1) preceding under this tariff, or (ii) the customer replaces a Qualifying Service specified in (E)(1) preceding with a non-tariffed service offered by the Telephone Company (**Replacement Service**), (collectively, **Affected Qualifying Services**), then the MARC for Qualifying Services shall be proportionately reduced by the Tariff Reduction Amount (defined in (F)(1)(g)(1) following). (T) (N) (N) (N)

(1) The **Tariff Reduction Amount** shall be calculated as follows:

(a) calculate the amount of the Affected Qualifying Services purchased by the customer from the Telephone Company during the twelve (12) months prior to (i) the date that the Affected Qualifying Services are no longer offered under this tariff, or (ii) the date the Telephone Company has provided the Replacement Service to the customer, whichever occurs first; (T) (T) (N) (N) (N)

(b) calculate the average monthly amount of the Affected Qualifying Services purchased by the customer by dividing the number calculated in (a) preceding by 12: and (T)

(c) multiply the average monthly amount of the Affected Qualifying Services calculated in (b) preceding by the number of months remaining in the plan year for the Qualifying Services that (i) are no longer offered under this tariff, or (ii) are replaced with Replacement Services, as applicable. (T) (T) (T) (N)

(2) As an illustrative example:

(a) Assume that the Telephone Company ceases to offer certain Qualifying Services on November 20, 2006.

(b) Assume also that the customer purchased twelve million ($12M) of such Qualifying Services during the twelve (12) months prior to the date that the Telephone Company ceased offering such Qualifying Services.

(c) Assume also that the customer's MARC is one hundred thirty-six million ($136M) during the first year of the Service Period.

(d) Then the Tariff Reduction Amount would be six million ($6M) ($12M divided by 12 months, then multiplied by 6, the remaining months of the first year of the Service Period).

(e) The new MARC for the first year of the Service Period would be one hundred thirty million ($130M) ($136M minus the Tariff Reduction Amount of $6M). (C)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.42 Contract Tariff Option 41 (Cont'd) (N)

(F) Minimum Annual Revenue Commitment (MARC) (Cont'd)

(2) Calculation of the MARC

(a) The customer's MARC for the first year of the Service Period shall be $136M. Beginning twelve (12) months after the date of subscription to Option 41, and every year thereafter, the Telephone Company will recalculate the customer's MARC as follows.

(1) The Telephone Company will determine the amount of the customer's MRCs for Qualifying Services during the three (3) month period prior to the end of each year of the Service Period.

(2) The Telephone Company will then multiply the amount determined in (1) preceding by four (4). If the resulting amount is less than the previous year's MARC, then the previous year's MARC will continue to apply, except as noted in (F)(2)(b) following. If the resulting amount is equal to or greater than the previous year's MARC, then that amount will become the customer's new MARC for the next year of the Service Period, unless the Telephone Company and the customer mutually agree that the new MARC should be adjusted due to billing errors by the Telephone Company during that three (3) month period set forth in (F)(2)(a)(1) preceding.

As an illustrative example:

(a) Assume that the customer's MARC for the first year of the Service Period is $136M; and

(b) Assume that in the 3 months prior to the end of the first year of the Service Period, the customer's MRCs were $34.85M ($11.2M, $11.7M and $11.95M, for the 3 prior months).

(c) Based on these assumptions, the MARC for year 2 of the Service Period would be $139.4M ($34.85M x 4). Since the resulting MARC for year 2 of the Service Period is greater than the MARC for the first year of the Service Period, the MARC for year 2 of the Service Period would be $139.4M. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.42 Contract Tariff Option 41 (Cont'd) (N)

(F) Minimum Annual Revenue Commitment (MARC) (Cont'd)

(2) Calculation of the MARC (Cont'd)

(b) The MARC may be decreased by the Telephone Company only in the following four (4) circumstances.

(1) If the customer changes to a longer commitment period on one of its existing discount plan(s), and such change results in a reduction to the MRCs for the embedded base of Qualifying Services (e.g., a change in FMS Service from a 5-Year term plan to a 7-Year term plan), the MARC will be reduced to reflect the decrease in MRCs and the Telephone Company will adjust the discount percentages used to determine the Billing Credits proportionally. Discount percentages for the MARC are specified in (L) following.

As an illustrative example:

(a) Assume the current MARC for the customer is $136M; and

(b) Assume that the customer subscribes to FMS Service under a 5-Year term plan; and

(c) Assume that during the first year of the Service Period the customer cancels the 5-Year term plan and subscribes to a new 7-Year term plan for its FMS Services; and

(d) Assume that the difference in the tariff rates between the 5-Year term plan rates for FMS Service mileage and the 7-Year term plan rates for FMS Service mileage is a twenty percent (20%) reduction.

(e) Finally, assume that seventy percent (70%) of the current MARC is attributable to revenue for FMS Service mileage.

Calculate the reduction to the MARC as follows:

Step 1: First multiply the current MARC by 70% to determine the portion of the MARC attributable to MRCs for FMS Service mileage at the current 5-Year term plan rates ($136M x .7 = $95.2M)

Step 2: Then reduce the MRCs for FMS Service mileage determined in Step 1 by the 20% difference in the tariff rates for the 5-Year term plan and the 7-Year term plan rates ($95.2M x .8 = $76.16M) (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.42 Contract Tariff Option 41 (Cont'd) (N)

(F) Minimum Annual Revenue Commitment (MARC) (Cont'd)

(2) Calculation of the MARC (Cont'd)

(b) (Cont'd)

(1) (Cont'd)

Step 3: Then determine the portion of the current MARC attributable to the remaining Qualifying Services by subtracting the MRCs for FMS Service mileage at the 5-Year term plan rates determined in Step 1 from the current MARC ($136M - $95.2M = $40.8M)

Step 4: Calculate the reduced MARC by summing the reduced portion of the current MARC attributable to FMS Service mileage at the 7-Year term plan rates as determined in Step 2 plus the portion of the current MARC attributable to the remaining Qualifying Services as determined in Step 3 ($76.16M + 40.8M = $116.96M)

Step 5: Adjust the discount percentages set forth in (L) following to reflect the reduction to the MARC as follows:

- Determine the weighted impact of the reduction in MRCs for the MARC by multiplying 70% (the assumed portion of the current MARC attributable to FMS Service mileage revenues) by the additional discount between the 5-Year term plan rates and the 7-Year term plan rates for FMS Service mileage rates (70% x 20% = a 14% reduction or 86% of the current MARC)

- Determine the adjusted Basic MARC discount percentage by multiplying the current discount percentage for the Basic MARC by the weighted impact of the reduction in FMS Service mileage. The adjusted Basic MARC discount percentage would be 1.72% (2% x 86%) (N)

21. Contract Tariffs (Cont'd)

21.42 Contract Tariff Option 41 (Cont'd)

(F) Minimum Annual Revenue Commitment (MARC) (Cont'd)

(2) Calculation of the MARC (Cont'd)

(b) (Cont'd)

(1) (Cont'd)

Step 5 (Cont'd)

- Determine the adjusted FMS Mileage in Top 10 LATAs percentage discount by multiplying the current discount percentage for the FMS Mileage in Top 10 LATAs percentage discount by the weighted impact of the reduction in FMS Service mileage. The adjusted FMS Mileage in Top 10 LATAs MARC discount percentage would be 12.51% (14.55% x 86%)

- Determine the adjusted FMS Mileage in Wild Card LATAs percentage discount by multiplying the current discount percentage for the FMS Mileage in Wild Card LATAs percentage discount by the weighted impact of the reduction in FMS Service mileage. The adjusted FMS Mileage in Wild Card LATAs discount percentage would be 10.43% (12.13% x 86%)

(2) During the Service Period, if the Telephone Company reduces its MRCs for Qualifying Services by a cumulative 10% but less than 25% from May 20, 2006, then the MARC will be reduced by the same percentage.

As an illustrative example, assume that the customer's MARC is $136M and the cumulative reduction in MRCs since the start of the Service Period is eleven percent (11%). The MARC would be reduced to $121.04M ($136M x .89).

(3) If an Issuing Carrier of this tariff that participates in this Option 41, or the assets of such Issuing Carrier, is acquired by an unaffiliated third party as described in (F)(1)(e) preceding.

(4) If the Telephone Company ceases to offer any Qualifying Service(s) or the Telephone Company provides a Replacement (N)
Service as described in (F)(1)(g) preceding to the customer. (N)

(c) If the Telephone Company reduces its rates for Qualifying Services by a cumulative twenty-five percent (25%) or more from May 20, 2006, the customer has the option to request that the Telephone Company reduce the MARC by the same percentage using the same method of reduction specified in (F)(2)(b)(2) preceding, or may terminate its subscription to this Option 41 upon sixty (60) days written notice. In such event, no Termination Charges under (I) following will apply.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.42 Contract Tariff Option 41 (Cont'd) (N)

(G) Billing Credits

(1) Quarterly Billing Credit Calculation

(a) At the end of each three (3) month period during the Service Period, the Telephone Company shall calculate the MRCs achieved by the customer during such three month period for Qualifying Services in accordance with the terms and condition set forth in this Option 41 (**Achieved Quarterly Revenue**). The Telephone Company will also develop a quarterly MARC by dividing the annual MARC by four (**Prorated Quarterly MARC**). The Telephone Company will then compare the Achieved Quarterly Revenue to the Prorated Quarterly MARC and also determine whether the customer has complied with the Grooms Restriction set forth in (J) following.

(1) If the Achieved Quarterly Revenue during the three month period is less than the Prorated Quarterly MARC, or if the customer has not complied with the Grooms Restriction, then the customer will not receive a Billing Credit for that particular three month period.

(2) If the customer has complied with the Grooms Restriction and the Achieved Quarterly Revenue during the three (3) month period is equal to or greater than the Prorated Quarterly MARC, then the customer will be eligible to receive a Quarterly Billing Credit for that three month period (**Quarterly Billing Credit**).

(b) In order to determine the amount of the Quarterly Billing Credit, the Telephone Company will perform the following calculation.

(1) Determine the Achieved Quarterly Revenue during the prior three (3) month period in according with (G)(1)(a) preceding for all of the Qualifying Services set forth in (E)(1)(a) through (c) preceding (**Basic MARC**). Then determine the MRC portion of the Basic MARC attributable to mileage for FMS Services in the Top 10 LATAs as defined in (G)(1)(b)(4) following, the MRC portion of the Basic MARC attributable to mileage for FMS in the five Wild Card LATAs as defined in (G)(1)(b)(4) following, and the MRC portion of the Basic MARC attributable to the mileage rate elements for the Banded Optical Transport Services as specified in (E)(1)(a) preceding. The Telephone Company will then apply such achieved amounts to the Discount Table specified in (L) following and apply the corresponding discount for each category, the results of which are the individual billing credits for the quarter for each category.

(2) To determine the Quarterly Billing Credit due to the customer, total the individual billing credits for each category determined in (b)(1) preceding and reduce such total by three percent (3%) to account for the customer's claims and disputes. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.42 Contract Tariff Option 41 (Cont'd) (N)

(G) Billing Credits (Cont'd)

(1) Quarterly Billing Credit Calculation (Cont'd)

(b) (Cont'd)

(3) As an illustrative example:

(a) Assume that the Groom Restriction set forth in (J) following has been met and that the customer's MARC is $136M; and

(b) Assume that the customer's actual revenue for the prior 3 months is greater than the Prorated Quarterly MARC.

Calculate the Quarterly Billing Credit as follows:

Step 1: Develop the prorated Quarterly MARC by dividing the MARC (assume to be $136M) by 4 ($136M ÷ 4) resulting in a prorated Quarterly MARC of $34M.

Step 2: Determine the Billing Credit for the Basic MARC by multiplying the achieved MRCs for the prior three (3) months (assume to be $37.5M) by the discount percentage specified in (L) following ($37,500,000 x .02) resulting in a Billing Credit for the Basic MARC of $750,000.

Step 3: Determine the Billing Credit for FMS Mileage in the Top 10 LATA by multiplying the achieved MRCs for the prior three (3) months for FMS Mileage in the Top 10 LATAs (assume to be $13,046,355) by the discount percentage specified in (L) following ($13,046,355 x 14.55%) resulting in a Billing Credit for FMS Mileage in Top 10 LATAs of $1,898,245.

Step 4: Determine the Billing Credit for FMS Mileage in the Wild Card LATAs by multiplying achieved MRCs for the prior three (3) months for FMS Mileage in the Wild Card LATAs (assume to be $3,007,694) by the discount percentage specified in (L) following ($13,046,355 x 12.13%) resulting in a Billing Credit for FMS Mileage in Wild Card LATAs of $364,833. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.42 Contract Tariff Option 41 (Cont'd) (N)

(G) Billing Credits (Cont'd)

(1) Quarterly Billing Credit Calculation (Cont'd)

(b) (Cont'd)

(3) (Cont'd)

Step 5: Determine the Billing Credit for Banded Optical Transport for the prior three (3) months (assume to be $2,768,561) by multiplying the achieved MRCs for Banded Optical Transport by the discount percentage specified in (L) following ($2,768,561 x 14.00%) resulting in a Billing Credit for Banded Optical Transport of $387,599.

Step 6: Determine the sum of all Billing Credits determined in Steps 2 though 5 ($750,000 + $1,898,249 +$364,883 + 387,599) resulting in a sum of all Billing Credits of $3,400,681.

Step 7: Calculate the amount for the Claims Adjustment Factor by multiplying the sum of all Billing Credits determined in Step 6 by the 3% ($3,400,681 x .03) resulting in a Claims Adjustment of $102,020.

Step 8: To determine the final Quarterly Billing Credit for the prior 3 months, subtract the Claims Adjustment determined in Step 7 from the sum of all Billing Credits determined in Step 6. The resulting final Billing Credit would be $3,298,661 ($3,400,681 - $102,020).

(4) For purposes of this Option 41, the **Top 10 LATAs** are those LATAs where the customer purchases FMS Services and has the highest quantity of DS0-equivalent circuits. **Wild Card LATAs** are any other five (5) Wild Card LATAs designated by the customer at the time of subscription to this Option 41 where the customer purchases FMS Service. Upon thirty (30) days' prior written notice, the customer may change the five Wild Card LATAs at the end of each year during the Service Period. On an annual basis, the Telephone Company will review whether any changes are necessary to the Top 10 LATAs. Any changes to the Top 10 LATAs must be mutually agreed to by the Telephone Company and the customer. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.42 Contract Tariff Option 41 (Cont'd) (N)

(G) Billing Credits (Cont'd)

(2) Annual True-Up Credit Calculation

(a) Within forty-five (45) days after the end of each plan year, the Telephone Company will perform an annual true-up calculation to determine whether any additional Billing Credits are due the customer (**Annual True-up Credit**).

(b) In order to be eligible for the Annual True-up Credit, the customer must have complied with the following **Annual Grooms Restriction.**

(1) The Telephone Company will groom no more than three hundred (300) Special Access and/or Switched Access circuits per year for the Qualifying Services; and

(2) no more than twenty-four (24) of such 300 circuits may be DS3 or greater bandwidth.

(c) If the customer has not complied with the Annual Grooms Restriction set forth in (G)(2)(b) preceding, then the customer will not be eligible for an Annual True-up Credit for that twelve (12) month period.

(d) If the customer has complied with the Annual Grooms Restriction set forth in (G)(2)(b) preceding, then the customer may be eligible to receive an additional billing credit (Annual True-up Credit) as described below. In order to determine whether an Annual True-up Credit is due to the customer, the Telephone Company will first determine the total amount of MRC billed to the customer for the Qualifying Services set forth in (E)(1) preceding.

(1) If the total amount of MRC billed to the customer during the 12 month period is less than ninety-five percent (95%) of the MARC, a Shortfall Penalty as described in (H) following will apply and the customer will not receive an Annual True-up Credit.

(2) If the total amount of MRC billed to the customer during the 12 month period is greater than 95% but less than one hundred percent (100%) of the MARC, then the customer shall pay back to the Telephone Company any Quarterly Billing Credits that it received during the twelve (12) month period and the customer will not receive an Annual True-up Credit. However, the customer shall not be subject to any Shortfall Penalty under (H) following.

(3) If the total amount of MRC billed to the customer during the 12 month period is equal to or greater than the MARC, the Telephone Company shall determine the amount of Annual True-up Credit that would be due the customer by applying the discount percentages shown in the Discount Table in (L) following to the total amount of MRC billed to the customer during the 12 month period. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.42 Contract Tariff Option 41 (Cont'd) (N)

(G) Billing Credits (Cont'd)

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

(e) The Annual True-up will be calculated as follows.

(1) The Telephone Company will first determine whether the customer has complied with the Annual Grooms Restriction specified in (G)(2)(b) preceding.

(2) In accordance with the terms and condition set forth in this Option 41, the Telephone Company shall determine the total revenue achieved by the customer for the Qualifying Services specified in (E)(1) preceding by adding the billed MRCs for all such Qualifying Services over the twelve (12) month period for the Annual True-up (**Achieved Annual Revenue**).

(3) The Telephone Company will then determine the total MRC for mileage for FMS Services that was billed in the Top 10 LATAs during the twelve (12) month period of the Annual True-up, the total MRC for mileage for FMS Services that was billed in the five (5) Wild Card LATAs during the twelve (12) month period of the Annual True-up, and the amount of billed MRC for mileage for Banded Optical Transport that was billed during the prior twelve months.

(4) The Telephone Company will then determine the Maximum Billing Credit available to the customer by first applying the discount percentage shown in the Discount Table in (L) following to the billed MRCs determined in (G)(2)(e)(2) and (G)(2)(e)(3) preceding, and then summing all such discounts.

(5) Finally, the Telephone Company will deduct the total of all Quarterly Billing Credits received by the customer during the twelve (12) month period of the Annual True-up and the amount of any outstanding disputed claims from the Maximum Billing Credit. Subject to (G)(2)(g) following, the difference, if any, will be the Annual True-up Credit due the customer. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.42 Contract Tariff Option 41 (Cont'd) (N)

(G) Billing Credits (Cont'd)

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

(f) As an illustrative example of the Annual True-up Calculation:

(1) Assume that the Groom Restriction has been met and that the customer's MARC is $140M.

(2) Assume that the customer's Achieved Annual Revenue for the 12 months of the Annual True-up is $150M, the MRCs for mileage for FMS in the Top 10 LATAs for FMS mileage in the top 10 LATAs for the 12 months of the Annual True-up is $51.45M, the MRCs for mileage for FMS mileage in the Wild Card LATAs for the 12 months of the Annual True-up is $11.4M and the billed MRCs mileage for Banded Optical Transport for the 12 months of the Annual True-up is $12.75M.

(3) Assume that during the 12 months of the Annual True-up the customer received $13.24M in Quarterly Billing Credits.

(4) Assume that the customer had $.07M in outstanding claims for Qualifying Services at the time of the Annual True-up.

Calculate the Annual True-up Credit as follows:

Step 1: Develop the Maximum Billing Credit that the customer can attain for the 12 months of the Annual True-up by first multiplying the MRCs determined in (f)(2) preceding by the corresponding discount percentages specified in the Discount Table in (L) following, and then summing all such credit amounts. The Maximum Billing Credit in this example would be $3.0M ($150M x 2%) for the Achieved Annual Revenue, plus $7.49M ($51.45 x 14.55%) for revenue for FMS mileage in the top 10 LATAs, plus $1.38M ($11.4M x 12.13%) for MRCs for FMS in the Wild Card LATAs, plus $1.79M ($12.75M x 14.00%) for revenue for Banded Optical Transport resulting in a possible Maximum Billing Credit of $13.66M.

Step 2: Determine the Maximum Billing Credit still available to the customer by subtracting the actual Billing Credits the customer received during the prior 12 months from the Maximum Billing Credit determined in Step 1 $13.66M - $13.24M (as set forth in (3) preceding) resulting in $0.42M of outstanding Billing Credit that the customer can attain.

Step 3: Determine the Annual True-up Credit by subtracting the outstanding claims amount from the outstanding Billing Credit determined in Step 2 ($.42M - $.07M) resulting in an Annual True-up Credit of $.35M. (N)

21. Contract Tariffs (Cont'd)

21.42 Contract Tariff Option 41 (Cont'd) (N)

(G) Billing Credits (Cont'd)

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

(g) The Billing Credit will be applied only to the Qualifying Services which are located in MSAs that have achieved Phase I or Phase 2 pricing flexibility. The Billing Credit shall apply after all other discounts, adjustments, and credits to the customer's billed MRCs for the Qualifying Services have been calculated and applied. For instance, if the customer subscribes to CDP, then the customer would be billed CDP discounted rates on a monthly basis. These discounted revenues would be included in the Customer's MARC for the Qualifying Services calculation as set forth above. In accordance with (F)(1)(a) preceding, any credits or adjustments resulting from an Annual True-up as required by the CDP plan would not be included in the MARC for the Qualifying Services.

(h) Timing of Quarterly Billing Credits

(1) If the customer is eligible to receive a Quarterly Billing Credit, that credit will be applied to the customer's account within sixty (60) days after the end of the applicable three month period, subject to the terms set forth herein.

(2) The Telephone Company's provision of the Quarterly Billing Credit is contingent on payment in full by the customer of all undisputed billed amounts for Qualifying Services no later than the forty-fifth (45th) day after the end of each three month period.

(i) Timing of Annual Payments and True-up Credit

(1) If the customer is eligible to receive an Annual True-up Credit, that credit will be credited to the customer's account within sixty (60) days after the end of each year during the Service Period, subject to the terms set forth herein.

(2) The Telephone Company's provision of the Annual True-up Credit is contingent on payment in full by the customer of all undisputed billed amounts for Qualifying Services no later than the forty-fifth (45th) day after the end of each year of the Service Period. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.42 Contract Tariff Option 41 (Cont'd) (N)

(G) Billing Credits (Cont'd)

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

(i) Timing of Annual Payments and True-up Credit (Cont'd)

(3) Within one hundred eighty (180) days after the end of each year of the Service Period, the customer must file any disputes with regard to monthly recurring charges for the Qualifying Services billed by the Telephone Company during that year in order to be included in the calculation of the MARC for Qualifying Services and the Annual True-up Credit. The Telephone Company will respond to the dispute within forty-five (45) days thereafter. If it is determined by The Telephone Company that the customer's dispute is without merit and that the customer owes the Telephone Company additional amounts, and if such amounts are paid by the customer within 45 days after the date of the Telephone Company's response, then the Telephone Company shall recalculate the MARC for Qualifying Services and the corresponding Billing Credits that may result from the resolution of all such disputes in accordance with the terms set forth herein.

(4) Beyond 180 days and up to two (2) years after the end of each term year during the Service Period, the customer may submit claims to the Telephone Company with regard to monthly recurring charges for the Qualifying Services billed by the Telephone Company during each year of the Service Period. These claims will not be included in the calculation of the MARC and corresponding Billing Credit, but will follow their normal course of evaluation for final resolution.

(5) 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. The customer's disputes with respect to Qualifying Services shall reduce the amount of the Achieved Annual Revenue for Qualifying Services as calculated in (G)(2)(3) preceding. For example, if the customer's Achieved Annual Revenue for Qualifying Services is $140M and the customer has disputed $5M in charges for Qualifying Services, then the Achieved Annual Revenue for Qualifying Services shall be reduced to $135M.

(6) The amount of the Billing Credits shall not be subject to any interest penalty. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.42 Contract Tariff Option 41 (Cont'd) (N)

(H) Shortfall Penalty

(1) If the total MRC billed to the customer during any year of the Service Period is less than ninety-five percent (95%) of the MARC for that year, the customer can either: (1) pay a Shortfall Penalty which will be the difference between the MARC for that year and the actual amounts billed to the customer for that year; or (2) terminate this Option 41, subject to the payment of Termination Charges as set forth below in (I)(1) following. Payment of the Shortfall Penalty shall be due and payable no later than forty-five (45) days after notification by the Telephone Company that a Shortfall Penalty is due. In addition, and even upon payment of the Shortfall Penalty Payment as set forth in this Section (H), the customer will not be eligible to receive the applicable Annual True-up Credit for that year.

(2) As an illustrative example of the calculation of Shortfall Penalty:

(a) Assume that the customer has a MARC for Qualifying Services of $140,000,000 ($140M) during the second year of the Service Period and has actual billing of $130,000,000 ($130M) during the second year of the Service Period.

(b) Assume that no adjustment under (F)(1)(e) preceding occurred, then the customer shall pay to the Telephone Company an amount equal to $10,000,000 ($10M) (which is equal to the $140M MARC less the $130M in actual billing).

(c) Then the customer will not be eligible to receive the Annual True-up Credit for that year.

(I) Termination Charges

(1) The customer may terminate its subscription to this Option 41 at any time upon 60 days prior written notice. Except as allowed under (K) following, if the customer cancels or terminates its subscription to this Option 41 prior to the expiration of the Service Period, the customer will be liable for the following termination charges.

(a) One hundred percent (100%) of all Billing Credits that the customer received during the two prior quarters from the date of termination and

(b) Five percent (5%) of the MARC per year calculated from the date of termination through the end of the Service Period. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.42 Contract Tariff Option 41 (Cont'd) (N)

(J) Network Grooms Restriction

(1) The customer will not be eligible for any Quarterly Billing Credits if the Telephone Company grooms, on a monthly basis, more than twenty-five (25) Special and Switched Access circuits that are used for the provisioning of Qualifying Services, of which number no more than two (2) circuits may be equal to DS3 or greater bandwidth (**Maximum Monthly Grooms**). For the purposes of this Option 41, a Groom shall mean the retermination of a Special or Switched Access 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 Quarterly Billing Credits so long as during the three month period for calculating the Quarterly Billing Credit:

(a) the Maximum Monthly Grooms restriction is met on a rolling two (2) month average basis, and

(b) the total number of Special and Switched access circuit grooms completed during the three month period is not greater than seventy-five (75), of which no more than six (6) circuits may be equal to DS3 or greater bandwidth.

As an illustrative example:

(1) Assume that in the prior 3 months, the customer groomed 30 circuits in two of those months and 20 circuits in the remaining month for a total of 80 circuits that were groomed.

(2) In this example, the customer would not be eligible for Billing Credits since the customer exceeded the Maximum Monthly Groom allowance of 75 circuits (25 circuits per month for 3 months).

As another illustrative example:

(1) Assume that in the prior 3 months, the customer groomed 30 circuits in the first month, 30 circuits in the second month and 15 circuits in the third month for a total of 75 circuits that were groomed.

(2) In this example, the customer would not be eligible for Billing Credits since the customer's rolling 2 month average for the first 2 months exceeded 25 circuits per month. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.42 Contract Tariff Option 41 (Cont'd) (N)

(J) Network Grooms Restriction (Cont'd)

(1) (Cont'd)

As an illustrative example:

(1) Assume that in the prior 3 months, the customer groomed 30 circuits in the first month, 20 circuits in the second month and 25 circuits in the third month for a total of 75 circuits that were groomed. Further assume that the customer did not groom more than 6 circuits at DS3 or greater bandwidth.

(2) In this example, the customer would be eligible for Billing Credits since the customer's rolling 2 month average did not exceed 25 circuits per month and the total grooms during the prior 3 months was within the Maximum Monthly Grooms limitation.

(2) The Network Grooms Restriction only applies to Grooms performed in the following LATAs only during the Service Period: LATAs 120, 122, 124, 126, 130, 134, 136, 138, 140, 220, 222, 226, 230, 232, 234, 238, 240, 242, 244, 246, 250 and 952. The Network Grooms Restriction does not apply in the remaining LATAs where the customer has Qualifying Services. (N)

21. Contract Tariffs (Cont'd)

21.42 Contract Tariffs Option 41 (Cont'd) (N)

(J) Network Grooms Restriction (Cont'd)

(3) The following types of Network Grooms shall not be included in the Maximum Monthly Grooms 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 one time charges associated with such moves or terminations:

(a) Optimization Grooms: Grooms that are initiated and completed solely on the Telephone Company network to enhance efficient utilization of existing the Telephone Company entrance facilities.

(b) Maintenance Grooms: Grooms on circuits that are identified by the customer and accepted by the Telephone Company as circuits that are experiencing service failures as a result of equipment problems and grooming will correct such problems. All Maintenance Grooms shall be subject to review and acceptance by the Telephone Company and the Telephone Company's final decision shall be binding as to whether a specific groom is a Maintenance Groom, or whether such groom is to be included in the Maximum Monthly Grooms.

(c) Point of Presence (POP) Closure Grooms: In the event that the customer seeks to close, consolidate any of its POPs, or to migrate circuits as a result of a POP closure, then the customer may request that the Telephone Company perform grooms in addition to the Maximum Monthly Grooms.

(d) Verizon Initiated Grooms: Any groom initiated by the Telephone Company shall not be included in the number of Maximum Monthly Grooms.

(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). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.42 Contract Tariff Option 41 (Cont'd) (N)

(J) Network Grooms Restriction (Cont'd)

(3) (Cont'd)

(f) Alternate Access Vendor (AAV)/Long Haul Facility Grooms: Grooms on circuits that are identified by the customer and accepted by the Telephone Company which meet the following criteria:

(1) The customer is changing the underlying AAV/Long Haul Facility provider; and

(2) the total month recurring charges billed by the Telephone Company for such groomed circuit prior to the groom being performed is equal to or greater than the total monthly recurring charges billed by the Telephone Company for the original circuit.

(g) Any other grooms for which the Telephone Company and the customer mutually agree to not include in the count of Maximum Monthly Grooms. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.42 Contract Tariff Option 41 (Cont'd)

(K) Subscription to New Contract Tariff Option

(1) The customer may terminate its subscription to this Option 41 in order to subscribe to a new contract tariff option in this Section 21 provided all of the following conditions are met.

(a) The new contract tariff option must have the same MARC level or a greater MARC level than the MARC for this Option 41; and

(b) The customer must satisfy the eligibility criteria for subscription to the new contract tariff option; and

(c) The customer must provide the Telephone Company with written notice of its election to terminate subscription to this Option 41 and of its desire to subscribe (or that it has already subscribed) to the new contract tariff option; and

(d) Unless otherwise provided in the new contract tariff option, the customer will be eligible for Billing Credits earned, if any, following a final true up under this Option 41.

(2) When the conditions set forth in (K)(1)(a) through (K)(1)(c) preceding are met, no termination charges under (I) preceding will apply. (T)

(L) Discount Table

percentage discounts specified below are applied to the total MRC for Qualifying Services for each corresponding category shown.

	Term Period		
Category	Year 1	Year 2	Year 3
Basic MARC*	2.00%	2.00%	2.00%
FMS in Top 10 LATAs	14.55%	17.55%	20.55%
FMS in Wild Card LATAs	12.13%	15.13%	18.13%
Banded Optical Transport	14.00%	16.00%	18.00%

* Includes all Qualifying Services specified in (E)(1)(a) preceding.

ACCESS SERVICE

21. CONTRACT TARIFFS (Cont'd)

21.43 Contract Tariff Option 42 (N)

(A) Scope

(1) Contract Tariff Option 42 (**Option 42**) is an offering exclusively for customers who disconnect an existing Special Access Verizon Dedicated SONET Ring service purchased under this tariff (**existing DSR**) and replace such existing DSR with a Special Access Verizon Dedicated SONET Ring service purchased under this tariff or under Tariff F.C.C. No. 11 (**replacing DSR**). The existing DSR must use enhanced nodes (as further described in Section 23.1 following), and the replacing DSR must be the same or higher optical carrier (**OC**) rate as the existing DSR. (x)

(2) When the requirements of this Option 42 are met, disconnection of the existing DSR will not be subject to termination liability as it would otherwise apply under Section 23.1(E) following.

(B) Eligibility Requirements

All of the following requirements must be met in order to be eligible for subscription to Option 42.

(1) A customer must subscribe to Option 42 by submitting a written authorization in a manner designated by the Telephone Company during the thirty (30) day period that begins on August 23, 2006 and ends on September 21, 2006 (**Subscription Period**).

(2) The customer must accept the replacing DSR on the date that the Telephone Company makes the replacing DSR available to the customer (**original service date**). Submission of the Access Service Request as required under Section 5.2 preceding constitutes the customer’s acceptance of the replacing DSR. If the customer does not accept the replacing DSR on the original service date, the customer's acceptance of the replacing DSR on a later date will make the service ineligible for subscription to Option 42, unless the later service date is designated by the Telephone Company.

(3) When the replacing DSR is the same OC rate as the existing DSR (for example, the existing DSR and the replacing DSR are both OC12) the following requirements apply.

(a) The existing DSR must use enhanced nodes and the replacing DSR must use enhanced nodes.

(b) The Service Period for the replacing DSR must commence with the date that the replacing DSR is available for use by the customer.

(c) The 5-year Service Period set forth in (D) following for the replacing DSR must be equal to or greater than the commitment period of the term plan for the existing DSR. Specifically, where the existing DSR has a 3-year term plan the replacing DSR will have a 5-year Service Period and where the existing DSR has a 5-year term plan the replacing DSR will have a 5-year Service Period. (N)

(x) Issued under authority of Special Permission No. 06-031 of the Federal Communications Commission.

ACCESS SERVICE

21. CONTRACT TARIFFS (Cont'd)

21.43 Contract Tariff Option 42 (Cont'd) (N)

(B) Eligibility Requirements (Cont'd)

(3) (Cont'd)

(d) The total monthly recurring charges for the node, high speed (pass-through) interface, mileage, and port (DS1, DS3, STS1 and Gigabit Ethernet ports only) rate elements of the replacing DSR must be at least twenty-five percent (25%) greater than the total monthly recurring charges for the node, high speed (pass-through) interface, mileage, and port (DS1, DS3, STS1 and Gigabit Ethernet ports only) rate elements of the existing DSR.

(4) When the replacing DSR is a higher OC rate than the existing DSR, all of the provisions for an upgrade of DSR to a higher OC rate apply as follows.

(a) An existing DSR must be upgraded with a replacing DSR of greater capacity than the capacity of the existing DSR (e.g., an OC12 existing DSR can be upgraded to a replacing OC48 or OC192 DSR).

(b) The Service Period for the replacing DSR must commence with the date that the new DSR is available for use by the customer.

(c) The replacing DSR must use enhanced nodes.

(d) The 5-year Service Period set forth in (D) following for the replacing DSR must be equal to or greater than the commitment period of the term plan for the existing DSR. Specifically, where the existing DSR has a 3-year term plan the replacing DSR will have a 5-year Service Period or where the existing DSR has a 5-year term plan the replacing DSR will have a 5-year Service Period.

(e) The total monthly recurring charges for the node, high speed (pass-through) interface, mileage and port (DS1, DS3, STS1 and Gigabit Ethernet ports only) rate elements of the replacing DSR must be at least twenty-five percent (25%) greater than the total monthly recurring charges for the node, high speed (pass-through) interface, mileage and port (DS1, DS3, STS1 and Gigabit Ethernet ports only) rate elements of the existing DSR. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.43 Contract Tariff Option 42 (Cont'd) (N)

(C) Serving Area

(1) The Serving Area for the existing or replacing DSR ordered under this tariff includes all of 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 14.7 preceding.

The Serving Area for a replacing DSR ordered under Tariff F.C.C. No. 11 includes all of the Metropolitan Statistical Areas (**MSAs**) that have achieved Phase I or Phase II pricing flexibility in that tariff. Tariff F.C.C. No. 11 wire centers for the Phase II MSAs are listed in Section 15.3 of that tariff. (x)

(2) Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status) that occur during the Service Period will apply beginning on the effective date of such change and continuing through the end of the commitment period. When such change results in an increase or decrease to the rates applicable to the replacing DSR, 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 the replacing DSR is the DSR 5-year term plan specified in Section 23.1 of this tariff or Section 34.1 of Tariff F.C.C. No. 11, as applicable (**Service Period**). (x)

(2) The Service Period for a replacing DSR commences with the date that billing for the replacing DSR begins in accordance with Section 5.2 preceding or with Section 5.2 of Tariff F.C.C. No. 11, as applicable, and ends sixty (60) months later. (x)

(E) Eligible Rate Elements and Service Configurations

(1) Replacing DSR rate elements that are eligible for subscription to this Option 42 are:

- Enhanced nodes (OC12, OC48, OC192)
- High speed (pass-through) interfaces (OC12, OC48, OC192)
- Mileage (OC12, OC48, OC192)
- Ports (DS1, DS3, STS1 and Gigabit Ethernet only)

(2) Both full ring and partial ring service configurations may be subscribed to this Option 42. (N)

(x) Issued under authority of Special Permission No. 06-031 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.43 Contract Tariff Option 42 (Cont'd) (N)

(F) Application of Rates and Charges

(1) The rates and charges for a replacing DSR ordered under this tariff are the rates and charges set forth in Section 23.1(L) following (as determined in accordance with Section 15.3 preceding) and apply for the eligible rate elements set forth in (E)(1) preceding during the applicable Service Period.

(1) The rates and charges for a replacing DSR ordered under Tariff F.C.C. No. 11 are the rates and charges set forth in Tariff F.C.C. No. 1 at Section 30.34.1 for price band rates and charges and Section 31.34.1 for all other rates and charges (as determined in accordance with Section 15.3 of that tariff) and apply for the eligible rate elements set forth in (E)(1) preceding during the Service Period. (x)

(G) Terms and Conditions

Unless superseded by the terms and conditions set forth herein, all terms and conditions, including termination liability as stated in Section 23.1 following of this tariff, or in Section 34.1 of Tariff F.C.C. No. 11, apply to the replacing DSR. (x)

(1) Subscription to Other Contract Tariff Options

(a) A customer subscribing to a replacing DSR under this Option 42 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 commitment 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) Except as set forth in (G)(1)(a) preceding, the customer may not concurrently subscribe the replacing DSR, or any rate element of such replacing DSR, to another contract tariff option, unless the other contract tariff option specifically allows the replacing DSR for this Option 42 to concurrently subscribe to that other contract tariff option. (N)

(x) Issued under authority of Special Permission No. 06-031 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.43 Contract Tariff Option 42 (Cont'd) (N)

(G) Terms and Conditions (Cont'd)

(2) Termination Liability

(a) Termination liability will not apply to cancellation of the commitment period for the existing DSR when the replacing DSR is ordered in accordance with (B)(3) and (4) preceding and Section 23.1 following or Section 34.1 of Tariff F.C.C. No. 11, as applicable. (x)

(b) Termination liability as it applies to the replacing DSR will not apply if the replacing DSR is converted (during the Service Period specified in (D) preceding) to another Telephone Company service with a higher OC rate or with a longer commitment period than the replacing DSR.

(c) In all other cases, termination liability will apply if the replacing DSR or a portion of the replacing DSR is terminated prior to the end of the Service Period specified in (D) preceding. Termination liability is calculated in accordance with Section 23.1(E) following of this tariff or Section 34.1(E) of Tariff F.C.C. No. 11. (x) (x)

(3) Expiration of Service Period

(a) Upon completion of the Service Period for this Option 42, the customer's subscription to this Option 42 is terminated, and the customer must choose one of the following options:

(1) discontinue the replacing DSR without termination liability;

(2) select any then offered term plan or contract tariff option for which the customer is eligible; or

(3) continue subscription to the replacing DSR on a monthly basis at the rates and charges for the 5-year term plan.

(b) In the event that the customer does not make an election of (G)(3)(a)(1) through (3) preceding, the customer's subscription to the replacing DSR will continue in accordance with (G)(3)(a)(3) preceding. (N)

(x) Issued under authority of Special Permission No. 06-031 of the Federal Communications Commission.

ACCESS SERVICE

21. CONTRACT TARIFFS (Cont'd)

21.44 Contract Tariff Option 43 (N)

(A) Scope

(1) Contract Tariff Option 43 (**Option 43**) is an offering exclusively for:

- a new installation of Optical Carrier 3 (OC3) Special Access Verizon Dedicated SONET Ring service (**DSR**) as described in Section 23.1 following when such DSR utilizes OC3 enhanced nodes and is ordered under a 5-year term plan (**new DSR**); or
- a renewal to a 5-year commitment period for an existing DSR at OC3 when such existing DSR (i) utilizes enhanced nodes; (ii) is still in-service under a 3-year or a 5-year term plan that has 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 (iii) is still in-service under a 3-year or a 5-year term plan that will expire during the subscription period described in (B)(1) following (collectively, **renewal of DSR**).

(2) Option 43 provides discounted monthly rates for a new DSR or a renewal of DSR when ordered in accordance with the terms of this Option 43. Switched Access DSR rate elements as set forth in Section 23.1 following are not eligible for the Option 43 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 43.

(1) A customer must subscribe to Option 43 by submitting a written authorization in a manner designated by the Telephone Company during the twelve (12) month period that begins on August 24, 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 43 rates and charges set forth in (H) following, unless the later service date is designated by the Telephone Company.

(3) A customer must order a new DSR or a renewal of DSR, as applicable, in accordance with this Option 43 and during the Subscription Period specified in (B)(1) preceding. 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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.44 Contract Tariff Option 43 (Cont'd) (N)

(D) Service Period

(1) The **Service Period for a new DSR** that is subscribed to this Option 43 is sixty (60) months.

(a) The Service Period for a new DSR may be extended under (D)(4) following.

(b) The Service Period is applicable to the enhanced nodes and mileage of each DSR that is subscribed to under this Option 43. 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.

(c) The Service Period commences with the date that billing for the new DSR begins and ends sixty (60) months later unless otherwise extended due to the addition of a node under (D)(4) following.

(2) The **Service Period for a renewal of DSR** that is subscribed to this Option 43 is sixty (60) months.

(a) The Service Period for a renewal of DSR may be extended under (D)(4) following.

(b) The Service Period is applicable to the enhanced nodes and mileage of each DSR that is subscribed to under this Option 43. 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.

(c) The Service Period for a renewal of DSR whose commitment period expired prior to July xx, 2006 commences with the date of subscription to this Option 43 and continues for sixty (60) months unless otherwise extended due to the addition of a node under (D)(4) following.

(d) The Service Period for a renewal of DSR 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 43 and ends sixty (60) months later unless otherwise extended due to the addition of a node under (D)(4) following. For example, the Service Period for a DSR that is due to expire September 27, 2006 and is renewed in accordance with this Option 43 prior to September 27, 2006 shall commence on September 28, 2006. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.44 Contract Tariff Option 43 (Cont'd) (N)

(C) Serving Area

(1) The serving area of Option 43 consists of the Metropolitan Statistical Areas (**MSAs**) set forth in (C)(1)(a) and (b) following.

(a) In the following MSAs, the Option 43 discounted monthly rates will be applied to all of the eligible rate elements for the service as specified in (E) following.

Allentown-Bethlehem-Easton PA	MSA #58
Altoona PA	MSA #225
Baltimore MD	MSA #14
Charleston WV	MSA #140
Hagerstown MD	MSA #257
Harrisburg-Lebanon-Carlisle PA	MSA #84
Huntington-Ashland WV-KY-OH	MSA #110
Lancaster PA	MSA #105
Lynchburg VA	MSA #203
New York NY	MSA #1
Newport News-Hampton VA	MSA #104
Norfolk-Virginia Beach-Portsmouth VA/NC	MSA #43
Philadelphia PA-NJ	MSA #4
Pittsburgh PA	MSA #13
Reading PA	MSA #118
Richmond VA	MSA #59
Roanoke VA	MSA #157
Scranton-Wilkes Barre-Hazelton PA	MSA #56
Sharon PA	MSA #238
State College PA	MSA #259
Vineland-Millville-Bridgeton NJ	MSA #228
Washington DC-MD-VA	MSA #8
Williamsport PA	MSA #251
Wilmington-Newark DE-MD	MSA #69

(b) In the following MSAs, the Option 43 discounted monthly rates 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.

Atlantic-Cape May NJ	MSA #134
New Brunswick-Perth Amboy-Sayerville NJ	MSA #62
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 43 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 43, 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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.44 Contract Tariff Option 43 (Cont'd) (N)

(D) Service Period (Cont'd)

(3) During the applicable Service Period, the customer is subject to termination liability under (G)(5) following if service under this Option 43 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.

(4) Node Additions

(a) General

An additional node(s) may be added to a DSR that is subscribed to this Option 43 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 43 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)(5) following when disconnected prior to the end of the Service Period.

(c) Nodes Added After the Subscription Period and Prior to Month 36 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 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 14.7 preceding) and to termination liability under Section 23.1(E) following for early discontinuance of service 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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.44 Contract Tariff Option 43 (Cont'd) (N)

(D) Service Period (Cont'd)

(4) Node Additions (Cont'd)

(d) Nodes Added After Month 36 of the Service Period

Nodes added after the first 36 months of the Service Period 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 14.7 preceding) and to termination liability under Section 23.1(E) 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.

(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 OC3 nodes, including subtending nodes
- OC3 Mileage

(2) Only full ring service configurations may be subscribed to this Option 43.

(F) Application of Rates and Charges

(1) The rates and charges for this Option 43 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 43.

(2) When DSR service under this Option 43 is provided within the New York and New Jersey Corridor, billing for the rates and charges under this Option 43 are further subject to the requirements set forth in Section 2.4.7 preceding. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.44 Contract Tariff Option 43 (Cont'd) (N)

(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 43.

(1) The Option 43 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)(4)(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)(4)(b) preceding), the rates set forth in (H) following will be used to calculate termination liability charges (as set forth in (G)(5) following) as they apply under this Option 43 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 14.7 preceding) are used.

(3) Work Activity Ordered on DSR Subscribed to Option 43

(a) With the exception of adding a node under (D)(4) preceding, removing a node of a DSR service subscribed to under this Option 43, or adding or removing ports under (G)(5)(a)(1) following, any replacements, rearrangements, or other physical change to the service subscribed to Option 43 will result in cancellation of the customer's subscription to this Option 43 for that service, in which case the rates and charges set forth in Section 23.1 following (as determined in accordance with Section 14.7 preceding) will apply for the balance of the Service Period for the affected DSR.

(b) 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.

(c) 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 43 in accordance with Section 23.1 following, except that such ports will be subject to termination liability under (G)(5) following (when purchased prior to the end of the Subscription Period specified in (B)(1) preceding) or to termination liability under Section 23.1(E) following (when purchased after the end of the Subscription Period specified in (B)(1) preceding). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.44 Contract Tariff Option 43 (Cont'd) (N)

(G) Terms and Conditions (Cont'd)

(4) Subscription to Other Contract Tariff Options

(a) A customer subscribing to DSR services under this Option 43 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 43 discounted monthly rates 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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.44 Contract Tariff Option 43 (Cont'd) (N)

(G) Terms and Conditions (Cont'd)

(5) Termination Liability

(a) Termination liability will apply if the DSR subscribed to this Option 43, a portion of the DSR subscribed to this Option 43, 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 DSR, a portion of the DSR, or a port ordered prior to the end of the Subscription Period 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 and port rate elements beginning with the date of disconnection and continuing through the end of the first thirty-six (36) months of the (60) month Service Period. Where a port ordered after the end of the Subscription Period is cancelled prior to the end of the Service Period or Extended Service Period, as applicable, termination liability applies in accordance with Section 23.1(E) following.

(2) When calculating termination liability under (G)(5)(a)(1) preceding for the node rate element, 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 14.7 preceding) are used in the calculation.

(b) Termination liability does not apply if the DSR subscribed to this Option 43, a portion of the DSR subscribed to this Option 43, or a port ordered prior to the end the Subscription Period is cancelled after the first 36 months of a 60 month Service Period.

(c) Termination liability does not apply if a DSR subscribed to this Option 43 is upgraded to a DSR of a higher optical carrier rate (e.g., from OC3 to OC12), when such higher optical carrier rate DSR is purchased under Section 23.1 following and satisfies the requirements for an upgrade set forth in Section 23.1. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.44 Contract Tariff Option 43 (Cont'd) (N)

(G) Terms and Conditions (Cont'd)

(6) Shared Use as set forth in Section 5.2.8 preceding is allowed under this Option 43; however, only the Special Access portion of such DSR is eligible for the rates set forth in (H) following.

(7) Expiration of Service Period

Upon completion of the Service Period or Extended Service Period for this Option 43, as applicable, the customer subscription to this Option 43 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 14.7 preceding).

(d) In the event that the customer does not make an election of (G)(7)(a) through (c) preceding, the customer's subscription to the new or upgraded DSR will continue in accordance with (G)(7)(c) preceding. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.44 Contract Tariff Option 43 (Cont'd) (N)

(H) Rates and Charges

The following rates and charges will apply for the DSR rate elements specified in (E) preceding when that DSR is subscribed to this Option 43. Such rates will continue through the end of the Service Period set forth in (D) preceding or the Extended Service Period set forth in (D)(4)(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) **OC3 Enhanced Nodes**, per node	$1,096.50	None

	Monthly Rates
(2) **OC3 Ring Mileage**, per mile	$199.75

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (N)

(A) Scope

(1) Contract Tariff Option 44 (**Option 44**) is an offering exclusively for customers who convert Eligible UNEs, as defined in (A)(2) following, that were previously purchased from the Telephone Company to the Eligible Special Access Services listed in (A)(3) following.

(2) Eligible High Capacity Unbundled Network Elements (collectively **Eligible UNEs**) are comprised of the following elements (whether converted under this Option 44 or previously converted in accordance with (A)(3) following).

(a) 1.544 Mbps and 44.736 Mbps Unbundled Network Element loops (sometimes referred to as DS1 Loops or DS1 Links and DS3 Loops or DS3 Links, respectively), collectively **UNE Loops.**

(b) 1.544 Mbps and 44.736 Mbps Unbundled Network Element Interoffice Facilities (sometimes referred to as DS1 Dedicated Transport and DS3 Dedicated Transport, respectively) and any associated central office multiplexing, collectively **UNE IOF.**

(c) High Capacity DS1 and DS3 Unbundled Network Element Entrance Facilities (sometimes formerly referred to as DS1 CLEC Dedicated Transport and DS3 CLEC Dedicated Transport, respectively), collectively **UNE Entrance Facilities.**

(d) 1.544 Mbps and 44.736 Mbps Unbundled Network Element Expanded Extended Links (sometimes referred to as Enhanced Extended Links) comprised of combinations of UNE Loops, UNE IOF and/or UNE Entrance Facilities, and any central office multiplexing used as part of any such combination, collectively **UNE EELs.** (N)

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd)

(A) Scope (Cont'd)

(3) Eligible Special Access Services

The Special Access Services that may be subscribed to under this Option 44 are those Eligible UNEs that (i) were previously converted from an Eligible UNE specified in (A)(2) preceding to the corresponding Special Access Service specified in (a) or (b) following between the period beginning September 1, 2005 and ending October 20, 2006 (**Previously Converted Eligible UNEs**), and (ii) are converted from an Eligible UNE specified in (A)(2) preceding to the corresponding Special Access Service specified in (a) or (b) following after subscription to this Option 44 (**Newly Converted Eligible UNEs**). Previously Converted Eligible UNEs and Newly Converted Eligible UNEs are collectively referred to as **Eligible Special Access Services.**

(a) A DS1 Eligible UNE was (or will be) converted to a Special Access 1.544 Mbps High Capacity Service (**HiCap DS1**). Where the DS1 Eligible UNE was multiplexed, the HiCap DS1 was (or will be) provided with central office multiplexing.

(b) A DS3 Eligible UNE was (or will be) converted to a Special Access 44.736 Mbps High Capacity Service (**HiCap DS3**). Where the DS3 Eligible UNE was multiplexed, the HiCap DS3 was (or will be) provided with central office multiplexing.

(4) Customers who convert (or have converted) their Eligible UNEs to Eligible Special Access Services in accordance with the requirements set forth in this Option 44 will receive discounted monthly recurring rates (as set forth in (I) following) for certain rate elements of those Eligible Special Access Services, and certain other benefits set forth in this Option 44.

(5) Customers who subscribe to this Option 44 on or before January 20, (C)
2007 are also eligible to receive an Early Commitment Signing Bonus (C)
Credit as described in (G) following.

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd)

(B) Eligibility

The customer must meet all of the criteria set forth following in order to be eligible to receive the discounted monthly recurring rates and other benefits of this Option 44.

(1) A customer subscribes to Option 44 by submitting a written authorization, in a manner designated by the Telephone Company, during the ninety (90) day period beginning on October 21, 2006 and ending January 20, 2007 (**Subscription Period**). A customer who subscribes to this Option 44 no later than January 20, 2007 is also (C) eligible for an Early Commitment Signing Bonus Credit as described in (G) following.

(2) The customer must purchase one or more of the Eligible UNEs specified in (A)(2) preceding from the Telephone Company in at least three (3) Qualified MSAs. A **Qualified MSA** is a Metropolitan Statistical Area (MSA) where the customer purchases one (1) or more of the Eligible UNEs specified in (A)(2) preceding from the Telephone Company. The customer must meet the requirement to purchase Eligible UNEs in at least three (3) Qualified MSAs in one (1) of the following ways: (a) the customer purchases Eligible UNEs in at least three (3) MSAs which are entirely within the operating territories of this tariff; or (b) the customer purchases Eligible UNEs in at least three (3) MSAs which are within the operating territories of this tariff and of Tariff F.C.C. No. 11 as measured on a combined basis across this tariff and Tariff F.C.C. No. 11.

As an illustrative example, assume that the customer purchases Eligible UNEs in two (2) MSAs within the operating territories of this tariff, and four (4) MSAs within the operating territories of Tariff F.C.C. No. 11. The customer is eligible to participate in this Option 44 because it purchases Eligible UNEs in a total of six (6) MSAs, as measured on a combined basis across this tariff and Tariff F.C.C. No. 11, which meets the requirement to purchase Eligible UNEs in at least three (3) Qualified MSAs as set forth above.

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Vice President, Federal Regulatory
1300 I Street, NW, Washington, D.C. 20005

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(B) Eligibility (Cont'd)

(3) At the time of subscription to this Option 44, the customer must elect to include all (one hundred percent (**100%**)) of its Eligible UNEs in either one hundred percent (**100%**) of its Qualified MSAs or eighty percent (**80%**) of its Qualified MSAs.

(a) Where the customer has Qualified MSAs only under this tariff, then the customer must elect to include all (one hundred percent (**100%**)) of its Eligible UNEs in either one hundred percent (**100%**) of its Qualified MSAs or eighty percent (**80%**) of its Qualified MSAs of this tariff.

(b) Where the customer has Qualified MSAs under this tariff and under Tariff F.C.C. No. 11, then the customer must elect to include all (x) (one hundred percent (**100%**)) of its Eligible UNEs in either one hundred percent (**100%**) of its Qualified MSAs or eighty percent (**80%**) of its Qualified MSAs under both this tariff and of Tariff (x) F.C.C. No. 11, as measured on a combined basis across this tariff (x) and Tariff F.C.C. No. 11. (x)

(c) Where the customer elects to include eighty percent (**80%**) of its Qualified MSAs, and the customer has Eligible UNEs in one (1) or more of the following MSAs, then the customer must include all (one hundred percent (**100%**)) of its Eligible UNEs in all of such MSA(s) in the list of Qualified MSAs, even if the inclusion of such Qualified MSAs results in a one hundred percent (100%) commitment.

- New York NY (MSA #1) of this tariff (see Note)
- New York NY (MSA #1) of Tariff F.C.C. No. 11 (see Note) (x)
- Philadelphia PA-NJ (MSA #4) of this tariff
- Boston MA-NH (MSA #6) of Tariff F.C.C. No. 11 (x)
- Washington DC-MD-VA (MSA #8) of this tariff
- Baltimore MD (MSA #14) of this tariff

Note: To determine the actual number of Qualified MSAs required for an election of eighty percent (**80%**), count the New York NY (MSA #1) of this tariff and of Tariff F.C.C. No. 11 as (x) one (1) Qualified MSA. (N)

(x) Issued under authority of Special Permission No. 06-036 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(B) Eligibility (Cont'd)

(3) (Cont'd)

(c) (Cont'd)

As an illustrative example, assume that a customer has Eligible UNEs that can be converted to Eligible Special Access Services in the following six (6) MSAs:

- New York NY
- Philadelphia PA-NJ MSA
- Pittsburg PA MSA
- Richmond VA MSA
- Providence-Warwick RI MSA
- Worcester MA-CT MSA

Further assume that the customer elects to convert all (one hundred percent (**100%**)) of its Eligible UNEs in eighty percent (**80%**) of its Qualified MSAs under this Option 44 and Option 45 of (x) Tariff F.C.C. No. 11 for a total of five (5) Qualified MSAs (6 (x) MSAs x 80% = 4.8 MSAs rounded up to 5 MSAs). In this case, the five (5) Qualified MSAs that are converted must include the New York NY MSA and the Philadelphia PA-NJ MSA.

(d) Where the customer elects to include all (one hundred percent (**100%**)) of its Eligible UNEs in eighty percent (**80%**) of its Qualified MSAs, the number of Qualified MSAs that must be included is determined by multiplying the total number of Qualified MSAs by eighty percent 80% and then rounding up to the next whole MSA.

As an illustrative example, assume the customer has Eligible UNEs in nine (9) Qualified MSAs on a combined basis across this tariff and Tariff F.C.C. No. 11. In this case, the customer would need (x) to include eight (8) of its Qualified MSAs (9 Qualified MSAs x .80 = 7.2 Qualified MSAs and rounded up to 8 Qualified MSAs on a combined basis across this tariff and Tariff F.C.C. No. 11). (x)

As a second illustrative example, assume the customer has eligible UNEs in four (4) Qualified MSAs under this tariff. In this case the customer would need to include four (4) of its Qualified MSAs in this Option 44 (4 Qualified MSAs x .80 = 3.2 Qualified MSAs rounded up to 4 Qualified MSAs). Since the customer must include all 4 (one hundred percent (**100%**))of its Qualified MSAs, the customer's election shall be changed from eighty percent (**80%**) to (one hundred percent (**100%**) for the purpose of applying the monthly recurring rates, terms and conditions of this Option 44. (N)

(x) Issued under authority of Special Permission No. 06-036 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(B) Eligibility (Cont'd)

(3) (Cont'd)

(e) The Telephone Company will project manage (in a manner designated by the Telephone Company) conversion of each DS1 Eligible UNE and each DS3 Eligible UNE within a Qualifying MSA to a DS1 Eligible Special Access Service and a DS3 Eligible Special Access Service, respectively.

(4) Eligible Special Access Services that can be subscribed to under this Option 44 include only those Eligible Special Access Services that are (a) replacing Eligible UNEs within a Qualified MSA as committed to by the customer at the time of subscription to this Option 44, and (b) those Eligible Special Access Services specified in (A)(3) preceding that were Previously Converted Eligible UNEs.

(C) Service Period

(1) Option 44 Service Period

(a) The Service Period for this Option 44 is that period of time during which the monthly recurring rates (as set forth in (I) following) and the other applicable benefits of this Option 44 apply to the Eligible Special Access Services that are subscribed to under this Option 44 (**Service Period**).

(b) The Service Period for Option 44 commences with the date that the customer subscribes to Option 44 and continues until there are no longer any Eligible Special Access Services remaining under a Term Pricing Plan (**TPP**) or a Commitment Discount Plan (**CDP**). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(C) Service Period (Cont'd)

(2) Service Period for Eligible Special Access Service Ordered Under a TPP

(a) The Service Period for each Eligible Special Access Service specified in (A)(3) preceding that is ordered under a circuit-specific TPP as described herein and in Section 7 preceding is the TPP commitment period for that individual Eligible Special Access Service.

(b) The TPP commitment period commences with the date of subscription to this Option 44 (**TPP Subscription Date**) and continues for the selected commitment period unless otherwise extended or renewed in accordance with Section 7 preceding, in which case subscription to this Option 44 continues for the extended or renewed TPP commitment period.

(c) Each Eligible Special Access Service that is subscribed to under this Option 44 must be under a TPP with a commitment period of 3-years, 5-years or 7-years in the case of DS1 Eligible Special Access Services, under a TPP with a commitment period of 3-years or 5-years in the case of DS3 Eligible Special Access Services, or under a CDP as specified in (C)(3) following.

(3) Service Period for Eligible Special Access Service Ordered Under a CDP

(a) The Service Period for each Eligible Special Access Service specified in (A)(3) preceding that is ordered under a CDP as described herein and in Section 25 following is (1) the selected CDP commitment period if a new CDP is established in conjunction with subscription to this Option 44; or (2) the balance of the CDP commitment period for the applicable service type involved unless otherwise renewed or extended, in which case subscription to this Option 44 continues for the extended or renewed CDP commitment period.

(b) The CDP commitment period commences with the date of subscription (**CDP Subscription Date**) and continues to the common expiration date for the applicable service type under the CDP. For example, assume that the customer establishes a new 5-year CDP for its DS1 Eligible Special Access Services upon subscription to this Option 44 on October 30, 2006, and that the common expiration date for all DS1 services under the CDP is October 30, 2011. In this case, all DS1 Eligible Special Access Services that are subscribed to under this Option 44 will have a common expiration date of October 30, 2011. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(C) Service Period (Cont'd)

(3) Service Period for Eligible Special Access Service Ordered Under a CDP (Cont'd)

(c) In accordance with the terms and conditions for a CDP set forth in Section 25.1 following, a customer who already subscribes to a CDP at the time of subscription will have the Eligible Special Access Services that are subscribed to under this Option 44 automatically added to their existing CDP for the purposes specified herein.

(d) Each Eligible Special Access Service that is subscribed to under this Option 44 must be under a CDP with a commitment period of 3-years, 5-years or 7-years in the case of DS1 Eligible Special Access Services, under a CDP with a commitment period of 3-years or 5-years in the case of DS3 Eligible Special Access Services, or under a TPP as specified in (C)(2) preceding.

(D) Serving Area

(1) The serving area for this Option 44 includes all Phase I MSAs, all Phase II MSAs, and all other MSAs of this tariff and of Tariff (x)
F.C.C. No. 11 (**collectively, all MSAs**). Wire centers for the Phase (x)
II MSAs in this tariff are set forth in Section 14.7 preceding.

(2) Any additions of, or changes to, the wire centers within an MSA that occur during the Service Period of this Option 44 will apply beginning on the effective date of such change and continuing through the end of the Service Period. (N)

(x) Issued under authority of Special Permission No. 06-036 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(E) Obligations of the Customer

(1) Acceptance of UNE Circuit Identification Numbers

(a) No later than thirty (30) calendar days following subscription to Option 44, the Telephone Company will provide the customer with a list of circuit identification numbers for the Newly Converted Eligible UNEs (as defined in (A)(3) preceding) and the Previously Converted Eligible UNEs (as defined in (A)(3) preceding). Each circuit identification number on the list will count as one (1) Eligible UNE that is converted to an Eligible Special Access Service for the purpose of administering the terms and conditions of this Option 44.

(b) No later than fifteen (15) calendar days following the Telephone Company's provision of the foregoing list of circuit identification numbers in accordance with (E)(1)(a) preceding, the customer must accept in writing the list of circuit identification numbers that identifies the Newly Converted Eligible UNEs and the Previously Converted Eligible UNEs provided by the Telephone Company.

(c) In the event that the customer does not so accept one (1) or more circuit identification numbers on the list provided to the customer in accordance with (E)(1)(a) preceding, the Telephone Company will verify that the Eligible UNE exists in its records for the customer and shall have the final decision on whether or not such circuit identification number(s) will be included as an Eligible Special Access Service(s) in this Option 44.

(2) The customer must work cooperatively with the Telephone Company, including by following all procedures that the Telephone Company employs to convert the Eligible UNEs within each Qualified MSA to Eligible Special Access Service that are subscribed to under this Option 44. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(F) Application of Monthly Recurring Rates and Nonrecurring Charges

Except as expressly provided in this Section 21.45, the rates and regulations set forth herein do not apply to an Eligible Special Access Service that is subscribed to under this Option 44, where such Eligible Special Access Service is served by a wire center that is not within a Phase I or Phase II MSA, or where the End User channel termination of an Eligible Special Access Service is served by a non-qualified wire center as described in Section 14.7 preceding.

(1) Subject to (F)(2) following, the monthly recurring rates set forth in (I) following apply to each Eligible Special Access Service that is subscribed to under this Option 44, as follows. Monthly recurring rates are arranged in two (2) tiers depending on the percentage of Qualified MSAs that the customer elects to convert at the time of subscription to this Option 44.

(a) Tier 1 Monthly Recurring Rates

Where an Eligible Special Access Service is served by a wire center that is within a Phase I or Phase II Qualified MSA of this tariff, and where the customer elected to convert all (one hundred percent (100%)) of its Eligible UNEs within one hundred percent (100%) of its Qualified MSAs to the Eligible Special Access Services as specified in (A)(3) preceding, Tier 1 monthly recurring rates set forth in (I)(1) following apply in accordance with Section 14.7 preceding. In this case, Tier 1 monthly recurring rates apply in lieu of the monthly recurring rates set forth in Section 7 preceding.

(b) Tier 2 Monthly Recurring Rates

Where an Eligible Special Access Service is served by a wire center that is within a Phase I or Phase II Qualified MSA of this tariff, and where the customer elected to convert all (one hundred percent (100%)) of its Eligible UNEs within eighty percent (80%) of its Qualified MSAs to the Eligible Special Access Services as specified in (A)(3) preceding, Tier 2 monthly recurring rates set forth in (I)(2) following apply in accordance with Section 14.7 preceding. In this case, Tier 2 monthly recurring rates apply in lieu of the monthly recurring rates set forth in Section 7 preceding.

(2) Where the End User channel termination of an Eligible Special Access Service that is subscribed to under this Option 44 is served by a non-qualified wire center (as described in Section 14.7 preceding), the monthly recurring rates and nonrecurring charges as set forth in other sections of this tariff apply in accordance with Section 14.7 preceding. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(F) Application of Monthly Recurring Rates and Nonrecurring Charges (Cont'd)

(3) Where an Eligible Special Access Service within a Qualified MSA is provided within an operating territory of Tariff F.C.C. No. 11, the monthly recurring rates set forth in Option 45 of Tariff F.C.C. No. 11 apply in accordance with the terms and conditions of Option 45 of Tariff F.C.C. No. 11. (x)

(4) The Tier 1 or Tier 2 monthly recurring rates as described in (F)(1)(a) through (F)(1)(c) preceding, apply to each Eligible Special Access Service beginning with the date of subscription and ending when the Eligible Special Access Service is no longer subscribed to under this Option 44 for one of the following reasons:

(a) The Eligible Special Access Service is disconnected; or

(b) The Eligible Special Access Service is no longer under an initial term, an extended term or a renewed term of a TPP or CDP, as applicable; or

(c) The Eligible Special Access Service is disconnected, moved or physically modified in any way whatsoever, except that such Eligible Special Access Service may be groomed for the purpose of changing the amount of channel mileage applicable to such service; or

(d) The Eligible Special Access Service is converted back to a UNE.

(5) Where the customer's subscription of an Eligible Special Access Service is terminated under (F)(4)(b) or (F)(4)(c) preceding, the monthly recurring rates set forth in (I) following will no longer apply to the affected Eligible Special Access Service and, where the affected Eligible Special Access Service continues, it will continue at the monthly recurring rates set forth in Section 7 preceding (as determined in accordance with Section 14.7 preceding).

(6) Where the customer's subscription of an Eligible Special Access Service is terminated under (F)(4)(d) preceding, the monthly recurring rates set forth in (I) following will no longer apply to the affected Eligible Special Access Service. Additionally, the Eligible Special Access Services that remain subscribed to under this Option 44 will be subject to the terms and conditions set forth in (H)(4) following. (N)

(x) Issued under authority of Special Permission No. 06-036 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(F) Application of Monthly Recurring Rates and Nonrecurring Charges (Cont'd)

(7) Nonrecurring charges do not apply under this Option 44 to convert a DS1 Eligible UNE to a DS1 Eligible Special Access Service or to convert a DS3 Eligible UNE to a DS3 Eligible Special Access Service.

(8) Subsequent Physical Work Orders

(a) After (but not simultaneous with) the conversion of a DS1 Eligible UNE to a DS1 Eligible Special Access Service under this Option 45, or after (but not simultaneous with) the conversion of a DS3 Eligible UNE to a DS3 Eligible Special Access Service under this Option 44, the customer may order to have the DS1 or DS3 Eligible Special Access Service groomed for the purpose of increasing or decreasing the number of miles applicable to such DS1 or DS3 Eligible Special Access Service. Under this Option 44, grooming is defined as work activity involving a change in the wire center where the DS1 Eligible Special Access Service or DS3 Eligible Special Access Service is multiplexed on to a facility of a higher bit rate. Such grooming of the DS1 or DS3 Eligible Special Access Service will not result in cancellation of the customer's subscription of the affected DS1 or DS3 Special Access Service to this Option 44. Nonrecurring charges for such grooming orders apply in accordance with Section 7 preceding.

(b) Except as allowed under (F)(8)(a) preceding, all other physical work orders (e.g., upgrades or moves) will result in cancellation of the customer's subscription of the affected DS1 or DS3 Eligible Special Access Service to this Option 44. In this case, nonrecurring charges as set forth in other sections of this tariff may apply. (N)

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd)

(G) Early Commitment Signing Bonus Credit

(1) Eligibility for Early Commitment Signing Bonus Credit

A customer who subscribes to this Option 44 and, when applicable, Option 45 of Tariff F.C.C. No. 11 (which subscriptions must be submitted to the Telephone Company on the same date), between the period beginning October 21, 2006 and ending January 20, 2007 (the (C) date of subscription by the customer being the **Early Subscription Date**) is eligible for an Early Commitment Signing Bonus (**ECSB**) Credit when all of the following conditions are met:

(a) The customer, via such subscription(s), elected to convert all (one hundred percent (100%)) of its Eligible UNEs to Eligible Special Access Services within all (one hundred percent (100%)) of its Qualified MSAs of this tariff and all (100%) of its Qualified MSAs of Tariff F.C.C. No. 11; and

(b) The Eligible Special Access Services are under a TPP or CDP with a commitment period of five (5) years or seven (7) years under this tariff and, where applicable, under a Service Discount Plan (SDP) or CDP with a commitment period of 5 years or 7 years under Tariff F.C.C. No. 11; and

(c) At the end of the first twelve (12) months following the Early Subscription Date, the customer has in-service at least seventy-five percent (75%) of the Eligible Special Access Services, as measured in this (G), that were initially subscribed to on the Early Subscription Date under this Option 44 and, when applicable, under Option 45 of Tariff F.C.C. No. 11, on a combined basis under such Options 44 and 45, respectively.

The ECSB Credit is a one-time credit that will be determined by the Telephone Company following the passage of the first twelve (12) months after the Early Subscription Date. The Telephone Company will apply the ECSB Credit, if any, to the customer's bill within ninety (90) days after the passage of the first twelve (12) months after the Early Subscription Date. The Telephone Company's determination of the ECSB Credit amount shall be final and binding, absent arithmetical errors, and shall not be subject to dispute by customer.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(G) Early Commitment Signing Bonus Credit (Cont'd)

(2) Determination of ECSB Credit Amount, if any

The customer's ECSB Credit amount, if any, shall be an amount that is:

(a) no greater than twenty-six percent (26%) of the total monthly recurring charges (Total MRCs) for a single month (as determined in (G)(3) following) that would have been assessed if (i) all (one hundred percent (100%)) of the customer's Eligible UNEs had already been converted to Eligible Special Access Services no later than the close of the bill period in the month immediately prior to the Early Subscription Date, and (ii) the customer subscribed to the Eligible Special Access Services under a TPP, SDP or CDP with a 5-year commitment period, and (iii) the Eligible Special Access Services were billed at the 5-year monthly recurring rates set forth in (I)(1) following, or

(b) no greater than twenty-nine percent (29%) of the total monthly recurring charges (Total MRCs) for a single month (as determined in (G)(3) following) that would have been assessed if (i) all (one hundred percent (100%)) of the customer's Eligible UNEs had already been converted to Eligible Special Access Services no later than the close of the bill period in the month immediately prior to the Early Subscription Date, and (ii) the customer subscribed to the Eligible Special Access Services under a TPP, SDP or CDP with a 7-year commitment period, and (iii) the Eligible Special Access Services were billed at the 7-year monthly recurring rates set forth in (I)(1) following. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(G) Early Commitment Signing Bonus Credit (Cont'd)

(3) The total monthly recurring charges that would have been assessed at the close of the bill period in the month immediately prior to the Early Subscription Date if all (one hundred percent (100%)) of the customer's Eligible UNEs (both Newly Converted Eligible UNEs and Previously Converted Eligible UNEs) had already been converted to Eligible Special Access Services (**Total MRCs**) are determined as follows:

(a) Using the monthly recurring rates set forth in Section 7 preceding (as determined in accordance with Section 14.7 preceding) of this tariff and, when applicable, Section 30 and Section 31 of Tariff (x)
F.C.C. No. 11 (as determined in accordance with Section 15.3 of (x)
Tariff F.C.C. No. 11), the Telephone Company will recalculate the (x)
total monthly recurring charges that would have been assessed to the customer if all (one hundred percent (100%)) of the customer's Eligible UNEs had already been converted to Eligible Special Access Services by the close of the bill date in the month immediately prior to the Early Subscription Date; and

(b) where the customer's Eligible UNEs include Previously Converted Eligible UNEs for which the customer selects a different TPP, SDP or CDP commitment period upon subscription to this Option 44 and Option 45 of Tariff F.C.C. No. 11, the Telephone Company will (x)
recalculate the monthly recurring charges that would have been assessed to the customer based on the selected commitment period and using the same methodology set forth in (G)(3)(a) preceding.

The Total MRCs determined above are for the purpose of determining the ECSB Credit amount and are not meant to mean that the service is repriced.

(4) In no case shall the ECSB Credit amount exceed 26% or 29%, as applicable, of the Total MRCs as determined in (G)(3) preceding.

(5) The ECSB Credit may be reduced in accordance with the table in Step 5 of (G)(7) following based on the total number of Eligible Special Access Services that are still in-service on the date that is twelve (12) months after the Early Subscription Date.

(6) Where the customer has Qualified MSAs that are within this tariff and Tariff F.C.C. No. 11, (i) the customer's ECSB Credit amount, if (x)
any, will be calculated across this tariff and Tariff F.C.C. No. 11 on a combined basis; and (ii) the customer is not entitled to a separate ECSB Credit under Option 45 of Tariff F.C.C. No. 11. (N)(x)

(x) Issued under authority of Special Permission No. 06-036 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(G) Early Commitment Signing Bonus Credit (Cont'd)

(7) The amount, if any, of ECSB Credit is determined as follows:

Step 1 Determine the total number of DS1 Eligible UNEs that the customer converts to DS1 Eligible Special Access Services by first summing the following two numbers: (i) the total number of DS1 Newly Converted Eligible UNEs that are in-service at the close of the last bill period prior to the Early Subscription Date and (ii) the total number of DS1 Previously Converted Eligible UNEs that are in-service at the close of the last bill period prior to the Early Subscription Date.

Separately determine the total number of DS3 Eligible UNEs (both DS3 Newly Converted Eligible UNEs and DS3 Previously Converted Eligible UNEs) using the same methodology specified above for DS1 Eligible UNEs.

Step 2 Calculate the Total MRCs that would have been assessed for all DS1s (as determined in Step 1) to the customer at the close of the last bill period prior to the Early Subscription Date using the methodology set forth in (G)(3) preceding.

Separately calculate the Total MRCs that would have been assessed for all DS3s (as determined in Step 1) in the same manner specified above for DS1s.

Step 3 Calculate the maximum DS1 ECSB Credit that the customer can obtain by multiplying 26% or 29% (as determined in (G)(2) preceding) to the DS1 Total MRCs (as determined in Step 2).

Separately calculate the maximum DS3 ECSB Credit in the same manner specified above for the DS1 ECSB Credit. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(G) Early Commitment Signing Bonus Credit (Cont'd)

(7) (Cont'd)

Step 4 Determine the total number of DS1s that were retained and are still in-service on the date that is twelve (12) months after the Early Subscription Date, and develop a percentage of **DS1s Retained** by dividing the number of DS1s retained by the total number of DS1 Eligible UNEs determined in Step 1. Always round the percentage of DS1s Retained down to the next whole percentage before continuing to Step 5. For example, a percentage of 74.9% would be rounded down to 74%.

Separately develop a percentage of **DS3s Retained** in the same manner as the percentage of DS1s Retained was determined above.

Step 5 Using the table set forth following, determine the Maximum Percentage Payout for the DS1 ECSB Credit by applying the percentage of DS1s Retained (as determined in Step 4) to Column A of the table. The corresponding percentage in Column B is the Maximum Percentage Payout for DS1s.

Percentage DS1 or DS3 Retained Column A	Maximum Percentage Payout of DS1 or DS3 ECSB Credit Column B
86% - 100%	100%
85%	85%
84%	84%
83%	83%
82%	82%
81%	81%
80%	80%
79%	79%
78%	78%
77%	77%
76%	76%
75%	75%
0-74%	Not Eligible for ECSB Credit

Separately determine the Maximum Percentage Payout for the DS3 ECSB Credit in the same manner as the Maximum Percentage Payout for DS1s was determined above. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(G) Early Commitment Signing Bonus Credit (Cont'd)

(7) (Cont'd)

Step 6 Calculate the actual DS1 ECSB Credit obtained, if any, by multiplying the Total MRCs for DS1s (as determined in Step 2) by the Maximum Percentage Payout for DS1s Retained (as determined in Step 5).

Separately calculate the actual DS3 ECSB Credit obtained in the same manner as the actual DS1 ECSB Credit was determined above.

Step 7 The actual ECSB Credit that is due to the customer is the determined by summing the actual DS1 ECSB Credit (as determined in Step 6) and the actual DS3 ECSB Credit (as determined in Step 6).

(8) The following example illustrates the calculations used to determine the ECSB Credit.

For this illustrative example, assume the following:

- The customer's Early Subscription Date is October 23, 2006.
- At the time of Early Subscription, the customer had 8,500 DS1 Newly Converted Eligible UNEs and 1,500 DS1 Previously Converted Eligible UNEs for a total of 10,000 DS1 Eligible UNEs. Further assume that the DS1 Previously Converted Eligible UNEs had been converted to Special Access Services under a CDP with a 5-year commitment period.
- At the time of Early Subscription, the customer has 180 DS3 Newly Converted Eligible UNEs and 20 DS3 Previously Converted Eligible UNEs for a total of 200 DS3 Eligible UNEs. Further assume that the DS3 Previously Converted Eligible UNEs had been converted to Special Access Services under a CDP with a 5-year commitment period.
- On the Early Subscription Date, the customer selected a 7-year commitment period for its DS1 Eligible Special Access Services that are under a CDP (i.e., an increase in the CDP commitment period for DS1 services from 5-years to 7-years) and a 5-year commitment period for its DS3 Eligible Special Access Services that are under a CDP (i.e., no change in the CDP commitment period for DS3 services).
- On the date that is twelve (12) months after the Early Subscription Date, the customer retained 8,500 DS1 Eligible Special Access Services and 189 DS3 Eligible Special Access Services.

Step 1 Determine the total number of DS1 and DS3 Eligible UNEs. From the above assumptions, the customer has a total of 10,000 DS1 Eligible UNEs and 200 DS3 Eligible UNEs. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(G) Early Commitment Signing Bonus Credit (Cont'd)

(8) (Cont'd)

Step 2 Calculate the DS1 Eligible Special Access Services Total MRCs for DS1 Newly Converted Eligible UNEs and DS1 Previously Converted Eligible UNEs using the 7-year CDP rates. For purposes of this illustrative example, assume that the DS1 Eligible Special Access Services Total MRCs for DS1s is $1,865,384.

Calculate the DS3 Eligible Special Access Services Total MRCs for DS3 Newly Converted Eligible UNEs and DS3 Previously Converted Eligible UNEs using the 5-year CDP rates. For purposes of this illustrative example, assume that the Total MRCs for DS3s is $230,769.

Step 3 Calculate the DS1 Maximum ECSB Credit by multiplying the DS1 Total MRCs calculated in Step 2 by 29% for the 7-year CDP commitment period ($1,865,384 x 29% = $540,961.36).

Calculate the DS3 Maximum ECSB credit using the same methodology used to calculate the DS1 Maximum ECSB Credit above ($230,769 x 26% for a 5-year CDP commitment period = $59,999.94).

Step 4 Calculate the percentage of DS1s Retained. Using the assumed number of DS1s Retained as stated above, divide the number of DS1s Retained by the total number of DS1 Eligible UNEs determined in Step 1 (8,500 DS1s Retained / 10,000 DS1 Eligible UNEs = .85 or 85 percent (85%) DS1s retained).

Calculate the percentage of DS3s Retained using the same methodology used to calculate the percentage of DS1s Retained above (189 DS3s Retained/ 200 DS3 Eligible UNEs = .945 and round down to the next whole percentage or to 94% DS3s retained for this example).

Step 5 Apply the percentage of DS1s Retained to Column A of the table set forth in (G)(7) preceding and determine the corresponding percentage payout for DS1 ECSB Credit (85% DS1s Retained equals an 85% payout for DS1 ECSB Credit).

Apply the same methodology to determine the percentage payout for DS3 ECSB Credit (94% DS3s Retained equals a 100% payout for DS3 ECSB Credit). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(G) Early Commitment Signing Bonus Credit (Cont'd)

(8) (Cont'd)

Step 6 Calculate the actual DS1 ECSB Credit by multiplying the maximum DS1 ECSB Credit determined in Step 3 by the percentage DS1s Retained determined in Step 5 ($540,961.36 x 85% = $459,817.16).

Calculate the actual DS3 ECSB Credit using the same methodology used to calculate the actual DS1 ECSB Credit above ($59,999.94 x 100% = $59,999.94)

Step 7 Determine the actual ECSB Credit due to the customer ($459,817.16 + $59,999.94 = $519,817.10).

(H) Terms and Conditions

(1) Subscription to Other Contract Tariff Options

(a) A customer subscribing to Eligible Special Access Services under this Option 44 may concurrently subscribe to any other tariff arrangement, contract tariff option, specialized service or 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 other 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 those same services, unless such other tariff arrangement, contract tariff option, specialized service or arrangement, or ICB restricts such subscription to this Option 44.

(b) The customer may concurrently subscribe to Option 45 of Tariff (x)
F.C.C. No. 1. (x)

(c) Notwithstanding (H)(1)(a) and (H)(1)(b) preceding, the customer may not concurrently subscribe any Eligible Special Access Service as specified in (A)(3) preceding to any other contract tariff option, unless subscription of the Eligible Special Access Service is explicitly allowed under such other contact tariff option. Upon subscription to another contract tariff option, the monthly recurring rates set forth in (I) following will cease and the customer will be subject to early termination under (H) following, unless explicitly allowed to continue under such other contract tariff option. (N)

(x) Issued under authority of Special Permission No. 06-036 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(H) Terms and Conditions (Cont'd)

(2) For customers whose DS1 and DS3 Eligible Special Access Services are already under a CDP as of the date of subscription to this Option 44 and, when applicable, to Option 45 of Tariff F.C.C. No. 11 (**Existing CDP**), the following applies. (x) (x)

(a) For each Eligible UNE converted to an Eligible Special Access Service, the Eligible Special Access Service will automatically be added to the customer's DS1 Existing CDP for DS1 services or DS3 Existing CDP for DS3 services, as applicable.

(b) For each DS1 or DS3 channel termination of the Eligible Special Access Services that are added to the customer's Existing CDP(s), the CDP count of in-service channel terminations will increase by one (1) DS1 or DS3 channel termination, as applicable.

(c) For each CDP true-up following the date of subscription, the increased CDP count of in-service channel terminations will be used in determining if the customer has met its minimum commitment under the Existing CDP as follows.

(1) During the time that an Eligible Special Access Service is subscribed to under this Option 44 and, when applicable, under Option 45 of Tariff F.C.C. No. 11, each DS1 or DS3 channel (x) termination that is served by a wire center that is within a Phase I or Phase II Qualified MSA will be included in the CDP count of in-service channel terminations for use in each subsequent CDP true-up following the date of subscription. Provided that the Eligible Special Access Service of such channel termination remains subscribed to under this Option 44 or, when applicable, under Option 45 of Tariff F.C.C. No. 11, the (x) resulting increase to the CDP count of in-service channel terminations will not result in an increase in the CDP minimum commitment under Section 25.1.7 preceding.

(2) During the time that an Eligible Special Access Service is subscribed to under this Option 44 and, when applicable, under Option 45 of Tariff F.C.C. No. 11, each DS1 or DS3 channel (x) termination that is not served by a wire center that is within a Phase I or Phase II Qualified MSA and each DS1 or DS3 End User channel termination that is served by a non-Qualified wire center will be included in the CDP count of in-service channel terminations for use in each subsequent CDP true-up following the date of subscription. The resulting increase to the CDP count of in-service channel terminations may result in an increase in the CDP minimum commitment under Section 25.1.7 preceding.

(d) Termination Liability Reduction Credit as described in (H)(3) following will not be applied to the Eligible Special Access Services specified in (A)(3) preceding that are added to a CDP. (N)

(x) Issued under authority of Special Permission No. 06-036 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(H) Terms and Conditions (Cont'd)

(3) Termination Liability Reduction Credit

(a) For customers who subscribe to an Eligible Special Access Service specified in (A)(3) preceding under a TPP, the customer is eligible for a Termination Liability Reduction Credit (**TLRC**). The Telephone Company will apply TLRC to the end of the TPP commitment period thereby reducing the number of months for which termination liability charges are applicable.

(b) The customer's TLRC is determined in accordance with the following table and is based on the TPP commitment period selected by the customer for the Eligible Special Access Service.

Selected TPP Commitment Period	TLRC Granted
36 Months	24 Months
60 Months	36 Months
84 Months	48 Months

(c) TLRC will not be granted unless specifically requested in writing by the customer at the time that disconnection of the service under the TPP is requested.

(d) As an illustrative example, assume that the customer selects a commitment period of sixty (60) months upon subscription to this Option 44. For the 60 months commitment period selected, the TLCR is thirty-six (36) months. In this example, the customer is not subject to termination liability charges after the twenty-fourth (24th) month of the 60 month commitment period.

(e) TLRC will not be granted when ordering disconnection of service under a TPP for the purpose of converting the Eligible Special Access Service back to a UNE. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(H) Terms and Conditions (Cont'd)

(4) Conversion of an Eligible Special Access Service Back to a UNE

(a) When the customer orders to reconvert an Eligible Special Access Service back to a UNE, all of the following apply to the Eligible Special Access Service being reconverted.

(1) A DS1 or DS3 Eligible Special Access Service that is under a TPP and reconverted back to a UNE will no longer be subscribed to under this Option 44 and will no longer be subject to the monthly recurring rates set forth in (I) following. Additionally, such DS1 or DS3 Eligible Special Access Service that is reconverted to a UNE is subject to any outstanding minimum period and/or termination liability obligations as set forth in Section 7 preceding that remain on the applicable DS1 or DS3 Eligible Special Access Service.

(2) A DS1 or DS3 Eligible Special Access Service that is under a CDP and reconverted back to a UNE will no longer be subscribed under to this Option 44 and will no longer be subject to the monthly recurring rates set forth in (I) following. Additionally, such DS1 or DS3 Eligible Special Access Service that is reconverted to a UNE is subject to any outstanding minimum period obligations under Section 25.1 following and/or termination liability obligations as set forth in (H)(6) following that remain on the applicable DS1 or DS3 Eligible Special Access Service.

(3) TLRC (as set forth in (H)(3) preceding) will not be applied to termination liability applicable under (H)(4)(a)(1) preceding, if any. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(H) Terms and Conditions (Cont'd)

(4) Conversion of an Eligible Special Access Service Back to a UNE (Cont'd)

(b) When the customer orders to reconvert an Eligible Special Access Service back to a UNE, all of the following apply to the Eligible Special Access Services that remain subscribed to under this Option 44 and Option 45 of Tariff F.C.C. No. 11, as applicable. (x)

(1) All DS1 or DS3 Eligible Special Access Services that remain subscribed to under this Option 44 and, when applicable, under Option 45 of Tariff F.C.C. No. 11, shall continue to be subject (x) to the monthly recurring rates set forth in (I) following of this Option 44 or to the monthly recurring rates set forth in (I) of (x) Option 45 of Tariff F.C.C. No. 11, as applicable. (x)

(2) Any channel termination included in the CDP count of in-service channel terminations under (H)(2)(c)(1) preceding will remain in the CDP count of in-service channel terminations and will now be used in determining changes to the CDP minimum commitment (i.e., with respect to any and all CDP true-ups that occurred on or after the customer's subscription to this Option 44 and with respect to any and all CDP true-ups that occur after conversion of an Eligible Special Access Service Back to a UNE). The addition of these in-service channel terminations may increase the CDP minimum commitment in accordance with Section 25.1.7 preceding.

(3) The TLRC as set forth in (H)(3) preceding will no longer be applicable to any remaining Eligible Special Access Services that are subscribed to under this Option 44 or under Option 45 of (x) Tariff F.C.C. No. 11. (x)

(4) If the customer was eligible for ECSB Credit under (G) preceding, and the customer converts one or more Eligible Special Access Services subscribed to under this Option 44 or under Option 45 of (x) Tariff F.C.C. No. 11 back to a UNE prior to the end of month (x) twelve (12) of the Service Period, the ECSB Credit will not be due and, thus, will not be applied. (N)

(x) Issued under authority of Special Permission No. 06-036 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(H) Terms and Conditions (Cont'd)

(5) Termination Liability For Disconnection of Service Not Involving Re-conversion Back to a UNE

(a) In the event that the customer disconnects, for purposes other than re-conversion back to a UNE, a DS1 or DS3 Eligible Special Access Service that is subscribed to under this Option 44 and is provided under a TPP prior to the end of the TPP commitment period, termination liability applies in accordance with Section 7.4.17 preceding. The number of months in which the customer is subject to termination liability charges may be reduced if the customer is eligible for TLRC as described in (H)(3) preceding. When calculating the termination liability charge, the monthly recurring rates set forth in Section 7 preceding (as determined in accordance with Section 14.7 preceding) are used in lieu of the monthly recurring rates set forth in (I) following.

(b) In the event that the customer disconnects, for purposes other than re-conversion back to a UNE, a DS1 or DS3 Eligible Special Access Service, that is subscribed to under this Option 44 and is provided under a CDP, prior to the end of the CDP commitment period, or terminates the CDP in full, the terms set forth in Section 25.1.9 following apply.

(c) In addition to termination liability as set forth in (H)(5)(a) preceding, the customer also remains responsible for satisfying any outstanding minimum period obligation for the Eligible Special Access Service. Minimum periods for Eligible Special Access Services are set forth in Section 7.4.4 for service provided under a TPP. When calculating the minimum period charge, the monthly recurring rates set forth in Section 7 preceding (as determined in accordance with Section 14.7 preceding) are used in the calculation of minimum period charges in lieu of the monthly recurring rates set forth in (I) following. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(H) Terms and Conditions (Cont'd)

(6) Termination Liability For Disconnection of Service Involving Re-conversion Back to a UNE

(a) Where the customer orders conversion of an Eligible Special Access Service (where such service is under a CDP and subscribed to under this Option 44) back to a UNE prior to the end of the CDP commitment period, termination liability applies to that Eligible Special Access Service at fifty percent (50%) of the monthly recurring rates set forth in Section 7 preceding (as determined in accordance with Section 14.7 preceding) for the balance of the CDP commitment period. None of the forgoing shall affect what happens if the CDP is discontinued in its entirety, in which case termination liability as set forth in Section 25.1.9 following applies.

(b) Where the customer orders conversion of an Eligible Special Access Service (where such service is under a TPP and subscribed to under this Option 44) back to a UNE prior to the end of the TPP commitment period, termination liability applies in accordance with Section 7.4.17 preceding to that Eligible Special Access Service. When calculating the termination liability charge, the monthly recurring rates set forth in Section 7 (as determined in accordance with Section 14.7 preceding) are used in lieu of the monthly recurring rates set forth in (I) following

(c) In addition to termination liability as set forth in (H)(6)(a) and (H)(6)(b) preceding, the customer also remains responsible for satisfying any outstanding minimum period obligation for the Eligible Special Access Service. Minimum periods for Eligible Special Access Services are set forth in Section 25.1 following for service provided under a CDP or Section 7.4.4 preceding for service provided under a TPP. When calculating the minimum period charge, the monthly recurring rates set forth in Section 7 preceding (as determined in accordance with Section 14.7 preceding) are used in the calculation of minimum period charges in lieu of the monthly recurring rates set forth in (I) following. (N)

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(H) Terms and Conditions (Cont'd)

(7) Increasing the Commitment Period for a CDP

(a) If customer meets all of the following conditions, the customer may extend the commitment period for its CDP (the **Existing Commitment Period**) to a longer term (the **Longer Commitment Period**).

(1) The time remaining in the Existing Commitment Period for the customer's CDP is twenty-four (24) months or longer.

(2) The customer selects a Longer Commitment Period for its CDP from those offered under Section 25.1.4 thereby extending the period of time that the DS1 or DS3 Eligible Special Access Services, as applicable, are subscribed to under this Option 44 (and Option 45 (x)
of Tariff F.C.C. No. 11, when applicable). (x)

For example, a CDP with a 60 month Existing Commitment Period may be extended to a CDP with an 84 month term thereby extending the commitment period to 84 months.

(3) The customer included all (one hundred percent (100%)) of its Qualified MSAs for conversion from Eligible UNEs to Eligible Special Access Services.

(b) Where the conditions set forth in (H)(7)(a)(1) through (3) preceding are met, the following applies.

(1) The increased discount for the Longer Commitment Period shall commence with the first bill date following the orders to increase the commitment period as allowed under this (H)(7). No retroactive billing or adjustment will be made for the portion of the CDP commitment period that has elapsed prior to the effective date of the increased discount; and

(2) The beginning date for the Longer Commitment Period will be the date that the Existing Commitment Period originally began. (N)

(x) Issued under authority of Special Permission No. 06-036 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(H) Terms and Conditions (Cont'd)

(7) Increasing the Commitment Period for a CDP (Cont'd)

(b) (Cont'd)

(3) The expiration date for the Longer Commitment Period will be based on the Longer Commitment Period and is determined by adding the number of months for the increase to the expiration date that would have applied for the Existing Commitment Period.

As an illustrative example, assume (i) that the customer subscribes to a CDP with a 36 month commitment period that is due to expire November 28, 2009. Further assume that the customer is extending to a term of 84 months. In this example, the expiration date for the Longer Commitment Period would be 48 months later than the expiration date would have been for the Existing Commitment Period (84 months less 36 months equals 48 months). Hence the new expiration date would be November 28, 2013).

(c) CDP Renewal Option

Where the customer increases its CDP commitment period to a Longer Commitment Period under this (H)(7), such Longer Commitment Period shall be used for the purpose of qualifying for, and satisfying the requirements to complete the increased commitment period, and is considered to be completion of the full commitment period for the purpose of qualifying for and administering the CDP Renewal Option set forth in Section 25.1(H)(3)(a) following. (N)

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(H) Terms and Conditions (Cont'd)

(7) Increasing the Commitment Period for a CDP (Cont'd)

(d) For a customer that already purchases service under a CDP that includes time-in-service credit (TISC) previously granted in accordance with Section 25.1.8(F) preceding, the following applies.

(1) If, at the time of subscription to this Option 44, the customer extends the commitment period for its CDP to a Longer Commitment Period, the TISC for the customer's CDP for that service type (including all existing services that are in the CDP and eligible to receive TISC, any new services added to the CDP, and all Eligible Special Access Services that are added to the CDP at the time of subscription to this Option 44) will be subject to the TISC applicable to the Longer Commitment Period under Section 25.1.8(F) preceding; and

(2) The customer must independently meet the requirements of Section 25.1.8(F) following.

(3) As an illustrative example, assume that the customer's CDP is receiving 12 months of TISC. Further assume that when subscribing to this Option 44, the customer extends the commitment period for its CDP to 7-years. In this case, TISC will be extended to eighteen (18) months to reflect the increased commitment period.

(4) The Telephone Company will assume that the customer would have qualified for the TISC applicable to the Longer Commitment Period and the TISC will be increased accordingly. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates

For DS1 services, the following monthly recurring rates apply as of the date of subscription to this Option 44.

For DS3 services, the following monthly recurring base rates apply as of the date of subscription to Option 44 and the discount percentage for the selected commitment period of the TPP or CDP for such DS3 will be applied to such monthly recurring base rates during the time the DS3 service is subscribed to under this Option 44, unless otherwise restricted under this Section 21.45.

(1) Tier 1 Rates – 100% Commitment

(a) Standard Channel Termination, per point of termination:

(1) **1.544 Mbps**

	3-Year Rates (USOC TNT3X)	5-Year Rates (USOC TNT4X)	7-Year Rates (USOC TNT8X)
Pennsylvania			
Pricing Zone 1	$125.59	$108.84	$106.38
Pricing Zone 2	139.08	120.53	117.81
Pricing Zone 3	147.58	127.90	125.00
Price Band 4	143.84	124.66	121.84
Price Band 5	180.76	156.66	153.12
Price Band 6	186.83	161.92	158.26
West Virginia			
Pricing Zone 1	$147.75	$128.05	$118.20
Pricing Zone 2	163.62	141.80	130.90
Pricing Zone 3	173.62	150.47	138.89
Price Band 4	169.22	146.66	135.38
Price Band 5	212.66	184.31	170.13
Price Band 6	219.80	190.49	175.84
DC, Delaware, Maryland New Jersey, Virginia			
Pricing Zone 1	$118.20	$102.44	$100.47
Pricing Zone 2	130.90	113.44	111.27
Pricing Zone 3	138.90	120.38	118.06
Price Band 4	135.38	117.33	115.07
Price Band 5	170.13	147.45	144.61
Price Band 6	175.84	152.39	149.46

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd) per point of termination:

(2) **44.736 Mbps - Pennsylvania Pricing Zone 1**

# DS3 CTs Counted	USOC	3-Year/5-year Monthly Rate Per CT
1	TYFMX	$1,848.00
2	TYFMX	1,680.00
3	TYFMX	1,320.00
4	TYFMX	1,240.00
5	TYFMX	1,200.00
6	TYFMX	1,160.00
7	TYFMX	1,120.00
8	TYFMX	1,080.00
9	TYFMX	1,060.00
10	TYFMX	1,040.00
11	TYFMX	1,020.00
12	TYFMX	1,000.00
13	TYFMX	996.00
14	TYFMX	992.00
15	TYFMX	984.00
16	TYFMX	976.00
17	TYFMX	960.00
18	TYFMX	952.00
19	TYFMX	940.00
20	TYFMX	920.00
21	TYFMX	912.00
22	TYFMX	896.00
23	TYFMX	884.00
24	TYFMX	880.80
25 and Over	TYFMX	748.00
Per DS3 CT at each Secondary Premises	TYFMS	1,360.77

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd) per point of termination:

(2) **44.736 Mbps – Pennsylvania (Cont'd) Pricing Zone 2**

# DS3 CTs Counted	USOC	3-Year/5-year Monthly Rate Per CT
1	TYFMX	$1,940.40
2	TYFMX	1,764.00
3	TYFMX	1,386.00
4	TYFMX	1,302.00
5	TYFMX	1,260.00
6	TYFMX	1,218.00
7	TYFMX	1,176.00
8	TYFMX	1,134.00
9	TYFMX	1,113.00
10	TYFMX	1,092.00
11	TYFMX	1,071.00
12	TYFMX	1,050.00
13	TYFMX	1,045.80
14	TYFMX	1,041.60
15	TYFMX	1,033.20
16	TYFMX	1,024.80
17	TYFMX	1,008.00
18	TYFMX	999.60
19	TYFMX	987.00
20	TYFMX	966.00
21	TYFMX	957.60
22	TYFMX	940.80
23	TYFMX	928.20
24	TYFMX	924.84
25 and Over	TYFMX	785.40
Per DS3 CT at each Secondary Premises	TYFMS	1,428.81

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd) per point of termination:

(2) **44.736 Mbps – Pennsylvania (Cont'd) Pricing Zone 3**

# DS3 CTs Counted	USOC	3-Year/5-year Monthly Rate Per CT
1	TYFMX	$2,032.80
2	TYFMX	1,848.00
3	TYFMX	1,452.00
4	TYFMX	1,364.00
5	TYFMX	1,320.00
6	TYFMX	1,276.00
7	TYFMX	1,232.00
8	TYFMX	1,188.00
9	TYFMX	1,166.00
10	TYFMX	1,144.00
11	TYFMX	1,122.00
12	TYFMX	1,100.00
13	TYFMX	1,095.60
14	TYFMX	1,091.20
15	TYFMX	1,082.40
16	TYFMX	1,073.60
17	TYFMX	1,056.00
18	TYFMX	1,047.20
19	TYFMX	1,034.00
20	TYFMX	1,012.00
21	TYFMX	1,003.20
22	TYFMX	985.60
23	TYFMX	972.40
24	TYFMX	968.88
25 and Over	TYFMX	822.80
Per DS3 CT at each Secondary Premises	TYFMS	1,496.84

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd) per point of termination:

(2) **44.736 Mbps – Pennsylvania (Cont'd) Pricing Band 4**

# DS3 CTs Counted	USOC	3-Year/5-year Monthly Rate Per CT
1	TYFMX	$2,200.00
2	TYFMX	2,080.00
3	TYFMX	1,920.00
4	TYFMX	1,400.00
5	TYFMX	1,320.00
6	TYFMX	1,240.00
7	TYFMX	1,160.00
8	TYFMX	1,080.00
9	TYFMX	1,040.00
10	TYFMX	1,000.00
11	TYFMX	960.00
12	TYFMX	872.00
13	TYFMX	1,200.00
14	TYFMX	1,152.00
15	TYFMX	1,120.00
16	TYFMX	1,060.00
17	TYFMX	992.00
18	TYFMX	952.00
19	TYFMX	940.00
20	TYFMX	920.00
21	TYFMX	912.00
22	TYFMX	896.00
23	TYFMX	884.00
24	TYFMX	880.80
25 and Over	TYFMX	880.00
Per DS3 CT at each Secondary Premises	TYFMS	2,117.36

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd)
per point of termination:

(2) **44.736 Mbps – Pennsylvania (Cont'd)**
Pricing Band 5

# DS3 CTs Counted	USOC	3-Year/5-year Monthly Rate Per CT
1	TYFMX	$2,310.00
2	TYFMX	2,184.00
3	TYFMX	2,016.00
4	TYFMX	1,470.00
5	TYFMX	1,386.00
6	TYFMX	1,302.00
7	TYFMX	1,218.00
8	TYFMX	1,134.00
9	TYFMX	1,092.00
10	TYFMX	1,050.00
11	TYFMX	1,008.00
12	TYFMX	915.60
13	TYFMX	1,260.00
14	TYFMX	1,209.60
15	TYFMX	1,176.00
16	TYFMX	1,113.00
17	TYFMX	1,041.60
18	TYFMX	999.60
19	TYFMX	987.00
20	TYFMX	966.00
21	TYFMX	957.60
22	TYFMX	940.80
23	TYFMX	928.20
24	TYFMX	924.84
25 and Over	TYFMX	924.00
Per DS3 CT at each Secondary Premises	TYFMS	2,223.23

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd) per point of termination:

(2) **44.736 Mbps – Pennsylvania (Cont'd)**
Pricing Band 6

# DS3 CTs Counted	USOC	3-Year/5-year Monthly Rate Per CT
1	TYFMX	$2,420.00
2	TYFMX	2,288.00
3	TYFMX	2,112.00
4	TYFMX	1,540.00
5	TYFMX	1,452.00
6	TYFMX	1,364.00
7	TYFMX	1,276.00
8	TYFMX	1,188.00
9	TYFMX	1,144.00
10	TYFMX	1,100.00
11	TYFMX	1,056.00
12	TYFMX	959.20
13	TYFMX	1,320.00
14	TYFMX	1,267.20
15	TYFMX	1,232.00
16	TYFMX	1,166.00
17	TYFMX	1,091.20
18	TYFMX	1,047.20
19	TYFMX	1,034.00
20	TYFMX	1,012.00
21	TYFMX	1,003.20
22	TYFMX	985.60
23	TYFMX	972.40
24	TYFMX	968.88
25 and Over	TYFMX	968.00
Per DS3 CT at each Secondary Premises	TYFMS	2,329.09

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd) per point of termination:

(3) **44.736 Mbps – West Virginia Pricing Zone 1**

# DS3 CTs Counted	USOC	3-Year/5-year Monthly Rate Per CT
1	TYFMX	$1,848.00
2	TYFMX	1,680.00
3	TYFMX	1,320.00
4	TYFMX	1,240.00
5	TYFMX	1,200.00
6	TYFMX	1,160.00
7	TYFMX	1,120.00
8	TYFMX	1,080.00
9	TYFMX	1,060.00
10	TYFMX	1,040.00
11	TYFMX	1,020.00
12	TYFMX	1,000.00
13	TYFMX	996.00
14	TYFMX	992.00
15	TYFMX	984.00
16	TYFMX	976.00
17	TYFMX	960.00
18	TYFMX	952.00
19	TYFMX	940.00
20	TYFMX	920.00
21	TYFMX	912.00
22	TYFMX	896.00
23	TYFMX	884.00
24	TYFMX	880.80
25 and Over	TYFMX	748.00
Per DS3 CT at each Secondary Premises	TYFMS	1,360.77 (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd) per point of termination:

(3) **44.736 Mbps – West Virginia (Cont'd) Pricing Zone 2**

# DS3 CTs Counted	USOC	3-Year/5-year Monthly Rate Per CT
1	TYFMX	$1,940.40
2	TYFMX	1,764.00
3	TYFMX	1,386.00
4	TYFMX	1,302.00
5	TYFMX	1,260.00
6	TYFMX	1,218.00
7	TYFMX	1,176.00
8	TYFMX	1,134.00
9	TYFMX	1,113.00
10	TYFMX	1,092.00
11	TYFMX	1,071.00
12	TYFMX	1,050.00
13	TYFMX	1,045.80
14	TYFMX	1,041.60
15	TYFMX	1,033.20
16	TYFMX	1,024.80
17	TYFMX	1,008.00
18	TYFMX	999.60
19	TYFMX	987.00
20	TYFMX	966.00
21	TYFMX	957.60
22	TYFMX	940.80
23	TYFMX	928.20
24	TYFMX	924.84
25 and Over	TYFMX	785.40
Per DS3 CT at each Secondary Premises	TYFMS	1,428.81

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd) per point of termination:

(3) **44.736 Mbps – West Virginia (Cont'd) Pricing Zone 3**

# DS3 CTs Counted	USOC	3-Year/5-year Monthly Rate Per CT
1	TYFMX	$2,032.80
2	TYFMX	1,848.00
3	TYFMX	1,452.00
4	TYFMX	1,364.00
5	TYFMX	1,320.00
6	TYFMX	1,276.00
7	TYFMX	1,232.00
8	TYFMX	1,188.00
9	TYFMX	1,166.00
10	TYFMX	1,144.00
11	TYFMX	1,122.00
12	TYFMX	1,100.00
13	TYFMX	1,095.60
14	TYFMX	1,091.20
15	TYFMX	1,082.40
16	TYFMX	1,073.60
17	TYFMX	1,056.00
18	TYFMX	1,047.20
19	TYFMX	1,034.00
20	TYFMX	1,012.00
21	TYFMX	1,003.20
22	TYFMX	985.60
23	TYFMX	972.40
24	TYFMX	968.88
25 and Over	TYFMX	822.80
Per DS3 CT at each Secondary Premises	TYFMS	1,496.84

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd) per point of termination:

(3) **44.736 Mbps – West Virginia (Cont'd) Pricing Band 4**

# DS3 CTs Counted	USOC	3-Year/5-year Monthly Rate Per CT
1	TYFMX	$2,200.00
2	TYFMX	2,080.00
3	TYFMX	1,920.00
4	TYFMX	1,400.00
5	TYFMX	1,320.00
6	TYFMX	1,240.00
7	TYFMX	1,160.00
8	TYFMX	1,080.00
9	TYFMX	1,040.00
10	TYFMX	1,000.00
11	TYFMX	960.00
12	TYFMX	872.00
13	TYFMX	1,200.00
14	TYFMX	1,152.00
15	TYFMX	1,120.00
16	TYFMX	1,060.00
17	TYFMX	992.00
18	TYFMX	952.00
19	TYFMX	940.00
20	TYFMX	920.00
21	TYFMX	912.00
22	TYFMX	896.00
23	TYFMX	884.00
24	TYFMX	880.80
25 and Over	TYFMX	880.00
Per DS3 CT at each Secondary Premises	TYFMS	2,117.36

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd) per point of termination:

(3) **44.736 Mbps – West Virginia (Cont'd) Pricing Band 5**

# DS3 CTs Counted	USOC	3-Year/5-year Monthly Rate Per CT
1	TYFMX	$2,310.00
2	TYFMX	2,184.00
3	TYFMX	2,016.00
4	TYFMX	1,470.00
5	TYFMX	1,386.00
6	TYFMX	1,302.00
7	TYFMX	1,218.00
8	TYFMX	1,134.00
9	TYFMX	1,092.00
10	TYFMX	1,050.00
11	TYFMX	1,008.00
12	TYFMX	915.60
13	TYFMX	1,260.00
14	TYFMX	1,209.60
15	TYFMX	1,176.00
16	TYFMX	1,113.00
17	TYFMX	1,041.60
18	TYFMX	999.60
19	TYFMX	987.00
20	TYFMX	966.00
21	TYFMX	957.60
22	TYFMX	940.80
23	TYFMX	928.20
24	TYFMX	924.84
25 and Over	TYFMX	924.00
Per DS3 CT at each Secondary Premises	TYFMS	2,223.23

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd) per point of termination:

(3) **44.736 Mbps – West Virginia (Cont'd) Pricing Band 6**

# DS3 CTs Counted	USOC	3-Year/5-year Monthly Rate Per CT
1	TYFMX	$2,420.00
2	TYFMX	2,288.00
3	TYFMX	2,112.00
4	TYFMX	1,540.00
5	TYFMX	1,452.00
6	TYFMX	1,364.00
7	TYFMX	1,276.00
8	TYFMX	1,188.00
9	TYFMX	1,144.00
10	TYFMX	1,100.00
11	TYFMX	1,056.00
12	TYFMX	959.20
13	TYFMX	1,320.00
14	TYFMX	1,267.20
15	TYFMX	1,232.00
16	TYFMX	1,166.00
17	TYFMX	1,091.20
18	TYFMX	1,047.20
19	TYFMX	1,034.00
20	TYFMX	1,012.00
21	TYFMX	1,003.20
22	TYFMX	985.60
23	TYFMX	972.40
24	TYFMX	968.88
25 and Over	TYFMX	968.00
Per DS3 CT at each Secondary Premises	TYFMS	2,329.09 (N)

(Issued under Transmittal No. 746)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd)
per point of termination:

(4) **44.736 Mbps – DC, Delaware, Maryland
New Jersey, Virginia
Pricing Zone 1**

# DS3 CTs Counted	USOC	3-Year/5-year Monthly Rate Per CT
1	TYFMX	$1,848.00
2	TYFMX	1,680.00
3	TYFMX	1,320.00
4	TYFMX	1,240.00
5	TYFMX	1,200.00
6	TYFMX	1,160.00
7	TYFMX	1,120.00
8	TYFMX	1,080.00
9	TYFMX	1,060.00
10	TYFMX	1,040.00
11	TYFMX	1,020.00
12	TYFMX	1,000.00
13	TYFMX	996.00
14	TYFMX	992.00
15	TYFMX	984.00
16	TYFMX	976.00
17	TYFMX	960.00
18	TYFMX	952.00
19	TYFMX	940.00
20	TYFMX	920.00
21	TYFMX	912.00
22	TYFMX	896.00
23	TYFMX	884.00
24	TYFMX	880.80
25 and Over	TYFMX	748.00
Per DS3 CT at each Secondary Premises	TYFMS	1,360.77

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd) per point of termination:

(4) **44.736 Mbps – DC, Delaware, Maryland New Jersey, Virginia (Cont'd) Pricing Zone 2**

# DS3 CTs Counted	USOC	3-Year/5-year Monthly Rate Per CT
1	TYFMX	$1,940.40
2	TYFMX	1,764.00
3	TYFMX	1,386.00
4	TYFMX	1,302.00
5	TYFMX	1,260.00
6	TYFMX	1,218.00
7	TYFMX	1,176.00
8	TYFMX	1,134.00
9	TYFMX	1,113.00
10	TYFMX	1,092.00
11	TYFMX	1,071.00
12	TYFMX	1,050.00
13	TYFMX	1,045.80
14	TYFMX	1,041.60
15	TYFMX	1,033.20
16	TYFMX	1,024.80
17	TYFMX	1,008.00
18	TYFMX	999.60
19	TYFMX	987.00
20	TYFMX	966.00
21	TYFMX	957.60
22	TYFMX	940.80
23	TYFMX	928.20
24	TYFMX	924.84
25 and Over	TYFMX	785.40
Per DS3 CT at each Secondary Premises	TYFMS	1,428.81

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates - 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd) per point of termination:

(4) **44.736 Mbps - DC, Delaware, Maryland New Jersey, Virginia (Cont'd) Pricing Zone 3**

# DS3 CTs Counted	USOC	3-Year/5-year Monthly Rate Per CT
1	TYFMX	$2,032.80
2	TYFMX	1,848.00
3	TYFMX	1,452.00
4	TYFMX	1,364.00
5	TYFMX	1,320.00
6	TYFMX	1,276.00
7	TYFMX	1,232.00
8	TYFMX	1,188.00
9	TYFMX	1,166.00
10	TYFMX	1,144.00
11	TYFMX	1,122.00
12	TYFMX	1,100.00
13	TYFMX	1,095.60
14	TYFMX	1,091.20
15	TYFMX	1,082.40
16	TYFMX	1,073.60
17	TYFMX	1,056.00
18	TYFMX	1,047.20
19	TYFMX	1,034.00
20	TYFMX	1,012.00
21	TYFMX	1,003.20
22	TYFMX	985.60
23	TYFMX	972.40
24	TYFMX	968.88
25 and Over	TYFMX	822.80
Per DS3 CT at each Secondary Premises	TYFMS	1,496.84

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd)
per point of termination:

(4) **44.736 Mbps – DC, Delaware, Maryland New Jersey, Virginia (Cont'd) Pricing Band 4**

# DS3 CTs Counted	USOC	3-Year/5-year Monthly Rate Per CT
1	TYFMX	$2,200.00
2	TYFMX	2,080.00
3	TYFMX	1,920.00
4	TYFMX	1,400.00
5	TYFMX	1,320.00
6	TYFMX	1,240.00
7	TYFMX	1,160.00
8	TYFMX	1,080.00
9	TYFMX	1,040.00
10	TYFMX	1,000.00
11	TYFMX	960.00
12	TYFMX	872.00
13	TYFMX	1,200.00
14	TYFMX	1,152.00
15	TYFMX	1,120.00
16	TYFMX	1,060.00
17	TYFMX	992.00
18	TYFMX	952.00
19	TYFMX	940.00
20	TYFMX	920.00
21	TYFMX	912.00
22	TYFMX	896.00
23	TYFMX	884.00
24	TYFMX	880.80
25 and Over	TYFMX	880.00
Per DS3 CT at each Secondary Premises	TYFMS	2,117.36

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates - 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd) per point of termination:

(4) **44.736 Mbps - DC, Delaware, Maryland New Jersey, Virginia (Cont'd) Pricing Band 5**

# DS3 CTs Counted	USOC	3-Year/5-year Monthly Rate Per CT
1	TYFMX	$2,310.00
2	TYFMX	2,184.00
3	TYFMX	2,016.00
4	TYFMX	1,470.00
5	TYFMX	1,386.00
6	TYFMX	1,302.00
7	TYFMX	1,218.00
8	TYFMX	1,134.00
9	TYFMX	1,092.00
10	TYFMX	1,050.00
11	TYFMX	1,008.00
12	TYFMX	915.60
13	TYFMX	1,260.00
14	TYFMX	1,209.60
15	TYFMX	1,176.00
16	TYFMX	1,113.00
17	TYFMX	1,041.60
18	TYFMX	999.60
19	TYFMX	987.00
20	TYFMX	966.00
21	TYFMX	957.60
22	TYFMX	940.80
23	TYFMX	928.20
24	TYFMX	924.84
25 and Over	TYFMX	924.00
Per DS3 CT at each Secondary Premises	TYFMS	2,223.23

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd) per point of termination:

(4) **44.736 Mbps – DC, Delaware, Maryland New Jersey, Virginia (Cont'd) Pricing Band 6**

# DS3 CTs Counted	USOC	3-Year/5-year Monthly Rate Per CT
1	TYFMX	$2,420.00
2	TYFMX	2,288.00
3	TYFMX	2,112.00
4	TYFMX	1,540.00
5	TYFMX	1,452.00
6	TYFMX	1,364.00
7	TYFMX	1,276.00
8	TYFMX	1,188.00
9	TYFMX	1,144.00
10	TYFMX	1,100.00
11	TYFMX	1,056.00
12	TYFMX	959.20
13	TYFMX	1,320.00
14	TYFMX	1,267.20
15	TYFMX	1,232.00
16	TYFMX	1,166.00
17	TYFMX	1,091.20
18	TYFMX	1,047.20
19	TYFMX	1,034.00
20	TYFMX	1,012.00
21	TYFMX	1,003.20
22	TYFMX	985.60
23	TYFMX	972.40
24	TYFMX	968.88
25 and Over	TYFMX	968.00
Per DS3 CT at each Secondary Premises	TYFMS	2,329.09

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(b) Channel Mileage

(1) **1.544 Mbps**

	USOC	3 Year Fixed	3 Year Per Mile
Pennsylvania			
Pricing Zone 1	1J53S	$31.11	$7.19
Pricing Zone 2	1J53S	31.11	7.19
Pricing Zone 3	1J53S	31.11	7.19
Price Band 4	1J53S	33.00	10.27
Price Band 5	1J53S	33.00	10.27
Price Band 6	1J53S	33.00	10.27
West Virginia			
Pricing Zone 1	1J53S	$31.11	$7.19
Pricing Zone 2	1J53S	31.11	7.19
Pricing Zone 3	1J53S	31.11	7.19
Price Band 4	1J53S	33.00	10.27
Price Band 5	1J53S	33.00	10.27
Price Band 6	1J53S	33.00	10.27
DC, Delaware, Maryland New Jersey, Virginia			
Pricing Zone 1	1J53S	$31.11	$7.19
Pricing Zone 2	1J53S	31.11	7.19
Pricing Zone 3	1J53S	31.11	7.19
Price Band 4	1J53S	33.00	10.27
Price Band 5	1J53S	33.00	10.27
Price Band 6	1J53S	33.00	10.27

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(b) Channel Mileage (Cont'd)

(1) **1.544 Mbps (Cont'd)**

	USOC	5 Year Fixed	5 Year Per Mile
Pennsylvania			
Pricing Zone 1	1J54S	$27.56	$5.10
Pricing Zone 2	1J54S	27.56	5.10
Pricing Zone 3	1J54S	27.56	5.10
Price Band 4	1J54S	28.60	7.00
Price Band 5	1J54S	28.60	7.00
Price Band 6	1J54S	28.60	7.00
West Virginia			
Pricing Zone 1	1J54S	$27.56	$5.10
Pricing Zone 2	1J54S	27.56	5.10
Pricing Zone 3	1J54S	27.56	5.10
Price Band 4	1J54S	28.60	7.00
Price Band 5	1J54S	28.60	7.00
Price Band 6	1J54S	28.60	7.00
DC, Delaware, Maryland New Jersey, Virginia			
Pricing Zone 1	1J54S	$27.56	$5.10
Pricing Zone 2	1J54S	27.56	5.10
Pricing Zone 3	1J54S	27.56	5.10
Price Band 4	1J54S	28.60	7.00
Price Band 5	1J54S	28.60	7.00
Price Band 6	1J54S	28.60	7.00

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(b) Channel Mileage (Cont'd)

(1) **1.544 Mbps (Cont'd)**

	USOC	7 Year Fixed	7 Year Per Mile
Pennsylvania			
Pricing Zone 1	1T58S	$25.44	$4.85
Pricing Zone 2	1T58S	25.44	4.85
Pricing Zone 3	1T58S	25.44	4.85
Price Band 4	1T58S	26.40	6.50
Price Band 5	1T58S	26.40	6.50
Price Band 6	1T58S	26.40	6.50
West Virginia			
Pricing Zone 1	1T58S	$25.44	$4.85
Pricing Zone 2	1T58S	25.44	4.85
Pricing Zone 3	1T58S	25.44	4.85
Price Band 4	1T58S	26.40	6.50
Price Band 5	1T58S	26.40	6.50
Price Band 6	1T58S	26.40	6.50
DC, Delaware, Maryland New Jersey, Virginia			
Pricing Zone 1	1T58S	$25.44	$4.85
Pricing Zone 2	1T58S	25.44	4.85
Pricing Zone 3	1T58S	25.44	4.85
Price Band 4	1T58S	26.40	6.50
Price Band 5	1T58S	26.40	6.50
Price Band 6	1T58S	26.40	6.50

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(b) Channel Mileage (Cont'd)

(2) **44.7369 Mbps**

	USOC	3 Year/5 Year Rates Fixed	Per Mile
Pennsylvania			
Pricing Zone 1	1YA8S	$561.00	$65.89
Pricing Zone 2	1YA8S	561.00	65.89
Pricing Zone 3	1YA8S	561.00	65.89
Price Band 4	1YA8S	660.00	77.52
Price Band 5	1YA8S	660.00	77.52
Price Band 6	1YA8S	660.00	77.52
West Virginia			
Pricing Zone 1	1YA8S	$561.00	$65.89
Pricing Zone 2	1YA8S	561.00	65.89
Pricing Zone 3	1YA8S	561.00	65.89
Price Band 4	1YA8S	660.00	77.52
Price Band 5	1YA8S	660.00	77.52
Price Band 6	1YA8S	660.00	77.52
DC, Delaware, Maryland New Jersey, Virginia			
Pricing Zone 1	1YA8S	$561.00	$65.89
Pricing Zone 2	1YA8S	561.00	65.89
Pricing Zone 3	1YA8S	561.00	65.89
Price Band 4	1YA8S	660.00	77.52
Price Band 5	1YA8S	660.00	77.52
Price Band 6	1YA8S	660.00	77.52 (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(c) Multiplexing

(1) BSE DS3 to DS1, per arrangement

	USOC	Monthly Rates 3 Year/5 Year
Pennsylvania		
Pricing Zone 1	MXNRX	$460.03
Pricing Zone 2	MXNRX	483.04
Pricing Zone 3	MXNRX	506.03
Price Band 4	MXNRX	536.05
Price Band 5	MXNRX	562.85
Price Band 6	MXNRX	589.66
West Virginia		
Pricing Zone 1	MXNRX	$460.03
Pricing Zone 2	MXNRX	483.04
Pricing Zone 3	MXNRX	506.03
Price Band 4	MXNRX	536.05
Price Band 5	MXNRX	562.85
Price Band 6	MXNRX	589.66
DC, Delaware, Maryland New Jersey, Virginia		
Pricing Zone 1	MXNRX	$460.03
Pricing Zone 2	MXNRX	483.04
Pricing Zone 3	MXNRX	506.03
Price Band 4	MXNRX	536.05
Price Band 5	MXNRX	562.85
Price Band 6	MXNRX	589.66 (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(c) Multiplexing (Cont'd)

(2) BSE DS1 to Voice, per arrangement

	3-Year Rates (USOC MXN13)	5-Year Rates (USOC MXN15)	7-Year Rates (USOC MXN17)
Pennsylvania			
Pricing Zone 1	$136.28	$132.27	$128.26
Pricing Zone 2	136.28	132.27	128.26
Pricing Zone 3	136.28	132.27	128.26
Price Band 4	145.16	125.81	122.96
Price Band 5	153.22	132.80	129.79
Price Band 6	161.29	139.78	136.62
West Virginia			
Pricing Zone 1	$151.42	$146.97	$142.51
Pricing Zone 2	151.42	146.97	142.51
Pricing Zone 3	151.42	146.97	142.51
Price Band 4	170.78	148.01	136.62
Price Band 5	180.26	156.23	144.21
Price Band 6	189.75	164.45	151.80
DC, Delaware, Maryland New Jersey, Virginia			
Pricing Zone 1	$128.71	$124.92	$121.13
Pricing Zone 2	128.71	124.92	121.13
Pricing Zone 3	128.71	124.92	121.13
Price Band 4	136.62	118.41	116.13
Price Band 5	144.21	124.98	122.58
Price Band 6	151.80	131.56	129.03

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(c) Multiplexing (Cont'd)

(3) BSE DS1 to Digital, per arrangement

	3-Year Rates (USOC MXN13)	5-Year Rates (USOC MXN15)	7-Year Rates (USOC MXN17)
Pennsylvania			
Pricing Zone 1	$136.28	$132.27	$128.26
Pricing Zone 2	136.28	132.27	128.26
Pricing Zone 3	136.28	132.27	128.26
Price Band 4	145.16	125.81	122.96
Price Band 5	153.22	132.80	129.79
Price Band 6	161.29	139.78	136.62
West Virginia			
Pricing Zone 1	$151.42	$146.97	$142.51
Pricing Zone 2	151.42	146.97	142.51
Pricing Zone 3	151.42	146.97	142.51
Price Band 4	170.78	148.01	136.62
Price Band 5	180.26	156.23	144.21
Price Band 6	189.75	164.45	151.80
DC, Delaware, Maryland New Jersey, Virginia			
Pricing Zone 1	$128.71	$124.92	$121.13
Pricing Zone 2	128.71	124.92	121.13
Pricing Zone 3	128.71	124.92	121.13
Price Band 4	136.62	118.41	116.13
Price Band 5	144.21	124.98	122.58
Price Band 6	151.80	131.56	129.03 (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(c) Multiplexing (Cont'd)

(4) BSE DS1 to DS0, per arrangement

	3-Year Rates (USOC MXN13)	5-Year Rates (USOC MXN15)	7-Year Rates (USOC MXN17)
Pennsylvania			
Pricing Zone 1	$136.28	$132.27	$128.26
Pricing Zone 2	136.28	132.27	128.26
Pricing Zone 3	136.28	132.27	128.26
Price Band 4	145.16	125.81	122.96
Price Band 5	153.22	132.80	129.79
Price Band 6	161.29	139.78	136.62
West Virginia			
Pricing Zone 1	$151.42	$146.97	$142.51
Pricing Zone 2	151.42	146.97	142.51
Pricing Zone 3	151.42	146.97	142.51
Price Band 4	170.78	148.01	136.62
Price Band 5	180.26	156.23	144.21
Price Band 6	189.75	164.45	151.80
DC, Delaware, Maryland New Jersey, Virginia			
Pricing Zone 1	$128.71	$124.92	$121.13
Pricing Zone 2	128.71	124.92	121.13
Pricing Zone 3	128.71	124.92	121.13
Price Band 4	136.62	118.41	116.13
Price Band 5	144.21	124.98	122.58
Price Band 6	151.80	131.56	129.03

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment

(a) Standard Channel Termination, per point of termination:

(1) **1.544 Mbps**

	3-Year Rates (USOC TNT3X)	5-Year Rates (USOC TNT4X)	7-Year Rates (USOC TNT8X)
Pennsylvania			
Pricing Zone 1	$132.98	$115.25	$112.29
Pricing Zone 2	147.26	127.62	124.36
Pricing Zone 3	156.26	135.42	131.95
Price Band 4	152.30	131.99	128.61
Price Band 5	191.39	165.88	161.62
Price Band 6	197.82	171.44	167.05
West Virginia			
Pricing Zone 1	$147.75	$128.05	$118.20
Pricing Zone 2	163.62	141.80	130.90
Pricing Zone 3	173.62	150.47	138.89
Price Band 4	169.22	146.66	135.38
Price Band 5	212.66	184.31	170.13
Price Band 6	219.80	190.49	175.84
DC, Delaware, Maryland New Jersey, Virginia			
Pricing Zone 1	$125.59	$108.84	$106.38
Pricing Zone 2	139.08	120.53	117.81
Pricing Zone 3	147.58	127.90	125.00
Price Band 4	143.84	124.66	121.84
Price Band 5	180.76	156.66	153.12
Price Band 6	186.83	161.92	158.26

(N)

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd)
per point of termination:

(2) **44.736 – Pennsylvania**
Pricing Zone 1

# DS3 CTs Counted	USOC	3-Year/5-year Monthly Rate Per CT
1	TYFMX	$1,963.50
2	TYFMX	1,785.00
3	TYFMX	1,402.50
4	TYFMX	1,317.50
5	TYFMX	1,275.00
6	TYFMX	1,232.50
7	TYFMX	1,190.00
8	TYFMX	1,147.50
9	TYFMX	1,126.26
10	TYFMX	1,105.00
11	TYFMX	1,083.76
12	TYFMX	1,062.50
13	TYFMX	1,058.26
14	TYFMX	1,054.00
15	TYFMX	1,045.50
16	TYFMX	1,037.00
17	TYFMX	1,020.00
18	TYFMX	1,011.50
19	TYFMX	998.76
20	TYFMX	977.50
21	TYFMX	969.00
22	TYFMX	952.00
23	TYFMX	939.26
24	TYFMX	935.86
25 and Over	TYFMX	794.76
Per DS3 CT at each Secondary Premises	TYFMS	1,445.81

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd) per point of termination:

(2) **44.736 – Pennsylvania (Cont'd)**
Pricing Zone 2

# DS3 CTs Counted	USOC	3-Year/5-year Monthly Rate Per CT
1	TYFMX	$2,061.68
2	TYFMX	1,874.26
3	TYFMX	1,472.62
4	TYFMX	1,383.38
5	TYFMX	1,338.76
6	TYFMX	1,294.12
7	TYFMX	1,249.50
8	TYFMX	1,204.88
9	TYFMX	1,182.57
10	TYFMX	1,160.26
11	TYFMX	1,137.94
12	TYFMX	1,115.62
13	TYFMX	1,111.17
14	TYFMX	1,106.70
15	TYFMX	1,097.78
16	TYFMX	1,088.86
17	TYFMX	1,071.00
18	TYFMX	1,062.08
19	TYFMX	1,048.69
20	TYFMX	1,026.38
21	TYFMX	1,017.46
22	TYFMX	999.60
23	TYFMX	986.22
24	TYFMX	982.64
25 and Over	TYFMX	834.49
Per DS3 CT at each Secondary Premises	TYFMS	1,518.11

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd) per point of termination:

(2) **44.736 – Pennsylvania (Cont'd)**
Pricing Zone 3

# DS3 CTs Counted	USOC	3-Year/5-year Monthly Rate Per CT
1	TYFMX	$2,159.86
2	TYFMX	1,963.50
3	TYFMX	1,542.76
4	TYFMX	1,449.26
5	TYFMX	1,402.50
6	TYFMX	1,355.76
7	TYFMX	1,309.00
8	TYFMX	1,262.26
9	TYFMX	1,238.88
10	TYFMX	1,215.50
11	TYFMX	1,192.12
12	TYFMX	1,168.76
13	TYFMX	1,164.08
14	TYFMX	1,159.40
15	TYFMX	1,150.06
16	TYFMX	1,140.70
17	TYFMX	1,122.00
18	TYFMX	1,112.66
19	TYFMX	1,098.62
20	TYFMX	1,075.26
21	TYFMX	1,065.90
22	TYFMX	1,047.20
23	TYFMX	1,033.18
24	TYFMX	1,029.43
25 and Over	TYFMX	874.22
Per DS3 CT at each Secondary Premises	TYFMS	1,590.40

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd) per point of termination:

(2) **44.736 – Pennsylvania (Cont'd)**
Pricing Band 4

# DS3 CTs Counted	USOC	3-Year/5-year Monthly Rate Per CT
1	TYFMX	$2,337.50
2	TYFMX	2,210.00
3	TYFMX	2,040.00
4	TYFMX	1,487.50
5	TYFMX	1,402.50
6	TYFMX	1,317.50
7	TYFMX	1,232.50
8	TYFMX	1,147.50
9	TYFMX	1,105.00
10	TYFMX	1,062.50
11	TYFMX	1,020.00
12	TYFMX	926.50
13	TYFMX	1,275.00
14	TYFMX	1,224.00
15	TYFMX	1,190.00
16	TYFMX	1,126.26
17	TYFMX	1,054.00
18	TYFMX	1,011.50
19	TYFMX	998.76
20	TYFMX	977.50
21	TYFMX	969.00
22	TYFMX	952.00
23	TYFMX	939.26
24	TYFMX	935.86
25 and Over	TYFMX	935.00
Per DS3 CT at each Secondary Premises	TYFMS	2,249.70 (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd) per point of termination:

(2) **44.736 – Pennsylvania (Cont'd)**
Pricing Band 5

# DS3 CTs Counted	USOC	3-Year/5-year Monthly Rate Per CT
1	TYFMX	$2,454.38
2	TYFMX	2,320.50
3	TYFMX	2,142.00
4	TYFMX	1,561.88
5	TYFMX	1,472.62
6	TYFMX	1,383.38
7	TYFMX	1,294.12
8	TYFMX	1,204.88
9	TYFMX	1,160.26
10	TYFMX	1,115.62
11	TYFMX	1,071.00
12	TYFMX	972.82
13	TYFMX	1,338.76
14	TYFMX	1,285.20
15	TYFMX	1,249.50
16	TYFMX	1,182.57
17	TYFMX	1,106.70
18	TYFMX	1,062.08
19	TYFMX	1048.69
20	TYFMX	1026.38
21	TYFMX	1017.46
22	TYFMX	999.60
23	TYFMX	986.22
24	TYFMX	982.64
25 and Over	TYFMX	981.76
Per DS3 CT at each Secondary Premises	TYFMS	2,362.19

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd)
per point of termination:

(2) **44.736 – Pennsylvania (Cont;d)**
Pricing Band 6

# DS3 CTs Counted	USOC	3-Year/5-year Monthly Rate Per CT
1	TYFMX	$2,571.26
2	TYFMX	2,431.00
3	TYFMX	2,244.00
4	TYFMX	1,636.26
5	TYFMX	1,542.76
6	TYFMX	1,449.26
7	TYFMX	1,355.76
8	TYFMX	1,262.26
9	TYFMX	1,215.50
10	TYFMX	1,168.76
11	TYFMX	1,122.00
12	TYFMX	1,019.16
13	TYFMX	1,402.50
14	TYFMX	1,346.40
15	TYFMX	1,309.00
16	TYFMX	1,238.88
17	TYFMX	1,159.40
18	TYFMX	1,112.66
19	TYFMX	1,098.62
20	TYFMX	1,075.26
21	TYFMX	1,065.90
22	TYFMX	1,047.20
23	TYFMX	1,033.18
24	TYFMX	1,029.43
25 and Over	TYFMX	1,028.50
Per DS3 CT at each Secondary Premises	TYFMS	2,474.67

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd) per point of termination:

(3) **44.736 – West Virginia**
Pricing Zone 1

# DS3 CTs Counted	USOC	3-Year/5-year Monthly Rate Per CT
1	TYFMX	$1,963.50
2	TYFMX	1,785.00
3	TYFMX	1,402.50
4	TYFMX	1,317.50
5	TYFMX	1,275.00
6	TYFMX	1,232.50
7	TYFMX	1,190.00
8	TYFMX	1,147.50
9	TYFMX	1,126.26
10	TYFMX	1,105.00
11	TYFMX	1,083.76
12	TYFMX	1,062.50
13	TYFMX	1,058.26
14	TYFMX	1,054.00
15	TYFMX	1,045.50
16	TYFMX	1,037.00
17	TYFMX	1,020.00
18	TYFMX	1,011.50
19	TYFMX	998.76
20	TYFMX	977.50
21	TYFMX	969.00
22	TYFMX	952.00
23	TYFMX	939.26
24	TYFMX	935.86
25 and Over	TYFMX	794.76
Per DS3 CT at each Secondary Premises	TYFMS	1,445.81

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd)
per point of termination:

(3) **44.736 – West Virginia (Cont'd)**
Pricing Zone 2

# DS3 CTs Counted	USOC	3-Year/5-year Monthly Rate Per CT
1	TYFMX	$2,061.68
2	TYFMX	1,874.26
3	TYFMX	1,472.62
4	TYFMX	1,383.38
5	TYFMX	1,338.76
6	TYFMX	1,294.12
7	TYFMX	1,249.50
8	TYFMX	1,204.88
9	TYFMX	1,182.57
10	TYFMX	1,160.26
11	TYFMX	1,137.94
12	TYFMX	1,115.62
13	TYFMX	1,111.17
14	TYFMX	1,106.70
15	TYFMX	1,097.78
16	TYFMX	1,088.86
17	TYFMX	1,071.00
18	TYFMX	1,062.08
19	TYFMX	1,048.69
20	TYFMX	1,026.38
21	TYFMX	1,017.46
22	TYFMX	999.60
23	TYFMX	986.22
24	TYFMX	982.64
25 and Over	TYFMX	834.49
Per DS3 CT at each Secondary Premises	TYFMS	1,518.11

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd)
per point of termination:

(3) **44.736 – West Virginia (Cont'd)**
Pricing Zone 3

# DS3 CTs Counted	USOC	3-Year/5-year Monthly Rate Per CT
1	TYFMX	$2,159.86
2	TYFMX	1,963.50
3	TYFMX	1,542.76
4	TYFMX	1,449.26
5	TYFMX	1,402.50
6	TYFMX	1,355.76
7	TYFMX	1,309.00
8	TYFMX	1,262.26
9	TYFMX	1,238.88
10	TYFMX	1,215.50
11	TYFMX	1,192.12
12	TYFMX	1,168.76
13	TYFMX	1,164.08
14	TYFMX	1,159.40
15	TYFMX	1,150.06
16	TYFMX	1,140.70
17	TYFMX	1,122.00
18	TYFMX	1,112.66
19	TYFMX	1,098.62
20	TYFMX	1,075.26
21	TYFMX	1,065.90
22	TYFMX	1,047.20
23	TYFMX	1,033.18
24	TYFMX	1,029.43
25 and Over	TYFMX	874.22
Per DS3 CT at each Secondary Premises	TYFMS	1,590.40

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd) per point of termination:

(3) **44.736 – West Virginia (Cont'd)**
Pricing Band 4

# DS3 CTs Counted	USOC	3-Year/5-year Monthly Rate Per CT
1	TYFMX	$2,337.50
2	TYFMX	2,210.00
3	TYFMX	2,040.00
4	TYFMX	1,487.50
5	TYFMX	1,402.50
6	TYFMX	1,317.50
7	TYFMX	1,232.50
8	TYFMX	1,147.50
9	TYFMX	1,105.00
10	TYFMX	1,062.50
11	TYFMX	1,020.00
12	TYFMX	926.50
13	TYFMX	1,275.00
14	TYFMX	1,224.00
15	TYFMX	1,190.00
16	TYFMX	1,126.26
17	TYFMX	1,054.00
18	TYFMX	1,011.50
19	TYFMX	998.76
20	TYFMX	977.50
21	TYFMX	969.00
22	TYFMX	952.00
23	TYFMX	939.26
24	TYFMX	935.86
25 and Over	TYFMX	935.00
Per DS3 CT at each Secondary Premises	TYFMS	2,249.70 (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd) per point of termination:

(3) **44.736 – West Virginia (Cont'd)**
Pricing Band 5

# DS3 CTs Counted	USOC	3-Year/5-year Monthly Rate Per CT
1	TYFMX	$2,454.38
2	TYFMX	2,320.50
3	TYFMX	2,142.00
4	TYFMX	1,561.88
5	TYFMX	1,472.62
6	TYFMX	1,383.38
7	TYFMX	1,294.12
8	TYFMX	1,204.88
9	TYFMX	1,160.26
10	TYFMX	1,115.62
11	TYFMX	1,071.00
12	TYFMX	972.82
13	TYFMX	1,338.76
14	TYFMX	1,285.20
15	TYFMX	1,249.50
16	TYFMX	1,182.57
17	TYFMX	1,106.70
18	TYFMX	1,062.08
19	TYFMX	1048.69
20	TYFMX	1026.38
21	TYFMX	1017.46
22	TYFMX	999.60
23	TYFMX	986.22
24	TYFMX	982.64
25 and Over	TYFMX	981.76
Per DS3 CT at each Secondary Premises	TYFMS	2,362.19

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd) per point of termination:

(3) **44.736 – West Virginia (Cont'd)**
Pricing Band 6

# DS3 CTs Counted	USOC	3-Year/5-year Monthly Rate Per CT
1	TYFMX	$2,571.26
2	TYFMX	2,431.00
3	TYFMX	2,244.00
4	TYFMX	1,636.26
5	TYFMX	1,542.76
6	TYFMX	1,449.26
7	TYFMX	1,355.76
8	TYFMX	1,262.26
9	TYFMX	1,215.50
10	TYFMX	1,168.76
11	TYFMX	1,122.00
12	TYFMX	1,019.16
13	TYFMX	1,402.50
14	TYFMX	1,346.40
15	TYFMX	1,309.00
16	TYFMX	1,238.88
17	TYFMX	1,159.40
18	TYFMX	1,112.66
19	TYFMX	1,098.62
20	TYFMX	1,075.26
21	TYFMX	1,065.90
22	TYFMX	1,047.20
23	TYFMX	1,033.18
24	TYFMX	1,029.43
25 and Over	TYFMX	1,028.50
Per DS3 CT at each Secondary Premises	TYFMS	2,474.67

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd) per point of termination:

(4) **44.736 – DC, Delaware, Maryland New Jersey, Virginia**
Pricing Zone 1

# DS3 CTs Counted	USOC	3-Year/5-year Monthly Rate Per CT
1	TYFMX	$1,963.50
2	TYFMX	1,785.00
3	TYFMX	1,402.50
4	TYFMX	1,317.50
5	TYFMX	1,275.00
6	TYFMX	1,232.50
7	TYFMX	1,190.00
8	TYFMX	1,147.50
9	TYFMX	1,126.26
10	TYFMX	1,105.00
11	TYFMX	1,083.76
12	TYFMX	1,062.50
13	TYFMX	1,058.26
14	TYFMX	1,054.00
15	TYFMX	1,045.50
16	TYFMX	1,037.00
17	TYFMX	1,020.00
18	TYFMX	1,011.50
19	TYFMX	998.76
20	TYFMX	977.50
21	TYFMX	969.00
22	TYFMX	952.00
23	TYFMX	939.26
24	TYFMX	935.86
25 and Over	TYFMX	794.76
Per DS3 CT at each Secondary Premises	TYFMS	1,445.81

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd) per point of termination:

(4) **44.736 – DC, Delaware, Maryland New Jersey, Virginia (Cont'd)**
Pricing Zone 2

# DS3 CTs Counted	USOC	Monthly Rate Per CT
1	TYFMX	$2,061.68
2	TYFMX	1,874.26
3	TYFMX	1,472.62
4	TYFMX	1,383.38
5	TYFMX	1,338.76
6	TYFMX	1,294.12
7	TYFMX	1,249.50
8	TYFMX	1,204.88
9	TYFMX	1,182.57
10	TYFMX	1,160.26
11	TYFMX	1,137.94
12	TYFMX	1,115.62
13	TYFMX	1,111.17
14	TYFMX	1,106.70
15	TYFMX	1,097.78
16	TYFMX	1,088.86
17	TYFMX	1,071.00
18	TYFMX	1,062.08
19	TYFMX	1,048.69
20	TYFMX	1,026.38
21	TYFMX	1,017.46
22	TYFMX	999.60
23	TYFMX	986.22
24	TYFMX	982.64
25 and Over	TYFMX	834.49
Per DS3 CT at each Secondary Premises	TYFMS	1,518.11

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd) per point of termination:

(4) **44.736 – DC, Delaware, Maryland New Jersey, Virginia (Cont'd)**
Pricing Zone 3

# DS3 CTs Counted	USOC	3-Year/5-year Monthly Rate Per CT
1	TYFMX	$2,159.86
2	TYFMX	1,963.50
3	TYFMX	1,542.76
4	TYFMX	1,449.26
5	TYFMX	1,402.50
6	TYFMX	1,355.76
7	TYFMX	1,309.00
8	TYFMX	1,262.26
9	TYFMX	1,238.88
10	TYFMX	1,215.50
11	TYFMX	1,192.12
12	TYFMX	1,168.76
13	TYFMX	1,164.08
14	TYFMX	1,159.40
15	TYFMX	1,150.06
16	TYFMX	1,140.70
17	TYFMX	1,122.00
18	TYFMX	1,112.66
19	TYFMX	1,098.62
20	TYFMX	1,075.26
21	TYFMX	1,065.90
22	TYFMX	1,047.20
23	TYFMX	1,033.18
24	TYFMX	1,029.43
25 and Over	TYFMX	874.22
Per DS3 CT at each Secondary Premises	TYFMS	1,590.40

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd) per point of termination:

(4) **44.736 – DC, Delaware, Maryland New Jersey, Virginia (Cont'd)**
Pricing Band 4

# DS3 CTs Counted	USOC	3-Year/5-year Monthly Rate Per CT
1	TYFMX	$2,337.50
2	TYFMX	2,210.00
3	TYFMX	2,040.00
4	TYFMX	1,487.50
5	TYFMX	1,402.50
6	TYFMX	1,317.50
7	TYFMX	1,232.50
8	TYFMX	1,147.50
9	TYFMX	1,105.00
10	TYFMX	1,062.50
11	TYFMX	1,020.00
12	TYFMX	926.50
13	TYFMX	1,275.00
14	TYFMX	1,224.00
15	TYFMX	1,190.00
16	TYFMX	1,126.26
17	TYFMX	1,054.00
18	TYFMX	1,011.50
19	TYFMX	998.76
20	TYFMX	977.50
21	TYFMX	969.00
22	TYFMX	952.00
23	TYFMX	939.26
24	TYFMX	935.86
25 and Over	TYFMX	935.00
Per DS3 CT at each Secondary Premises	TYFMS	2,249.70

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd) per point of termination:

(4) **44.736 – DC, Delaware, Maryland New Jersey, Virginia (Cont'd)**
Pricing Band 5

# DS3 CTs Counted	USOC	3-Year/5-year Monthly Rate Per CT
1	TYFMX	$2,454.38
2	TYFMX	2,320.50
3	TYFMX	2,142.00
4	TYFMX	1,561.88
5	TYFMX	1,472.62
6	TYFMX	1,383.38
7	TYFMX	1,294.12
8	TYFMX	1,204.88
9	TYFMX	1,160.26
10	TYFMX	1,115.62
11	TYFMX	1,071.00
12	TYFMX	972.82
13	TYFMX	1,338.76
14	TYFMX	1,285.20
15	TYFMX	1,249.50
16	TYFMX	1,182.57
17	TYFMX	1,106.70
18	TYFMX	1,062.08
19	TYFMX	1048.69
20	TYFMX	1026.38
21	TYFMX	1017.46
22	TYFMX	999.60
23	TYFMX	986.22
24	TYFMX	982.64
25 and Over	TYFMX	981.76
Per DS3 CT at each Secondary Premises	TYFMS	2,362.19

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd) per point of termination:

(4) **44.736 – DC, Delaware, Maryland New Jersey, Virginia (Cont'd)**
Pricing Band 6

# DS3 CTs Counted	USOC	3-Year/5-year Monthly Rate Per CT
1	TYFMX	$2,571.26
2	TYFMX	2,431.00
3	TYFMX	2,244.00
4	TYFMX	1,636.26
5	TYFMX	1,542.76
6	TYFMX	1,449.26
7	TYFMX	1,355.76
8	TYFMX	1,262.26
9	TYFMX	1,215.50
10	TYFMX	1,168.76
11	TYFMX	1,122.00
12	TYFMX	1,019.16
13	TYFMX	1,402.50
14	TYFMX	1,346.40
15	TYFMX	1,309.00
16	TYFMX	1,238.88
17	TYFMX	1,159.40
18	TYFMX	1,112.66
19	TYFMX	1,098.62
20	TYFMX	1,075.26
21	TYFMX	1,065.90
22	TYFMX	1,047.20
23	TYFMX	1,033.18
24	TYFMX	1,029.43
25 and Over	TYFMX	1,028.50
Per DS3 CT at each Secondary Premises	TYFMS	2,474.67 (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(b) Channel Mileage

(1) **1.544 Mbps**

	USOC	3 Year Fixed	3 Year Per Mile
Pennsylvania			
Pricing Zone 1	1J53S	$35.00	$8.63
Pricing Zone 2	1J53S	35.00	8.63
Pricing Zone 3	1J53S	35.00	8.63
Price Band 4	1J53S	37.13	12.32
Price Band 5	1J53S	37.13	12.32
Price Band 6	1J53S	37.13	12.32
West Virginia			
Pricing Zone 1	1J53S	$35.00	$8.63
Pricing Zone 2	1J53S	35.00	8.63
Pricing Zone 3	1J53S	35.00	8.63
Price Band 4	1J53S	37.13	12.32
Price Band 5	1J53S	37.13	12.32
Price Band 6	1J53S	37.13	12.32
DC, Delaware, Maryland New Jersey, Virginia			
Pricing Zone 1	1J53S	$35.00	$8.63
Pricing Zone 2	1J53S	35.00	8.63
Pricing Zone 3	1J53S	35.00	8.63
Price Band 4	1J53S	37.13	12.32
Price Band 5	1J53S	37.13	12.32
Price Band 6	1J53S	37.13	12.32

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 2 Rates – 80% Commitment (Cont'd)

(b) Channel Mileage (Cont'd)

(1) **1.544 Mbps (Cont'd)**

	USOC	5 Year Fixed	5 Year Per Mile
Pennsylvania			
Pricing Zone 1	1J54S	$31.01	$6.11
Pricing Zone 2	1J54S	31.01	6.11
Pricing Zone 3	1J54S	31.01	6.11
Price Band 4	1J54S	32.18	8.40
Price Band 5	1J54S	32.18	8.40
Price Band 6	1J54S	32.18	8.40
West Virginia			
Pricing Zone 1	1J54S	$31.01	$6.11
Pricing Zone 2	1J54S	31.01	6.11
Pricing Zone 3	1J54S	31.01	6.11
Price Band 4	1J54S	32.18	8.40
Price Band 5	1J54S	32.18	8.40
Price Band 6	1J54S	32.18	8.40
DC, Delaware, Maryland New Jersey, Virginia			
Pricing Zone 1	1J54S	$31.01	$6.11
Pricing Zone 2	1J54S	31.01	6.11
Pricing Zone 3	1J54S	31.01	6.11
Price Band 4	1J54S	32.18	8.40
Price Band 5	1J54S	32.18	8.40
Price Band 6	1J54S	32.18	8.40

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 2 Rates – 80% Commitment (Cont'd)

(b) Channel Mileage (Cont'd)

(1) **1.544 Mbps (Cont'd)**

	USOC	7 Year Fixed	7 Year Per Mile
Pennsylvania			
Pricing Zone 1	1T58S	$28.62	$5.82
Pricing Zone 2	1T58S	28.62	5.82
Pricing Zone 3	1T58S	28.62	5.82
Price Band 4	1T58S	29.70	7.80
Price Band 5	1T58S	29.70	7.80
Price Band 6	1T58S	29.70	7.80
West Virginia			
Pricing Zone 1	1T58S	$28.62	$5.82
Pricing Zone 2	1T58S	28.62	5.82
Pricing Zone 3	1T58S	28.62	5.82
Price Band 4	1T58S	29.70	7.80
Price Band 5	1T58S	29.70	7.80
Price Band 6	1T58S	29.70	7.80
DC, Delaware, Maryland New Jersey, Virginia			
Pricing Zone 1	1T58S	$28.62	$5.82
Pricing Zone 2	1T58S	28.62	5.82
Pricing Zone 3	1T58S	28.62	5.82
Price Band 4	1T58S	29.70	7.80
Price Band 5	1T58S	29.70	7.80
Price Band 6	1T58S	29.70	7.80 (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(b) Channel Mileage (Cont'd)

(2) **44.7369 Mbps**

		3 Year/5 Year Rates	
	USOC	Fixed	Per Mile
Pennsylvania			
Pricing Zone 1	1YA8S	$631.13	$79.07
Pricing Zone 2	1YA8S	631.13	79.07
Pricing Zone 3	1YA8S	631.13	79.07
Price Band 4	1YA8S	742.50	93.02
Price Band 5	1YA8S	742.50	93.02
Price Band 6	1YA8S	742.50	93.02
West Virginia			
Pricing Zone 1	1YA8S	$631.13	$79.07
Pricing Zone 2	1YA8S	631.13	79.07
Pricing Zone 3	1YA8S	631.13	79.07
Price Band 4	1YA8S	742.50	93.02
Price Band 5	1YA8S	742.50	93.02
Price Band 6	1YA8S	742.50	93.02
DC, Delaware, Maryland New Jersey, Virginia			
Pricing Zone 1	1YA8S	$631.13	$79.07
Pricing Zone 2	1YA8S	631.13	79.07
Pricing Zone 3	1YA8S	631.13	79.07
Price Band 4	1YA8S	742.50	93.02
Price Band 5	1YA8S	742.50	93.02
Price Band 6	1YA8S	742.50	93.02 (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(c) Multiplexing

(1) BSE DS3 to DS1, per arrangement

	USOC	Monthly Rates 3 Year/5 Year
Pennsylvania		
Pricing Zone 1	MXNRX	$488.78
Pricing Zone 2	MXNRX	513.23
Pricing Zone 3	MXNRX	537.66
Price Band 4	MXNRX	569.55
Price Band 5	MXNRX	598.03
Price Band 6	MXNRX	626.51
West Virginia		
Pricing Zone 1	MXNRX	$488.78
Pricing Zone 2	MXNRX	513.23
Pricing Zone 3	MXNRX	537.66
Price Band 4	MXNRX	569.55
Price Band 5	MXNRX	598.03
Price Band 6	MXNRX	626.51
DC, Delaware, Maryland New Jersey, Virginia		
Pricing Zone 1	MXNRX	$488.78
Pricing Zone 2	MXNRX	513.23
Pricing Zone 3	MXNRX	537.66
Price Band 4	MXNRX	569.55
Price Band 5	MXNRX	598.03
Price Band 6	MXNRX	626.51

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(c) Multiplexing (Cont'd)

(2) BSE DS1 to Voice, per arrangement

	3-Year Rates (USOC MXN13)	5-Year Rates (USOC MXN15)	7-Year Rates (USOC MXN17)
Pennsylvania			
Pricing Zone 1	$143.85	$139.62	$135.38
Pricing Zone 2	143.85	139.62	135.38
Pricing Zone 3	143.85	139.62	135.38
Price Band 4	153.70	133.21	129.79
Price Band 5	162.23	140.61	137.00
Price Band 6	170.78	148.01	144.21
West Virginia			
Pricing Zone 1	$151.42	$146.97	$142.51
Pricing Zone 2	151.42	146.97	142.51
Pricing Zone 3	151.42	146.97	142.51
Price Band 4	170.78	148.01	136.62
Price Band 5	180.26	156.23	144.21
Price Band 6	189.75	164.45	151.80
DC, Delaware, Maryland New Jersey, Virginia			
Pricing Zone 1	$136.28	$132.27	$128.26
Pricing Zone 2	136.28	132.27	128.26
Pricing Zone 3	136.28	132.27	128.26
Price Band 4	145.16	125.81	122.96
Price Band 5	153.22	132.80	129.79
Price Band 6	161.29	139.78	136.62

(N)

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21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(c) Multiplexing (Cont'd)

(3) BSE DS1 to Digital, per arrangement

	3-Year Rates (USOC MXN13)	5-Year Rates (USOC MXN15)	7-Year Rates (USOC MXN17)
Pennsylvania			
Pricing Zone 1	$143.85	$139.62	$135.38
Pricing Zone 2	143.85	139.62	135.38
Pricing Zone 3	143.85	139.62	135.38
Price Band 4	153.70	133.21	129.79
Price Band 5	162.23	140.61	137.00
Price Band 6	170.78	148.01	144.21
West Virginia			
Pricing Zone 1	$151.42	$146.97	$142.51
Pricing Zone 2	151.42	146.97	142.51
Pricing Zone 3	151.42	146.97	142.51
Price Band 4	170.78	148.01	136.62
Price Band 5	180.26	156.23	144.21
Price Band 6	189.75	164.45	151.80
DC, Delaware, Maryland New Jersey, Virginia			
Pricing Zone 1	$136.28	$132.27	$128.26
Pricing Zone 2	136.28	132.27	128.26
Pricing Zone 3	136.28	132.27	128.26
Price Band 4	145.16	125.81	122.96
Price Band 5	153.22	132.80	129.79
Price Band 6	161.29	139.78	136.62

(N)

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21. Contract Tariffs (Cont'd)

21.45 Contract Tariff Option 44 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(c) Multiplexing (Cont'd)

(3) BSE DS1 to DS0, per arrangement

	3-Year Rates (USOC MXN13)	5-Year Rates (USOC MXN15)	7-Year Rates (USOC MXN17)
Pennsylvania			
Pricing Zone 1	$143.85	$139.62	$135.38
Pricing Zone 2	143.85	139.62	135.38
Pricing Zone 3	143.85	139.62	135.38
Price Band 4	153.70	133.21	129.79
Price Band 5	162.23	140.61	137.00
Price Band 6	170.78	148.01	144.21
West Virginia			
Pricing Zone 1	$151.42	$146.97	$142.51
Pricing Zone 2	151.42	146.97	142.51
Pricing Zone 3	151.42	146.97	142.51
Price Band 4	170.78	148.01	136.62
Price Band 5	180.26	156.23	144.21
Price Band 6	189.75	164.45	151.80
DC, Delaware, Maryland New Jersey, Virginia			
Pricing Zone 1	$136.28	$132.27	$128.26
Pricing Zone 2	136.28	132.27	128.26
Pricing Zone 3	136.28	132.27	128.26
Price Band 4	145.16	125.81	122.96
Price Band 5	153.22	132.80	129.79
Price Band 6	161.29	139.78	136.62

(N)

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21. Contract Tariffs (Cont'd)

21.46 Contract Tariff Option 45 (N)

(A) Scope

(1) Contract Tariff Option 45 (**Option 45**) is an offering that provides a customer with discounted monthly rates for Ports that allow 1.544 Mbps High Capacity Service (**DS1 Service**), 44.736 Mbps High Capacity Service (**DS3 Service**), and 44.736 Mbps Multiplexed High Capacity Service (**Multiplexed DS3 Service**) to be provided over, or connected to, Telephone Company provided SONET dedicated rings (collectively, **Ports**).

(2) The customer must satisfy the eligibility requirements set forth in (B) following including the customer's purchase of a minimum number of SONET dedicated rings from the Telephone Company (**SDRs**).

(3) The regulations, terms, and conditions provided in this Section 21.46 apply to all customers who subscribe to Ports under this Option 45 in the applicable Metropolitan Statistical Areas (**MSAs**) specified in (C) following and during the specified Subscription Period set forth in (B)(5) following. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.46 Contract Tariff Option 45 (N)

(B) Eligibility Requirements

All of the following requirements must be met in order to subscribe to this Option 45 and to be eligible for the rates set forth in (H) following.

(1) During the twelve (12) month period prior to subscription to this Option 45, the customer must have achieved a minimum of sixteen million dollars ($16,000,000.00) in billed monthly recurring revenue for interstate telecommunications services purchased by the customer from the Telephone Company under Tariff F.C.C. No. 1 (**FCC1**), Tariff (x) F.C.C. No. 11 (**FCC11**), Tariff F.C.C. No. 14 (**FCC14**) and Tariff F.C.C. (x) No. 20 (**FCC20**). (x)

(2) For the twelve (12) month period prior to subscription to this Option 45, the customer must have investment grade level credit ratings on a total corporate basis, including all affiliates, of at least "A" as issued by Standard & Poor's, and at least "A2" as issued by Moody's.

(3) The customer must have short term credit ratings of at least "A1" as issued by Standard & Poor's and at least "P1" as issued by Moody's.

(4) For the twelve (12) month period prior to subscription to this Option 45, the customer must have a Quick Ratio (current assets divided by current liabilities), as measured on a total corporate basis, including all affiliates, of at least 0.5. The value of the total cash, cash equivalents, and other short term investments of current assets used in the Quick Ratio calculation must be at least twenty billion dollars ($20,000,000,000.00). (N)

(x) Issued under authority of Special Permission No. 07-001 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.46 Contract Tariff Option 45 (N)

(B) Eligibility Requirements (Cont'd)

(5) A minimum of six (6) interstate SDRs must be ordered during the period which begins January 26, 2007 and ends March 27, 2007 (**Subscription Period)**. The interstate SDRs must be new SDRs (as defined in (B)(8)(a) following), upgrades to OC192 SDRs (as defined in (B)(8)(b) following), renewals of SDRs (as defined in (B)(8)(c) following, or conversions to SDRs (as defined in (B)(8)(d) following (collectively, **Ordered SDRs**). The Ordered SDRs must meet all of the following requirements.

(a) The Ordered SDRs must be purchased by the customer from the Telephone Company.

(b) At least fifty percent (50%) of the total number of Ordered SDRs that are new SDRs (as defined in (B)(8)(a) following) must have an optical carrier (**OC**) rate of forty-eight (OC48) or one hundred ninety-two (OC192).

(c) At least two (2) of the Ordered SDRs that are new SDRs, upgrades to OC192 SDR, or renewals of SDRs must have an OC rate of 192.

(d) At least one (1) of the Ordered SDRs must be replacing an IntelliLight® Dedicated SONET Ring service that was previously purchased under Section 26.1 of FCC11 (**IDSR**). (x)

(e) At least sixty percent (60%) of the existing SDRs that are an upgrade to OC192 SDR under (B)(8)(b) following or are converted to SDR under (B)(8)(d) following, must have been in service for at least two (2) years prior to the date of subscription to this Option 45.

(f) At least forty percent (40%) of the existing SDRs that are an upgrade to OC192 SDR under (B)(8)(b) following or are converted to SDR under (B)(8)(d) following must be under a term plan that has already expired or that will expire prior to January 26, 2008. (N)

(x) Issued under authority of Special Permission No. 07-001 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.46 Contract Tariff Option 45 (Cont'd) (N)

(B) Eligibility Requirements (Cont'd)

(6) A minimum of six (6) of the Ordered SDRs must be turned up and placed into service.

(7) Reserved

(8) Ordered SDRs

Ordered SDRs must meet all of the requirements set forth below for a new SDR, upgrade to OC192 SDR, renewal of SDR, or conversions, as applicable.

(a) New SDRs

A new SDR is a SONET dedicated ring that is newly ordered in accordance with this Option 45 and does not include the following.

(1) An SDR that was disconnected from its current location and installed under Section 23.1 following as new at that same location.

(2) An SDR that is upgraded to OC192 under (B)(8)(b) following.

(3) An SDR whose Term Pricing Plan (**TPP**) is renewed as an Ordered SDR under (B)(8)(c) following.

(4) An IDSR that is converted to an Ordered SDR under (B)(5)(d) preceding. (N)

21. Contract Tariffs (Cont'd)

21.46 Contract Tariff Option 45 (Cont'd) (N)

(B) Eligibility Requirements (Cont'd)

(8) Ordered SDRs (Cont'd)

(b) Upgrade to OC192 SDR

(1) An **upgrade to OC192 SDR** is defined as the replacement of two (2) or more existing SDRs, each of which has an OC rate that is less than 192, with a single SDR that has an OC rate of 192, and which satisfies all of the following requirements.

(a) Each existing SDR must have at least one node location (i.e., customer designated premises or Telephone Company central office) in common with the OC192 SDR; and

(b) The upgrade to OC192 SDR is ordered during the Subscription Period set forth in (B)(5) preceding or was ordered prior to the Subscription Period, but, as of the date of subscription, the Telephone Company has not completed the upgrade to an OC192 SDR; and

(c) The customer specifies in its order for service whether or not the transitional billing option as set forth in (G)(3) following will apply to the upgrade to OC192 SDR; and

(d) The Service Period for the upgrade to OC192 SDR commences with the date that billing begins.

(2) The upgrade to OC192 SDR is complete when all services provided over the existing SDRs have been disconnected from the existing SDRs and are installed and operational on the upgraded OC192 SDRs, and the existing SDRs are disconnected.

(3) The following types of changes to an existing SDR are not considered an upgrade to OC192 under this Option 45:

- A change of an existing OC192 SDR to a new OC192 SDR is not an upgrade to OC192 SDR. For example, the addition of one or more node(s) to an existing OC192 SDR is not an upgrade to OC192 SDR.
- The addition of one (1) or more port(s) or node(s) to an existing OC192 SDR is not an upgrade to OC192 SDR.

(4) Except as set forth in this (B)(8)(b), an SDR that is upgraded to any other OC rate shall not be deemed an Ordered SDR under this Option 45. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.46 Contract Tariff Option 45 (Cont'd) (N)

(B) Eligibility Requirements (Cont'd)

(8) Ordered SDRs (Cont'd)

(c) Renewal of SDR

Renewal of SDR occurs when the customer renews the TPP of an existing SDR (e.g., a SONET dedicated ring provided under Section 23.1 following) for an equal or longer term period where (i) the commitment period for the existing SDR will expire prior to March 25, 2007, or (ii) the commitment period for the existing SDR has already expired and the customer is continuing with the service at the 3-year or a 5-year TPP rate; and all of the following apply:

- the customer did not select a new plan under Section 23.1(D)(2) following; or
- did not extend the expiring commitment period under Section 23.1(I) following.

(d) Conversions to SDR

(1) The customer may convert a dedicated SONET ring purchased under this tariff to a comparable Ordered SDR as described in (B)(5) preceding and that:

(a) has no change in OC rate (for example, replacement of an OC48 SDR to an OC192 SDR would be a change in optical carrier rate and is not a conversion to SDR); and

(b) has no change in node locations at both the customer designated premises and at Telephone Company central offices; and

(c) does not involve a change in the type of node (e.g., from nodes that are not enhanced to enhanced nodes).

(2) The conversion to SDR is complete when billing, record order changes and other work is completed for the Ordered SDR. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.46 Contract Tariff Option 45 (Cont'd) (N)

(C) Serving Area

(1) Reserved

(2) The serving area of Option 45 for Ports and any Ordered SDRs purchased from the Telephone Company under this tariff is comprised of the wire centers that are within the following Telephone Company MSAs.

Allentown-Bethlehem-Easton, PA	MSA #58
Altoona, PA	MSA #225
Baltimore, MD	MSA #14
Charleston, WV	MSA #140
Hagerstown, MD	MSA #257
Harrisburgh-Lebanon-Carlisle, PA	MSA #84
Huntington-Ashland, WV-KY-OH	MSA #110
Lancaster, PA	MSA #105
Lynchburg, VA	MSA #203
Newport News-Hampton, VA	MSA #104
New York NY	MSA #1
Philadelphia, PA-NJ	MSA #4
Pittsburgh, PA	MSA #13
Reading, PA	MSA #118
Roanoke, VA	MSA #157
Vineland-Millville-Bridgeton, NJ	MSA #228
Washington DC-MD-VA	MSA #8
Williamsport, PA	MSA #251
Wilmington, Newark, DE-MD	MSA #69

(3) The serving area of Option 45 for Ordered SDRs purchased under Section 23.1 following is comprised of the wire centers that are within the Telephone Company MSAs specified in (C)(2) preceding.

(4) Any additions of, or changes to, the wire centers that are within the MSAs specified in (C)(2) preceding that occur during the Service Period of this Option 45 will apply beginning on the effective date of such change and continuing through the end of the commitment period. When such change results in an increase or decrease to the rates applicable under this Option 45, 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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.46 Contract Tariff Option 45 (Cont'd) (N)

(D) Service Period

(1) Reserved

(2) The Service Period for Ports that are ordered during the Subscription Period begins with the installation of such Ports and ends on the same day that the term plan for the associated Ordered SDR ends. Ports added after the end of the Subscription Period and during the first thirty-six (36) months of the Service Period will be coterminous with the initial Ports ordered. Ports added after the first thirty-six (36) months of the Service Period will be provided on month-to-month terms at the rates set forth in (H) following.

(3) Upon completion of the applicable Service Period, the customer may continue with the Ports that were subscribed to under this Option 45 in accordance with (G)(4) following.

(E) Exceptions to General Regulations

(1) Except as set forth in this Section (E), a customer subscribing to this Option 45 is subject to all of the General Regulations as set forth in Section 2 of this tariff preceding.

(2) Definitions

The following definitions apply only to limitations of liability, liability to third parties, and indemnification obligations as set forth in (E)(3), (4), and (5) following.

Affiliate - the term "Affiliate" of a party means any entity that Controls, is Controlled by, or is under common Control with, the party specified, including any entity that conforms to such definition as of the date of subscription to this Option 45 as well as any entity that conforms to the definition anytime thereafter. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.46 Contract Tariff Option 45 (Cont'd) (N)

(E) Exceptions to General Regulations (Cont'd)

(2) Definitions (Cont'd)

Control or Controlled – the term "Control" or "Controlled" of/by an entity means that the specified party, directly or indirectly, has the power to direct or cause the direction of the management and policies of that entity through the ownership of voting securities, by contract or otherwise.

Customer – the term "Customer" shall mean customer, its permitted assigns and successors, its Affiliates, and its and their employees, directors, officers, agents, and representatives.

Damages – the term "Damages" shall mean (collectively) all injury, damage, liability, loss, penalty, interest and expense incurred.

Days – the term "Days" shall mean calendar days.

Loss or Losses – the term "Loss" or "Losses" means all losses, liabilities, damages and claims, and all related costs and expenses (including reasonable fees, expenses and disbursements of attorneys, accountants and other experts and professionals, and costs, fees and expenses of investigation, litigation or other proceedings of any claim, default or assessment, settlement, judgment, interest, court costs and penalties) paid or payable to a third party.

Party – the term "Party" shall mean either Customer or the Telephone Company or when used as "Parties" includes both Customer and the Telephone Company.

Subcontractor – the term "Subcontractor" means any independent supplier engaged by the Telephone Company or a Telephone Company Affiliate to perform the Services or any part thereof.

Telephone Company – the term "Telephone Company" shall mean the Telephone Company, its permitted assigns and successors, its Affiliates, and its and their employees, directors, officers, agents, representatives, Subcontractors, and suppliers. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.46 Contract Tariff Option 45 (Cont'd) (N)

(E) Exceptions to General Regulations (Cont'd)

(3) Limitations of Liability

(a) Except for (a) a Party's indemnification obligations under this Option 45, (b) a Party's breach of confidentiality obligations to the other Party and (c) a Party's gross negligence and/or willful misconduct with respect to the subject matter of this Option 45 (any intentional wrongful repudiation or intentional wrongful early termination of this Option 45 or the Telephone Company's intentionally wrongful cessation of Services by the Telephone Company under this Option 45 are examples of willful misconduct), neither Party will be liable for any punitive, exemplary, indirect, special, consequential or incidental or similar Damages, including, without limitation, with respect to loss of data or loss of savings, revenues, or profits, or other commercial or economic loss. Coverage limitations for insurance required under this Option 45 shall not be deemed to limit any dollar amounts recoverable by Customer directly from the Telephone Company under this Option 45. Each Party's liability to each other in connection with all claims under this Option 45 shall be limited to the lesser of (i) direct Damages (or, if otherwise stated in this Section, direct and indirect Damages) awarded to the claiming Party in a final non-appealable order of the Federal Communications Commission or a court of competent jurisdiction or (ii) the aggregate amounts paid by Customer to the Telephone Company for interstate Services or products provided by the Telephone Company to Customer under this Option 45 for the six (6) months prior to the accrual of such claim of cause of action for the specific product or Service which forms the basis for such cause of action, to the extent the claim relates to a specific product or Service. If a recovery is made by one Party against the other in a contract year, the 6 month direct damages cap referenced above shall be replenished for the next contract year of Option 45.

(b) The limitations of liability set forth above do not limit amounts due and owing from Customer for products and Services provided by the Telephone Company under this Option 45, including minimum commitment charges, shortfall charges or early termination liability charges or amounts due and owing in the form of credits from the Telephone Company to Customer.

(c) The limitations of liability set forth in this Option 45 shall apply regardless of the form of action, whether in contract or tort, strict liability or otherwise; and whether or not losses or Damages were foreseeable and shall survive failure of any exclusive remedies provided in this Option 45.

(d) The limitations of liability set forth in this Option 45 do not preclude a Party from seeking injunctive relief from a court of competent jurisdiction in the event of a violation by the other party of confidentiality obligations or other situations where there is no adequate remedy at Law and no exclusive remedy is provided under this Option 45. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.46 Contract Tariff Option 45 (Cont'd) (N)

(E) Exceptions to General Regulations (Cont'd)

(4) Liability to Third Parties

(a) No subcontract, or other agreement entered into by either Party with any third party in connection with this Option 45 shall provide for any indemnity, guarantee, assumption of liability or other obligation of or by the other Party to this Option 45 with respect to such arrangement except as consented to in writing by such other Party.

(b) This Option 45 does not expressly or implicitly provide any third party (including users and subcontractors) with any remedy, claim, liability, reimbursement, cause of action or other right or privilege. This Option 45 shall not create any right or cause of action in or on behalf of any person or entity other than Customer or the Telephone Company.

(5) Indemnification

(a) Customer Indemnifications

Customer will indemnify, hold harmless and defend the Telephone Company in accordance with the procedures described in Section (E)(5)(d), Indemnification Procedures, hereof, against all Losses arising out of, in connection with, resulting from or based on allegations of, any of the following:

(1) The death or bodily injury of any person (including, any agent, employee, customer, the Telephone Company, business invitee or business visitor of the Telephone Company) to the extent that such Loss was proximately caused by any negligent act or omission or willful misconduct by Customer or Customer's subcontractors in connection with the services set forth in (A)(1)(a) through (A)(1)(d) preceding, collectively **Services.**

(2) The damage, loss or destruction of any real or personal property to the extent that such Loss was proximately caused by any negligent act or omission or willful misconduct by Customer or Customer's subcontractors in connection with the Services.

(3) Customer's use of the Services other than as specified or permitted under this tariff. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.46 Contract Tariff Option 45 (Cont'd) (N)

(E) Exceptions to General Regulations (Cont'd)

(5) Indemnification (Cont'd)

(a) Customer Indemnifications (Cont'd)

(4) Any taxes or other similar charges, including interest and penalties, assessed against the Telephone Company which are obligations of Customer.

(5) Customer's obligations with regard to compliance with applicable law.

(6) Customer's obligations with regard to confidential information that arise in connection with provision of Services pursuant to the Option 45.

(b) The Telephone Company Indemnifications

The Telephone Company shall indemnify, hold harmless, and defend Customer in accordance with the procedures described in (E)(5)(d) following, Indemnification Procedures, hereof, against all Losses arising out of, in connection with, resulting from or based on allegations of, any of the following relating to the Telephone Company:

(1) Any duties or obligations of the Telephone Company, its Affiliates or any Subcontractor, or any the Telephone Company Personnel in respect of a third party or any Subcontractor of any tier (i.e., direct Subcontractors, their subcontractors, and so on), including claims and causes of actions based on employer status or on the Telephone Company's payment obligations to Subcontractors.

(2) The death or bodily injury of any person (including any agent, employee, customer, supplier, business invitee or business visitor of Customer) to the extent that such Loss was proximately caused by any negligent act or omission or willful misconduct by the Telephone Company in connection with the Services. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.46 Contract Tariff Option 45 (Cont'd) (N)

(E) Exceptions to General Regulations (Cont'd)

(5) Indemnification (Cont'd)

(b) The Telephone Company Indemnifications (Cont'd)

(3) The damage, loss or destruction of any real or personal property to the extent that such Loss was proximately caused by any negligent act or omission or willful misconduct by the Telephone Company in connection with the Services.

(4) Any taxes or other similar charges, including interest and penalties, assessed against Customer which are obligations of the Telephone Company hereunder.

(5) The Telephone Company's willful misconduct or fraud with respect to the Services.

(6) That use of a Service provided by the Telephone Company to Customer under this Option 45 during the applicable Service Period infringes any United States patent, copyright, trade secret, trademark, or service mark; provided that, the obligations hereunder shall not apply to claims of infringement or misappropriation arising from: (a) any use of a Service in combination with services, software, data or systems not supplied by the Telephone Company under this Option 45; (b) modification of a Service by Customer or its contractors or modification by the Telephone Company at the direction of Customer or its contractors, provided that, no infringement would have occurred without such modification; or (c) the content of communications transmitted by or for Customer in the Customer's use of a Service, including libel, slander or invasion of privacy. If Customer is enjoined, or is otherwise prohibited from using the Services as a result of, or in connection with any such claim, suit, action or proceeding, the Telephone Company shall promptly either (i) procure for Customer the right to continue using the affected Services; (ii) modify the affected Services so that they become non-infringing, without a material and adverse change in functionality of the Services; or (iii) replace the affected Services with services that are non-infringing without material and adverse change in functionality as compared to the affected Services; or (iv) if neither (i), (ii) or (iii) above are commercially reasonable, promptly terminate the infringing Services and any Services ordered by Customer that Customer is unable to use due to termination of the infringing Services without such termination constituting a breach of the Option 45. Customer shall not be obliged to pay any termination liability to the Telephone Company for Services so terminated. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.46 Contract Tariff Option 45 (Cont'd) (N)

(E) Exceptions to General Regulations (Cont'd)

(5) Indemnification (Cont'd)

(c) For the purposes of Section (E)(5), for Customer, the term "agent" means Customer agents retained by Customer to provide services to Customer that require use of Services provided by the Telephone Company to Customer; and for the Telephone Company, the term "agent" means the Telephone Company agents retained by the Telephone Company to assist the Telephone Company in the provision of the Services.

(d) Indemnification Procedures

If a notice of commencement or threatened commencement of a claim or cause of action is received by a party entitled to indemnification under this Option 45 ("Indemnified Party"), the Indemnified Party shall give written notice thereof ("Indemnification Notice") to the party that is obligated to provide indemnification ("Indemnifying Party") within thirty (30) Days of the Indemnified Party's receipt of the notice of commencement or threatened commencement of the claim or cause of action. The Indemnified Party's Indemnification Notice as provided herein shall not affect the Indemnifying Party's indemnification obligations hereunder except to the extent the Indemnifying Party was materially prejudiced as a result of such failure.

(1) Within fifteen (15) Days after the Indemnifying Party's receipt of an Indemnification Notice, but in no event later than ten (10) Days before the date on which a response to a complaint or summons in connection therewith is due, the Indemnifying Party shall notify the Indemnified Party, in writing, if the Indemnifying Party acknowledges its indemnification obligations and elects to assume control of the defense and settlement of such claim or cause of action ("Election Notice").

(2) If the Indemnifying Party delivers an Election Notice within the required time period, then the Indemnifying Party shall immediately take control of the defense and investigation of such claim or cause of action and select and engage counsel reasonably satisfactory to the Indemnified Party to handle and defend the claim or the cause of action, at the Indemnifying Party's sole cost and expense. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.46 Contract Tariff Option 45 (Cont'd) (N)

(E) Exceptions to General Regulations (Cont'd)

(5) Indemnification (Cont'd)

(d) Indemnification Procedures (Cont'd)

(3) If the Indemnifying Party fails to deliver an Election Notice within the required time period, or delivers an Election Notice within the required time period but does not immediately take control of the defense and investigation of such claim or cause of action and select and engage counsel reasonably satisfactory to the Indemnified Party to handle and defend the claim or cause of action, then the Indemnified Party shall have the right to defend the Loss in such manner as it may deem appropriate, at the sole cost and expense of the Indemnifying Party (including payment of any judgment or award and the costs of settlement or compromise of the claim or cause of action), and the Indemnifying Party shall promptly reimburse the Indemnified Party for all such costs and expenses, including payment of any judgment or award and the costs of settlement or compromise of the claim or the cause of action.

(4) The Indemnified Party shall cooperate in all reasonable respects with the Indemnifying Party and its counsel in the investigation, trial and defense of such claim or cause of action and any appeal arising therefrom; provided, however, that the Indemnified Party may, at its own cost and expense, participate, through the Indemnified Party's own counsel or otherwise, in the investigation, trial and defense of such claim or cause of action; and any appeal arising therefrom.

(5) The Indemnifying Party will reimburse the Indemnified Party for the reasonable costs of counsel engaged by the Indemnified Party, as such costs are incurred and upon request therefore, if:

(i) The Indemnified Party engages counsel in connection with its right to defend the Loss as described in Section (E)(5)(d)(3) preceding, or

(ii) Customer and the Telephone Company are parties to an action, proceeding or investigation and the Indemnified Party wishes to pursue additional or different claims and/or defenses unavailable to, or not pursued by, the Indemnifying Party. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.46 Contract Tariff Option 45 (Cont'd) (N)

(E) Exceptions to General Regulations (Cont'd)

(5) Indemnification (Cont'd)

(d) Indemnification Procedures (Cont'd)

(6) The Indemnifying Party shall not settle any claim or cause of action of which indemnity may be sought hereunder, whether or not the Indemnified Party is an actual or potential party thereto without the Indemnified Party's express prior written consent. Indemnified Party will not unreasonably withhold its consent to any such proposed settlement provided:

(i) Such proposed settlement does not involve a remedy other than the payment of money by the Indemnifying Party, and

(ii) Indemnifying Party and all plaintiffs or claimants agree to unconditionally release Indemnified Party from any responsibility or liability with respect to the subject matter thereof and any related facts or circumstances. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.46 Contract Tariff Option 45 (Cont'd) (N)

(F) Application of Rates and Charges

(1) Reserved

(2) Application of Rates and Charges for Ports

(a) This Option 45 includes monthly recurring rates for Ports that are ordered during the first thirty-six (36) months of the Service Period specified in (D) preceding and that are within the Serving Area as specified in (C) preceding. Such Ports are exclusively for use with Ordered SDRs that are subscribed to under this Option 45.

(b) The monthly recurring rates for Ports as set forth in (H) following apply only to those Ports that are subscribed to under this Option 45 and meet the requirements set forth herein for such Ports.

(c) The monthly recurring rates for Ports are set forth in (H) following and apply per Port.

(d) Ports ordered after the first thirty-six (36) months of the Service Period specified in (D) preceding may only be ordered on a month-to-month basis. Such Ports are subject to the monthly recurring charges set forth in (H) following of this Option 45 and to the nonrecurring charges set forth in Section 23.1 following (as determined in accordance with Section 14.7 preceding).

(3) Order Modification Charges

Following the customer's initial order for service at the time of subscription to Option 45, for any subsequent order for additional Ports that is modified within five (5) days of placement of an order for such service by Customer, order modification charges as set forth in Section 5 preceding do not apply. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.46 Contract Tariff Option 45 (Cont'd) (N)

(G) Terms and Conditions

Unless specifically 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 with respect to Ports, apply to the applicable services and Ports that are subscribed to under this Option 45.

(1) Subscription to Other Contract Tariff Options

The customer may not concurrently subscribe any rate element that is subject to the rates set forth in (H) following of this Option 46 to any other contract tariff option or other Telephone Company offering unless subscription of such rate element is explicitly allowed under that contact tariff option or other offering. Upon subscription to another contract tariff option or other offering, the rates set forth in (H) following will cease, unless explicitly allowed to continue under the other contract tariff option or other offering. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.46 Contract Tariff Option 45 (Cont'd) (N)

(G) Terms and Conditions (Cont'd)

(2) Termination Charges

(a) Reserved

(b) Termination Charges for Ports

(1) Termination charges apply if a Port is discontinued prior to the end of the respective Service Period as set forth in (D) preceding.

(2) Termination charges for Ports apply at one hundred percent (100%) of the applicable monthly recurring rate set forth in (H) following beginning with the date of disconnection and continuing through the end of the first twenty-four (24) months of the Service Period, plus seventy-five percent (75%) for months twenty-five (25) through thirty-six (36) of the Service Period. Termination charges do not apply after month 36 of the applicable Service Period.

(3) Ports that are ordered after the first thirty-six (36) months of the Service Period (i.e., on a month-to-month basis) are not subject to termination charges. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.46 Contract Tariff Option 45 (Cont'd) (N)

(G) Terms and Conditions (Cont'd)

(2) Termination Charges (Cont'd)

(b) Termination Charges for Ports (Cont'd)

(4) When the TPP for an in-service Port that was previously purchased under Section 23.1 following is cancelled in order subscribe to a Port of the same type under this Option 45 for use with Ordered SDR under this Option 45, such cancellation of the term plan such shall not be regarded as a termination or cancellation of service and will not incur termination liability or cancellation charges. Once such Port(s) are subscribed to under this Option 45, such Port(s) shall be subject to termination liability and/or cancellation charges as set forth in this Option 45.

(3) Transitional Billing

(a) Where the customer orders an upgrade to OC192 SDR during the Subscription Period, and the upgrade meets the eligibility requirements set forth in (B) preceding, the customer may, at the time of ordering the upgrade, request the transitional billing option. In doing so, the customer will receive six (6) months of transitional billing credit when the conditions set forth herein are met. An upgrade to OC192 SDR that is ordered after the subscription period is not eligible for transitional billing credit under this Option 46

(b) Transitional billing credit applies for six (6) months at fifty percent (50%) of the monthly recurring rates for the node and mileage rate elements on the SDR being replaced. For Ordered OC192 SDRs purchased under Section 23.1 following, transitional billing credit also applies at 50% of the node and mileage rate elements provided that the replacing OC192 SDR has at least one (1) node location (customer designated premises or Telephone Company central office) in common with the SDR being replaced. The monthly recurring rates for DSR are set forth in Section 23.1 preceding (as determined in accordance with Section 14.7 preceding).

(4) Expiration of the Service Period

Upon expiration of the applicable Service Period, the customer's subscription to Ports is terminated and the customer must choose one of the following options:

(a) discontinue the service without termination liability; or

(b) select any then offered TPP, contract tariff option or other service offering provided by the Telephone Company for which the customer is eligible; or

(c) continue with the service on a monthly basis at the sixty (60) month rates set forth in Section 23.1 following as determined in accordance with Section 14.7 preceding. (N)

21. Contract Tariffs (Cont'd)

21.46 Contract Tariff Option 45 (Cont'd)

(H) Monthly Recurring Rates (Cont'd) (N)

	USOC	Monthly Recurring Rate
Ports		
DS1 Ports	-----	$ 28.00
DS3 Ports	-----	115.00
DS3 Transmux Ports	-----	400.00

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.47 Contract Tariff Option 46 (N)

(A) Scope

Contract Tariff Option 46 (**Option 46**) provides a customer with Billing Credits (as defined below) on certain Facilities Management Service (**FMS**) Channel Mileage rate elements when the customer maintains a minimum number of FMS Transport Miles (as defined below) and satisfies the other criteria as set forth in this Option 46.

(B) Definitions

Unless otherwise defined in this Option 46, the following terms are used in this Option 46.

(1) **Alternative Tariff Arrangement** shall mean collectively any other generally available tariff arrangement, contract tariff option, special service 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 46.

(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) **Billing Credit** shall mean collectively the amounts (if any) provided to the customer as a credit on its monthly bill at the end of each Quarter during the Service Period based on the applicable Discounts on the specific services (as set forth in (H) following) offered to the customer pursuant to this Option 46. Calculation of the applicable Billing Credits is described in (I) following.

(4) **Discount** shall mean collectively the discounts (if any) on FMS Channel Mileage Rate Elements as provided under the terms of Option 46 of this tariff and Option 47 of the Telephone Company's Tariff (x)
F.C.C. No. 11 (FCC 11). Discounts offered on FMS Channel Mileage (x)
Rate Elements is described in (H) following.
(N)

(x) Issued under authority of Special Permission No. 07-004 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.47 Contract Tariff Option 46 (Cont'd) (N)

(B) Definitions (Cont'd)

(5) **FMS Channel Mileage Rate Elements** shall mean the monthly recurring rates for the channel mileage rate elements included within the FMS Plan as follows.

(a) The FMS Channel Mileage Rate Elements for this tariff are described in Section 6.8.26(D)(10) preceding for Switched Access FMS and Section 7.2.13(D)(11) preceding for Special Access FMS.

(b) The monthly recurring rates for FMS Channel Mileage in this tariff are set forth in Section 6.9.10(D) preceding for Switched Access FMS and Section 7.5.18(C) preceding for Special Access FMS (as determined in accordance with Section 14.7 preceding).

(c) The FMS Channel Mileage Rate Elements for FCC 11 are described in (x)
Section 6.2.12(F)(3) for Switched Access FMS and Section
7.2.16(F)(3) for Special Access FMS. (x)

(d) The monthly recurring rates for Switched Access FMS Channel
Mileage for FCC 11 are set forth in Sections 30.6.9(A)(2) and (x)
(B)(2) for Price Band rates and Section 31.6.9(A)(2) and (B)(2) for all other rates as determined in Section 15.3. The monthly recurring rates for Special Access FMS Channel Mileage for FCC 11 are set forth in Sections 30.7.18(A)(2) and (B)(2) for Price Band rates and Section 31.7.18(A)(2) and (B)(2) for all other rates as
determined in Section 15.3. (x)

(6) **FMS Plan** shall mean the Switched Access or Special Access FMS Services provided pursuant to Sections 6.8.26 and 7.2.13 preceding
of this tariff and Sections 6.2.12 and 7.2.16 of FCC 11. (x)

(7) **FMS Transport Miles** shall mean the aggregate number of miles billed by the Telephone Company to the customer for FMS Channel Mileage Rate Elements during each month of the Service Period for all FMS
Plan Services provided pursuant to this tariff and to FCC 11, and (x)
which miles are not subject to dispute by the customer. If the customer disputes the billing of any mileage for the FMS Channel Mileage Rate Elements (e.g., number of miles billed for a circuit is incorrect), then such miles shall not be included in the calculation of FMS Transport Miles. Unless manifest error can be demonstrated by the customer, the Telephone Company's calculation of such aggregate mileage shall be deemed to be accurate, and shall not be
subject to dispute by the customer. (N)

(x) Issued under authority of Special Permission No. 07-004 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.47 Contract Tariff Option 46 (Cont'd) (N)

(B) Definitions (Cont'd)

(8) **Grooms** shall mean a change in the connecting facility assignment (**CFA**) or termination point of a Special Access DS1 or DS3 Service, and shall include any of the following types of moves, rearrangements, reterminations, disconnection, and reconnection, or other changes (however characterized) to the Special Access Service: (i) a change in the Customer Designated Premises from one location to another; (ii) a change in the CFA or termination point within a single Telephone Company wire center; or (iii) 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 associated with a facility provided by either the Telephone Company or provided by a collocator).

(9) **Maximum Monthly Grooms** shall have the meaning set forth in (J) following.

(10) **Minimum FMS Transport Miles** shall have the meaning set forth in (G) following.

(11) **MRC** shall mean monthly recurring rates or charges for the services provided pursuant to Telephone Company tariffs.

(12) **Prior Contract Options** shall mean Contract Tariff Option 37 preceding of this tariff and Contract Tariff Option 40 of FCC 11. (x)

(13) **Quarter** shall mean either of the following periods, as applicable: (i) the period from May 1, 2007 to July 31, 2007; or (ii) August 1, 2007 to October 31, 2007. (N)

(x) Issued under authority of Special Permission No. 07-004 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.47 Contract Tariff Option 46 (Cont'd) (N)

(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 46.

(1) The customer must have been subscribed to the Prior Contract Options and not terminated such Prior Contract Options prior to the end of the service period for such Prior Contract Options.

(2) The customer must continue to continuously subscribe to the FMS Plan during the Service Period.

(3) During the three (3) month period prior to May 1, 2007, the customer must have maintained a minimum average of one hundred sixty thousand (160,000) billed FMS Transport Miles per month.

(4) The customer may not concurrently subscribe to an Alternative Tariff Arrangement which meets any of the following criteria at any time during the Service Period: (i) an Alternative Tariff Arrangement which provides a discount, credit, or other reduction in rates or terms, other than a generally available discount plan which allows for aggregation of Special Access Services across all of the Telephone Company's interstate tariffs; and (ii) an Alternative Tariff Arrangement which provides discounts on FMS Channel Mileage Rate Elements or on other rate elements included within the FMS Plan. If the customer wishes to subscribe to such an Alternate Tariff Arrangement, then the customer shall not receive any Discounts and Billing Credits under this Option 46.

(5) A customer must subscribe to Option 46 by submitting a written authorization in a manner designated by the Telephone Company before June 1, 2007 (**Subscription Period**).

(D) Service Period

The Service Period of this Option 46 shall commence on May 1, 2007 and end on October 31, 2007. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.47 Contract Tariff Option 46 (Cont'd) (N)

(E) Services and Rate Elements Subject to This Option 46

Subject to the terms and conditions of this Option 46, the applicable Discount (as described in (H) following) and Billing Credits (as described in (I) following) shall be provided on the following services and the following rate elements:

(1) FMS Channel Mileage Rate Elements

The applicable Discount on FMS Channel Mileage Rate Elements (as described in (H)(1) following) shall only be applied to the MRCs for FMS Channel Mileage Rate Elements that are billed during the Service Period, and that meet all of the following criteria during each month of the Service Period:

(a) The entire circuit (all portions other than the end user channel termination), must be included within the FMS Plan;

(b) The FMS Channel Mileage Rate Element must be a rate element of an FMS Plan circuit that has a Network Channel (**NC**) Code of either HC, HF, or OC (i.e., the circuit must be DS1 or greater bandwidth);

(c) The FMS Channel Mileage Rate Elements must be billing one of the following USOCs: 1A59S, 1A64S, 1A6US, 1A6VS, 1YJB3, 1YJB5, 1YJBX, 1A5YS, 1A87S, 1A88S, 1A89S, 1YAMS, 1YANS, 1YAPS, 1YAQS,1YARS, 1YJD3, 1YJD5, 1YJDX, 1YJF3, 1YJF5, 1YJFX, 1YJA3, 1YJA5, 1YJAX,; and

(d) The customer meets the requirements of maintaining the Minimum FMS Transport Miles as more specifically described in (G) following, and the requirements regarding disputes, payments, credits, and debits set forth in (I)(3) following. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.47 Contract Tariff Option 46 (Cont'd) (N)

(E) Services and Rate Elements Subject to This Option 46 (Cont'd)

(2) The Discount and Billing Credit is provided only on billed FMS Channel Mileage Rate Elements that meet the requirements of this Option 46 (including (I) following). The following types of charges (which is an illustrative list and is not intended to be a comprehensive listing of all other charges excluded from application of Discounts and Billing Credits) are not included in the application of the Discount and the calculation of the Billing Credits:

(a) Any non recurring charges;
(b) Taxes, fees, 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 billed amount related to the services for which payment is being withheld or under dispute by the customer, subject to (I) following;
(e) Any debits or credits for Services rendered in prior Quarters or periods prior to May 1, 2007, subject to (I) following;
(f) Minimum period charges;
(g) Termination liabilities; or
(h) Any other charges which are not applied on a recurring monthly basis. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.47 Contract Tariff Option 46 (Cont'd) (N)

(F) Service 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 Section 14.7 preceding of this tariff. Wire centers for the Phase II MSAs of this tariff are listed in Section 14.7 preceding. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in the tariff) that occur during the Service Period of this Option 46 will apply.

(G) Minimum FMS Transport Miles

(1) Subject to the terms and conditions set forth in this Option 46, including the requirement to maintain the Minimum FMS Transport Miles as set forth in this Section (G), the customer is eligible to receive the applicable Discount set forth in Table 1 of (H)(1) following.

(2) In order to receive the applicable Discount (as set forth in Table 1 of (H)(1) following) and the Billing Credits (as determined in accordance with (I) following) associated therewith, in any given month of the Service Period, the customer must meet either one of the following criteria (individually and collectively referred to as **Minimum FMS Transport Miles**):

(a) During any month of the Service Period, the customer must maintain in-service no less than 160,000 FMS Transport Miles per month. If the customer meets this criteria, then the Telephone Company will not calculate, and the customer is not required to meet the requirements of (G)(2)(b) following; or

(b) During any Quarter, the customer must maintain an average of no less than 160,000 FMS Transport Miles during each month of such Quarter. If the customer maintains an average number of miles of no less than 160,000 FMS Transport Miles during each month of such Quarter, but does not otherwise meet the criteria as set forth in (G)(2)(a) preceding (i.e., the actual monthly FMS Transport Miles in a given calendar month are less than 160,000 miles), the customer shall still be eligible for the applicable Discounts set forth in (H) following. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.47 Contract Tariff Option 46 (Cont'd) (N)

(G) FMS Minimum Transport Miles (Cont'd)

(2) (Cont'd)

(b) (Cont'd)

The following two illustrative examples are presented.

Example 1: During Quarter 1, the Telephone Company calculates the customer's FMS Transport Miles (excluding any miles which are disputed by the customer) during each such month of Quarter 1 as follows:

Month 1 - 154,000 miles, and
Month 2 – 160,000 miles, and
Month 3 – 161,000 miles.

Since month 1 did not meet the requirements of (G)(2)(a) preceding (i.e., the billed FMS Transport Miles were less than 160,000), the Telephone Company will calculate the average number of FMS Transport Miles for Quarter 1, which is equal to 158,333 miles per month (i.e., an aggregate of 475,000 Transport Miles for Quarter 1 divided by 3 months).

Based on this information, the customer would not receive the applicable Discounts (as set forth in Table 1 of (H)(1) following) or the Billing Credits (as set forth in (I) following) in month 1 of Quarter 1 because the customer has not met either of the criteria set forth in (G)(2) preceding (i.e., the actual FMS Transport Miles in month 1 are less than 160,000 miles, and the average monthly FMS Transport Miles, as measured throughout the three months of Quarter 1, is less than 160,000 miles). However, the customer would be eligible for the applicable Discounts (as set forth in Table 1 of (H) following) and the Billing Credits (as set forth in (I) following) in months 2 and 3 of Quarter 1 because the customer meets the Minimum FMS Transport Mile criteria in (G)(2)(a) preceding (i.e., it's actual FMS Transport Miles for months 2 and 3 are each at or above 160,000 miles). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.47 Contract Tariff Option 46 (Cont'd) (N)

(G) FMS Minimum Transport Miles (Cont'd)

(2) (Cont'd)

(b) (Cont'd)

Example 2: During Quarter 1, the Telephone Company calculates the customer's FMS Transport Miles (excluding any miles which are disputed by the customer) during each such month of Quarter 1 as follows:

Month 1 - 159,000 miles, and
Month 2 – 164,000 miles, and
Month 3 – 166,000 miles.

This results in an average number of FMS Transport Miles for Quarter 1 of 163,000 miles per month (i.e., an aggregate of 489,000 Transport Miles for Quarter 1 divided by 3 months).

Based on this information, the customer would receive the applicable Discounts (as set forth in Table 1 of (H)(1) following) and the Billing Credits (as set forth in (I) following) for each month of Quarter 1 because the customer meets the Minimum FMS Transport Mile criteria in (G)(2)(b) preceding (i.e., the average monthly FMS Transport Miles are greater than 160,000 miles for each month of Quarter 1). (N)

21. Contract Tariffs (Cont'd)

21.47 Contract Tariff Option 46 (Cont'd) (N)

(H) Discounts

(1) FMS Plan Discounts

Subject to the terms of this Option 46, including the requirement to maintain the Minimum FMS Transport Miles as set forth in (G) preceding, and the method of calculation and timing of the Billing Credit as set forth in (I) following, the Telephone Company will apply the applicable Discount (as set forth in Table 1 below) to the customer's FMS Channel Mileage Rate Elements. The applicable Discount is derived by (i) assigning each circuit included in the FMS Plan to a mileage band (as set forth in Table 1 below) based on the length of the channel mileage billed for such circuit; and (ii) assigning all circuits included in the FMS Plan into FMS Transport Mile tiers (as set forth in Table 1 below) based on the aggregate billed FMS Transport Miles in any given month of the Service Period. In no event will the aggregate Billing Credit paid over the course of the Service Period by the Telephone Company to the customer for FMS Channel Mileage that is eligible to be Tier 2 be greater than $1,500,000.

Table 1: Discounts by Mileage Band and FMS Transport Miles

FMS Transport Miles	Mileage Band 1 1 - 10 Miles	Mileage Band 2 11 - 20 Miles	Mileage Band 3 21 Miles or Above
Tier 1 1 - 160,000	32.0%	27.5%	24.0%
Tier 2 160,001 and above*	50.0%	40.0%	35.0%

* The aggregate Billing Credits payable at this tier are subject to an aggregate and overall cap of $1,500,000 for the entire Service Period.

For example, assume that in a given month in the Service Period, the customer had 165,000 FMS Transport Miles. Then, the customer would be eligible for the applicable Discounts based on mileage bands for all FMS Transport Miles up to 160,000 miles, and would be eligible for applicable Discounts in Tier 2 based on mileage bands for all FMS Transport Miles greater than 160,000 miles. The actual Discount level would depend on the length of the circuit. A detailed method of calculation is described in (I) following. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.47 Contract Tariff Option 46 (Cont'd) (N)

(I) Calculation and Payment of Billing Credits

(1) Method of Calculation of the Applicable Billing Credit

(a) Following the end of each Quarter during the Service Period, the Telephone Company will calculate the applicable Billing Credit (if any) to be applied to the customer's BANs by assigning the FMS Transport Miles (excluding any miles which are disputed or payment is withheld by customer) for each month of the Quarter into Table 1 of (H)(1) preceding, and then applying the corresponding discount based on the assignment of those FMS Transport Miles. Specifically, (i) the first 160,000 FMS Transport Miles and the associated FMS Transport MRCs for each month of the Quarter are assigned into Tier 1 of Table 1 in (H)(1) preceding, and (ii) any miles in excess of 160,000 FMS Transport Miles and the associated FMS Transport MRCs, if any, for that same month of the Quarter are assigned into Tier 2 of Table 1 in (H)(1) preceding. Finally, the discounts set forth in Table 1 of (H)(1) preceding are applied to the assigned FMS Transport MRCs for each month and all such discounted sums are totaled to determine the Billing Credit due for the Quarter. The associated MRCs of any FMS Transport Miles that are unpaid or under dispute at the time of performing this calculation will not be assigned.

(b) Finally, the Billing Credit for FMS Transport Miles determined in (I)(1)(a) preceding will be reduced to reflect any Grooms which exceed the Maximum Monthly Grooms specified in (J) following. For month 1 of Quarter 1, the Billing Credit shall be pro-rated based on the number of days beginning with the date of subscription to the end of such calendar month.

(c) The calculations specified in (I)(1)(a) through (b) preceding will be repeated for each month in each Quarter. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.47 Contract Tariff Option 46 (Cont'd) (N)

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

(1) Method of Calculation of the Applicable Billing Credit (Cont'd)

(d) Consider the following illustrative example:

Assume the customer has 154,000 FMS Transport Miles for month 1 of Quarter 2, but otherwise has met the Minimum FMS Transport Miles set forth in (G)(2) preceding. Assume further that the customer had MRCs which were billed in Quarter 1 of $3,000,000, and that the customer disputed and did not pay $450,000 of such billed MRCs claiming that the FMS Channel Mileage was incorrectly calculated. Hence, in calculating the Billing Credit, the MRC would be calculated as $2,550,000 ($3,000,000 less $450,000). Thus, after the completion of the preceding calculation, the customer has the following distribution of FMS Transport Miles and MRCs for the FMS Channel Mileage Rate Elements:

	Miles	MRC
Mileage band 1	30,000	$ 750,000
Mileage band 2	29,000	800,000
Mileage band 3	95,000	1,000,000
Total	154,000	$2,550,000

Applying the Discount from Table 1 of (H)(1) preceding, the calculation yields the following Billing Credits by mileage band:

Mileage band 1	$750,000 x .32 = $240,000
Mileage band 2	$800,000 x .275 = $220,000
Mileage band 3	$1,000,000 x .24 = $240,000

The total Billing Credit is $700,000 ($240,000 plus $220,000 plus $240,000).

Assume further that the customer had no reduction based on exceeding the Maximum Monthly Grooms. Hence the final Billing Credit in this example is $700,000. Each of the above steps would be repeated for each month in a Quarter to arrive at the aggregate Billing Credit for the Quarter. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.47 Contract Tariff Option 46 (Cont'd) (N)

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

(2) Payment of Billing Credits

If the customer is eligible for a Billing Credit as set forth in this Option 46, then, subject to the terms of this Option 46, no later than sixty (60) days after the end of each Quarter during the Service Period, the Telephone Company shall credit the customer's BANs with the applicable Billing Credit(s) as determined in accordance with the terms of this Option 46. The Billing Credits will be provided only in the MSAs that have achieved Phase I or Phase II pricing flexibility under this tariff.

(3) In calculating the Billing Credit, all of the following requirements shall apply.

(a) The Telephone Company shall not include in the calculation of the Billing Credit any amounts which are unpaid and/or disputed by the customer as of the thirtieth (30th) 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 claiming that the FMS Channel Mileage was incorrectly calculated. Hence, in calculating the Billing Credit (as set forth in (I) preceding), the MRCs would be calculated as $2,550,000 ($3,000,000 less $450,000). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.47 Contract Tariff Option 46 (Cont'd) (N)

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

(3) (Cont'd)

(b) To the extent that the customer has any disputes, then the customer must submit such disputes to the Telephone Company no later than the thirtieth (30th) 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 and amount under dispute the following "Dispute Associated with 2007 Contract Tariff."

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

(d) For the purpose of calculating the Billing Credit, the Telephone Company shall not include in MRCs any credits or debits for 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 Credit is being calculated. As an illustrative example, assume that the customer had MRCs for all FMS Channel Mileage Rate Elements 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 claiming that the FMS Channel Mileage was incorrectly calculated. Hence, in calculating the Billing Credit (as set forth in (I) preceding), the MRC would be calculated as $2,550,000 ($3,000,000 less $450,000). 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 FMS Channel Mileage Rate Elements. Then, in Quarter 2, the Telephone Company shall not include such credit adjustment of $300,000 nor the subsequent debit of $150,000 for purposes of calculating the customer's Billing Credit in Quarter 2. (N)

21. Contract Tariffs (Cont'd)

21.47 Contract Tariff Option 46 (Cont'd) (S)

(J) Limitation on Grooms

In consideration for the terms and conditions set forth herein, including the Discounts and Billing Credit offered by the Telephone Company, the customer and the Telephone Company agree to the following:

(1) Subject to the terms of this Section (J), commencing on May 1, 2007, and during each month of the Service Period, the Telephone Company shall not be required to perform Grooms of more than twenty-five (25) Special Access circuits per month, of which number no more than two (2) Special Access circuits may be equal to DS3 or greater bandwidth (**Maximum Monthly Grooms**).

(2) The Maximum Monthly Grooms limitation set forth in (J)(1) preceding shall only apply to the following LATAs: 128, 132, 130, 134, 136, 140, 224, 226, 228, 230, 234, 236, 238, 248, 252. When determining the Maximum Monthly Grooms limitation, the Telephone Company shall count all Grooms ordered during the month in any of the operating territories for such LATAs of this tariff and FCC 11 and within any of the operating territories specified for such LATAs in the Telephone Company's Tariffs F.C.C. No. 14 and/or F.C.C. No. 16. (S)
The operating territories for each such LATA can be found in the Local Exchange Routing Guide (**LERG**), as described under the Reference to Technical Publications and Information Publications Technical Reference section preceding of this tariff. (N)

(S) Reissued material originally issued under Transmittal No. 794 and effective May 1, 2007

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.47 Contract Tariff Option 46 (Cont'd) (N)

(J) Limitation on Grooms (Cont'd)

(3) The following types of Grooms shall not be included in the Maximum Monthly Grooms and shall be performed by the Telephone Company in accordance with its normal business practices:

(a) Telephone Company Initiated Grooms: Any Groom initiated by the Telephone Company shall not be included in the number of Maximum Monthly Grooms.

(b) 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 be included in the number of Maximum Monthly Grooms. A **Maintenance Groom** shall mean a circuit which meets all of the following criteria:

(1) there is no change in the mileage between the original and Groomed circuit;

(2) the original circuit is experiencing service failures as a result of equipment problems, and Grooming will correct such problems; and

(3) the total MRCs billed by the Telephone Company to the customer for such Groomed circuit shall be equal to or greater than the original circuit prior to the Groom being performed. All Maintenance Grooms shall be subject to review and acceptance by the Telephone Company, and the Telephone Company's final decision shall be binding as to whether a specific Groom is a Maintenance Groom, or whether such Groom is to be included in the Maximum Monthly Grooms. The Telephone Company may route such circuit as it deems necessary, and such routing shall be at the Telephone Company's sole discretion.

(c) Optimization Grooms: Any Grooms where (i) there is no change in the mileage between the original and Groomed circuit and (ii) the total MRCs billed by the Telephone Company to the customer for such Groomed circuit shall be equal to or greater than the original circuit prior to the Grooming activities having been performed;

(d) Any circuit that is at a bandwidth less than a DS1 level shall not be subject to the Maximum Monthly Grooms limitation. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.47 Contract Tariff Option 46 (Cont'd) (N)

(J) Limitation on Grooms (Cont'd)

(4) The customer may submit requests to the Telephone Company to perform Grooms that exceed the Maximum Monthly Grooms during any calendar month, but the Telephone Company shall not be obligated to perform any Grooms in excess of the Maximum Monthly Grooms, unless the customer specifically instructs the Telephone Company in writing to perform Grooms in excess of the Maximum Monthly Grooms. Any Grooms performed by the Telephone Company that are in excess of the Maximum Monthly Grooms shall be subject to the terms of (J)(6) following.

(a) If the customer submits requests to the Telephone Company to perform Grooms that are less than the Maximum Monthly Grooms during any calendar month and there are no other Grooms that are being carried over from prior months, then the customer may "bank" or carryover the additional Grooms that are less than the Maximum Monthly Grooms to a subsequent month or subsequent months of the Service Period. For example, if the customer submits only twenty (20) requests for Grooms in a given month, then the customer may carryover or bank the five (5) Grooms and can use them in successive months. No additional Billing Credit or Discount will be provided for any banked or carried over Grooms which are not used by the end of the Service Period. The customer may not "bank" or carryover any additional Grooms (as described in this Section (J)(4)(a)) from any periods prior to May 1, 2007, or after the end of the Service Period.

(b) If the Telephone Company is unable to complete any of the scheduled Grooms in a given calendar month, and as a result the customer has fewer than the Maximum Monthly Grooms, then the Maximum Monthly Groom for the next successive calendar month of the Service Period shall be increased by the number of Grooms that were not completed by the Telephone Company in the prior month. For example, if the Telephone Company did not complete five (5) Grooms in month 4 of the Service Period, and as a result completed only 20 Grooms in month 4, then the Maximum Monthly Groom for month 5 shall be increased from 25 to 30. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.47 Contract Tariff Option 46 (Cont'd) (N)

(J) Limitation on Grooms (Cont'd)

(5) When a Special Access Circuit is channelized, then a request to perform a Groom on such circuit shall mean that all lower bandwidth circuits that ride such higher bandwidth shall each individually be counted as a separate request for Grooming in addition to the higher bandwidth circuit. For example, if a Special Access DS3 service is channelized such that 10 Special Access DS1 circuits ride such a Special Access DS3, then a Groom of such Special Access DS3 circuit will be counted as 11 Grooms in total.

(6) In any given month during the Service Period, if the customer submits one or more requests to the Telephone Company, and the Telephone Company agrees to perform more than the Maximum Monthly Grooms, then the Billing Credit shall be reduced for each Groomed Special Access circuit that is above the Maximum Monthly Groom limitation by an amount set forth in Table 2 below. The reduction charges in Table 2 following will be in addition to any retermination charges currently assessed under this tariff.

Table 2: Reductions in Billing Credits for Exceeding Maximum Monthly Grooms

Length of Special Access Circuit being Groomed	Special Access DS1 Reduction in Billing Credit	Special Access DS3 Reduction in Billing Credit
1 - 10 Miles	$ 700.00	$ 5,400.00
11 - 20 Miles	1,300.00	10,600.00
21 Miles or greater	2,250.00	17,000.00

(7) No representation or warranty is made by the Telephone Company with respect to the number of Grooms, process, speed, or completion of any Grooms in addition to the Maximum Monthly Grooms, and such additional Grooms shall not be subject to the terms of this Option 46 with respect to any remedies for failure to perform the Grooms. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.47 Contract Tariff Option 46 (Cont'd) (N)

(K) Termination of Plan

(1) Subject to the terms set forth in this Section (K), the customer may terminate this Option 46 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 46, and termination of this Option 46 shall be deemed to be an automatic termination of Option 47 in FCC 11. (x)

(2) If the customer terminates or cancels this Option 46 at any time during the Service Period, then the customer shall pay (no later than thirty (30) days after such date of termination) to the Telephone Company an amount equal to one hundred percent (100%) of all Billing Credits paid up to the date of such termination under this Option 46 (i.e., all Billing Credits paid since May 1, 2007). The terms of (J) preceding shall continue to apply until the end of the Service Period regardless of any early termination by the customer as set forth in this Section (K).

(L) FMS Plan Extension and Combined Commitment Levels

(1) Extension of FMS Plan

The customer and the Telephone Company hereby agree that the FMS Plans which are expiring as of May 1, 2007 shall be extended to October 31, 2007. In the event that the customer terminates any FMS Plan prior to October 31, 2007, termination liability under each FMS Plan shall apply as set forth in Sections 6.8.26(F) and 7.2.13(F) preceding of this tariff and Sections 6.2.12(G)(3) and 7.2.16(G)(3) (x)
of FCC 11. (x)

(2) Combined Commitment Levels

The customer shall establish one DS-0 commitment level (as specified in Sections 7.2.13(D)(3) and 6.8.26(D)(3) preceding of this tariff and Sections 7.2.16(E)(5) and 6.2.12(E)(5) of FCC 11 (**Combined** (x)
Commitment Level) for all of its FMS Special Access and Switched Access under both FMS Plans, thereby allowing the Telephone Company to manage the FMS Plans as a single plan across both this tariff and FCC 11. An Annual Review (as described in this tariff and in FCC (x)
11) will be conducted following the expiration of the Service Period (x)
hereunder. In the event that the customer does not meet the Combined Commitment Level at the time of the Annual Review (as described in this tariff and in FCC 11), then the customer shall be (x)
subject to any applicable shortfall penalties that may be assessed in accordance with Sections 6.8.26(D)(3)(b)(ii) and 7.2.13(D)(3)(b)(ii) preceding of this tariff and Sections (x)
6.2.12(E)(4)(b) and 7.2.16(E)(4)(b) of FCC 11. (N)(x)

(x) Issued under authority of Special Permission No. 07-004 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (N)

(A) Scope

Contract Tariff Option 47 (**Option 47**) provides Credits on certain Special Access Services if the customer meets certain total billed revenue (**TBR**) amounts for the Services (as defined in (E) following) during each Plan Year.

(B) Specific Terms

Unless otherwise defined in this Option 47, the following terms are used in this Option 47.

(1) **Alternative Tariff Arrangement** shall mean collectively any other generally available tariff arrangement (including any term or volume plans), contract tariff option, special service arrangement, or Individual Case Basis 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 47.

(2) **Credits** shall mean collectively the RPC Credits (as described in (H)(1) following); the TBR Credits (as described in (H)(2) following); and the VID Credits (as described in (H)(3) following).

(3) **Customer ACNA(s)** shall mean the customer's ACNA(s) that are provided to the Telephone Company by the customer in its subscription to this Option 47 (as required in (C) following), which ACNA(s) are agreed to by the Telephone Company in writing for inclusion in this Option 47.

(4) **Groom(s)** shall mean a change in the connecting facility assignment (**CFA**) or termination point of a Special Access DS3 Service, and shall include any of the following types of moves, rearrangements, reterminations, and disconnection and subsequent reconnection, to the DS3 Service:

(a) a change in the CFA or termination point within a single Telephone Company wire center; or

(b) 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).

(5) **MRCs** shall mean monthly recurring charges for the Services. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(6) **Plan Year** shall mean each of the following periods during the Service Period: (1) Plan Year 1 shall commence on July 24, 2007, and end on May 31, 2008; (2) Plan Year 2 shall commence on June 1, 2008 and end on May 31, 2009; and (3) Plan Year 3 shall commence on June 1, 2009 and end on May 31, 2010.

(7) **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) days thereafter), except for Quarter 1 of Plan Year 1 which shall commence on July 24, 2007, and end on August 31, 2007; 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.

In addition to the specific terms set forth in (1) through (7) preceding, the following shall apply.

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).

All amounts in this Option 47 will be rounded up or down to the nearest $1,000. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(C) Eligibility

The customer must meet all of the following criteria in order to be eligible to receive the Credits as set forth in (H) following and other benefits of this Option 47.

(1) During the three (3) month period prior to July 24, 2007, the customer must have maintained a minimum average of $65M in billed MRCs per month for the Services as defined in (E) following.

(2) The customer may not concurrently subscribe to an Alternative Tariff Arrangement except as allowed under (O) following.

(3) The customer must subscribe to Option 47 by submitting a written authorization in a manner designated by the Telephone Company before September 22, 2007. Such subscription must include a list of Customer ACNA(s).

(4) The customer must concurrently subscribe to this Option 47, Option 48 of FCC11 and Option 22 of FCC14. (x)

(D) Service Period

Subject to any early termination as set forth in (N) following, the **Service Period** shall commence on July 24, 2007, and end on May 31, 2010. (N)

(x) Issued under authority of Special Permission No. 07-017 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(E) Services

(1) The terms of this Option 47 apply **only** to the following Services, where such Services are provided using the USOCs set forth in (G)(6) following:

(a) Special Access DS1 Services (collectively, **DS1 Services**), as described in Section 7.2.9 preceding of this tariff, Section 7.2.9 of the Verizon Telephone Companies Tariff F.C.C. No. 11 (**FCC11**), Section 5.2.7 of the Verizon Telephone Companies Tariff F.C.C. No. 14 (**FCC14**), and Section 7.11.1 of the Verizon Telephone Companies Tariff F.C.C. No. 16 (**FCC16**); and (x)

(b) Special Access DS3 Services (collectively, **DS3 Services**), as described in Section 7.2.9 preceding of this tariff, Section 7.2.9 of FCC11, Section 5.2.7 of FCC14, and Section 7.11.1 of FCC16; and (x)

(c) Special Access Facilities Management Service (collectively, **FMS Services**), as described in Section 7.2.13 preceding of this tariff and Section 7.2.16 of FCC11; and (x)

(d) IntelliLight® Entrance Facilities Service using STS1, DS3 or DS1 interfaces, as described in Section 7.2.15 preceding of this tariff, Section 26.1.4 of FCC11, Section 20.4 of FCC14, and Section 20.4 of FCC16 (**IEF Services**). (x)

(2) Any other services provided by the Telephone Company other than the Services listed above (including any similar SONET entrance facility service provided under an agreement or arrangement other than this tariff) are not included herein as a Service. No switched access services are included in this offering.

(3) This tariff may be amended from time to time, and such amended rates, terms, and conditions for the Services shall apply to this Option 47 upon the effectiveness of such change to this tariff.

(4) DS1 Services, DS3 Services, and IEF Services provided pursuant to FCC16 shall be included in the calculation of the TBR; however, no Credits or discounts under this Option 47 shall be provided or due with respect to Services purchased under FCC16. (x)

(F) Serving Area

Any 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, FCC11 and FCC14. Wire centers for the Phase II MSAs are listed in Section 14.7 preceding of this tariff, Section 15.3 of FCC11, and Section 19.1 of FCC14. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status) that occur during the Service Period of this Option 47 will apply. (x) (N)

(x) Issued under authority of Special Permission No. 07-017 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(G) Calculation of TBR

(1) Quarterly TBR Calculation

(a) Other than Quarter 1 of Plan Year 1 for which quarterly TBR is calculated as set forth in (G)(1)(b) following, the TBR for a given Quarter during the Service Period shall be determined as follows: (i) determine the MRCs for the Services that are billed during such applicable Quarter; and (ii) subtract from the amount derived in (1)(a)(i) preceding any DS3 Credits that are earned during such applicable Quarter; and

(b) For Quarter 1 of Plan Year 1, the TBR shall be determined as follows: (i) determine the MRCs for the Services that are billed during Quarter 1 as well as during the period from June 1, 2007 to July 24, 2007; and (ii) subtract from the amount derived in (1)(b)(i) preceding any DS3 Credits earned during Quarter 1 as well as during the period from June 1, 2007 to July 24, 2007. The customer and the Telephone Company agree that, notwithstanding the inclusion of MRCs and DS3 Credits in the calculation of quarterly TBR, the Services within the operating territories of this tariff are provided pursuant to the terms set forth in other sections of this tariff. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(G) Calculation of TBR (Cont'd)

(2) Annual TBR Calculation

(a) Other than Plan Year 1 for which the Annual TBR is calculated as set forth in (G)(2)(b) following, the TBR for a given Plan Year shall be determined as follows: (i) determine the MRCs for the Services that are billed during such applicable Plan Year, which MRCs have been paid in full by the customer, as more specifically described in (M) following; and (ii) subtract from the amount derived in (2)(a)(i) preceding any DS3 Credits that are earned during such applicable Plan Year; and

(b) For Plan Year 1, the TBR shall be determined as follows: (i) determine the MRCs for the Services that are billed during such applicable Plan Year as well as during the period from June 1, 2007 to July 24, 2007, which MRCs have been paid in full by the customer, as more specifically described in (M) following; and (ii) subtract from the amount derived in (2)(b)(i) preceding any DS3 Credits that are earned during such applicable Plan Year as well as during the period from June 1, 2007 to July 24, 2007. The customer and the Telephone Company agree that, notwithstanding the inclusion of MRCs and DS3 Credits in the calculation of annual TBR, the Services within the operating territories of this tariff are provided pursuant to the terms set forth in other sections of this tariff.

As used in this Section (G), "earned" shall mean DS3 Credits that are associated with the MRCs for the Eligible DS3 Circuit(s) that were billed during the applicable Quarter or Plan Year. The customer and the Telephone Company acknowledge and agree, however, that the applicable DS3 Credit shall be provided on a Carrier Access Billing System (CABS) bill to the customer after the end of the applicable Quarter or Plan Year during which the MRCs for the Eligible DS3 Circuits were billed. In calculating TBR for the applicable Quarter or Plan Year, the Telephone Company shall only use DS3 Credits that are earned during such applicable Quarter or Plan Year. (N)

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(G) Calculation of TBR (Cont'd)

(2) Annual TBR Calculation (Cont'd)

(c) Set forth below are two illustrative examples with respect to calculation of TBR. These examples, as well as other examples in this Option 47, are provided to add clarity to the substantive provisions of this Option 47, not to modify or replace those provisions.

Example 1:

Assume that the Telephone Company billed $11M in MRCs for purchases of Eligible DS3 Circuits in Quarter 1 of Plan Year 2. Assume that the applicable DS3 Credit associated with such Eligible DS3 Circuits is $1M. Assume further that the DS3 Credit of $1M is provided in Quarter 2 of Plan Year 2. In calculating the TBR for Quarter 1 of Plan Year 2, the DS3 Credits earned in Quarter 1 ($1M) shall be subtracted from the MRCs for the Eligible DS3 Circuits billed in Quarter 1 ($11M), yielding a total of $10M in MRCs to be included in calculation of TBR for Quarter 1. The DS3 Credits provided in Quarter 2 that are associated with the MRCs for Eligible DS3 Circuits billed during Quarter 1 shall not be used in the calculation of TBR for Quarter 2.

Example 2:

Assume that Plan Year 1 and the Service Period commence on July 25, 2007. The RPC Credit of $18M shall be due on August 8, 2007 (i.e., 15th calendar day of the Service Period). No Credits or discounts as set forth herein may be provided prior to July 25, 2007. However, in calculating the TBR for Plan Year 1 or Quarter 1 of Plan Year 1, as applicable, the Telephone Company shall determine the MRCs for such Services that have been billed during Plan Year 1 as well as from June 1, 2007 to July 25, 2007, and shall subtract from such MRC amount any DS3 Credits that have been earned by the customer during Plan Year 1 as well as from June 1, 2007 to July 25, 2007. Additionally, all Grooms performed between June 1, 2007 and May 31, 2008 shall be counted towards the Maximum Annual Grooms number for Plan Year 1, in accordance with (J) following. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(G) Calculation of TBR (Cont'd)

(3) The Telephone Company agrees that it will not intentionally and willfully delay billing in order to avoid discounts or credits otherwise due to the customer.

(4) Calculation of TBR to Include Only Billed Amounts for the Services

Billed amounts associated with any service (or any portion of a service) that is not a Service as specified in (E) preceding shall not be included in calculation of TBR.

(5) Calculation of TBR to Include Only MRCs

Other than the DS3 Credit (which will be included in the calculation of TBR), the TBR shall not include 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. As an illustrative example, assume that during a Plan Year, the Telephone Company provides a credit of $5M based on incorrect billing of MRCs for a DS1 Service, such credit of $5M would not be included in the calculation of the TBR (i.e., the TBR for such Plan Year or Quarter, as applicable, would not be reduced by $5M). However, assume that the customer has earned a DS3 Credit of $2M during a given Quarter based on the customer's purchase of Eligible DS3 Circuits, then such $2M would be included in the calculation of TBR for such Quarter (i.e., the TBR for such Plan Year or Quarter, as applicable, would be reduced by $2M), as described in Sections (G)(1) and (G)(2) preceding. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(G) Calculation of TBR (Cont'd)

(6) USOCs Used in Calculation of TBR

The TBR will include all of the MRCs for the Services that are billed under one of the following USOCs, and that are ordered by the customer using one of the Customer ACNA(s). Calculation of TBR is more specifically described in (M) following. If any of the USOCs listed below bill both MRCs and/or other charges (e.g., NRCs), then only the MRC amounts of such USOCs shall be counted towards the calculation of TBR. If Services are billed under any USOCs not listed below as a result of any of the following reasons, then such new USOCs will be counted as contributory towards the TBR: (a) the customer begins purchasing under term plans under which it did not previously purchase Services; or (b) the Telephone Company introduces new USOCs for the Services, and the customer purchases Services using such USOCs, for which the Telephone Company shall provide notice to the customer within thirty (30) days of its inclusion in the Telephone Company's systems; or (c) the customer and the Telephone Company agree to add any USOCs to the list below.

USOCs Used to Calculate TBR:

1A4YS	1A59S	1A5LX	1A5YS	1A5ZS
1A89S	1CF22	1CF25	1CF3W	1CF75
1CFA5	1CFC5	1CFD1	1CFD3	1CFD5
1CFE3	1CFE5	1CFF1	1CFF5	1CFH1
1CFH3	1CFH5	1CFU8	1CFV8	1CKDX
1CKJX	1CKPF	1CKSX	1HHPS	1J53S
1J54S	1L5LS	1L5RS	1L5XS	1L5XX
1LFMX	1LFSX	1OX1X	1OX3X	1OX5X
1OXTX	1T58S	1U5PS	1X7VX	1XCDX
1Y3AC	1Y3AD	1YA8S	1YWPS	1YWQS

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(G) Calculation of TBR (Cont'd)

(6) USOCs Used in Calculation of TBR (Cont'd)

USOCs Used to Calculate TBR (Cont'd):

A1VA1	A1VXG	A1VXZ	ABVBA	AVY
AVYXX	B2CFP	C6H6X	C6H7X	CCO
DVA	EU4DX	EU4JX	EU4KX	EU4PF
EU4SX	EU7VX	EUU21	EUU22	EUU23
EUU25	EUU35	EUU3W	EUU41	EUU43
EUU45	EUU55	EUU95	EUUA1	EUUA5
EUUC5	EUUD1	EUUD3	EUUD5	EUUF5
EUUG1	EUUH5	EUUU8	EUUV8	EUUVJ
EUW	HGV1X	HGVTX	HKTJS	HKTJX
MKM	MQ1	MQ3	MQK	MXN12
MXN13	MXN15	MXN17	MXNF5	MXNM5
MXNMX	MXNRX	N2M	PR9PX	PR9SX
QMU	SLHA1	SLHA3	SLHA5	SLHB1
SLHB3	SLHB5	SLHC5	SLHC7	SLHD3
SLHD5	SLHD7	SLHE1	SLHE3	SLHE5
SLHE7	TJ59X	TMECS	TNJ9X	TNJZX
TNT3X	TNT4X	TNT8X	TNW5X	TNWZX
TRG	TSP	TUTPX	TVJPX	TVJRX
TVJYX	TWTE6	TWTE9	TWTF6	TWTF7
TYF1X	TYF3S	TYF3X	TYF8S	TYF8X
TYFLS	TYFLX	TYFMS	TYFMX	TYFSX
P8T35	TWBNX	TWBPX	T8XJ5	VPQSP

(H) Credits

If the customer meets the applicable TBR set forth in (H)(1), (H)(2) and (H)(3) following during a Quarter or a Plan Year of the Service Period, as applicable, then the customer is eligible to receive the following Credits as described below:

- RPC Credits (described in (H)(1) following)
- TBR Credits (described in (H)(2) following)
- VID Credits (described in (H)(3) following)

The above Credits are cumulative and apply independently of each other. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(H) Credits (Cont'd)

(1) Revenue Performance Credits (RPCs)

(a) Subject to the terms set forth in (M) and (N) following, if the customer achieves a certain TBR for each Plan Year as set forth in the table below, then the customer will be eligible for the corresponding RPC amount for such Plan Year (i.e., the Plan Year just ended), as set forth in the following RPC Table (**Eligible RPC Amount**).

RPC Table

TBR During Each Plan Year	Plan Year 1 RPC	Plan Year 2 RPC	Plan Year 3 RPC
Less than $830.0M	None ($0)	None ($0)	None ($0)
Greater than or equal to $830.0M but less than $840.0M	$23.7M	$24.8M	$25.6M
Greater than or equal to $840.0M but less than $850.0M	$30.3M	$30.8M	$31.2M
Greater than or equal to $850.0M	$36.0M	$36.0M	$36.0M

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(H) Credits (Cont'd)

(1) Revenue Performance Credits (RPCs) (Cont'd)

(b) Subject to the restrictions set forth in the immediately succeeding sentence, on the fifteenth (15^{th}) calendar day of each Plan Year, and on the one hundred eightieth (180^{th}) calendar day of each Plan Year (other than in Plan Year 1, where the second credit shall be provided on December 1, 2007), the Telephone Company will provide to the customer an RPC credit amount equal to $18M, for a total of $36M in each Plan Year (individually and collectively, **RPC Credit**). Such RPC Credit is subject to a partial or total refund if the customer does not meet or exceed a TBR of $850M for such Plan Year (i.e., the Plan Year just ended). The amount of the refund of the RPC Credit shall be equal to the difference between (a) the Eligible RPC Amount that the customer would have been eligible for (based on the tier in the table in Section (H)(1)(a) preceding into which the customer falls) and (b) $36M. Such determination shall be made at each Annual True-Up as described in (M) following. No RPC Credit will be due if the TBR for that Plan Year is less than $830M. The maximum Eligible RPC Amount available during any Plan Year is $36M.

Example 1:

If the TBR for Plan Year 2 was calculated as $845M, then the customer would be required to refund to the Telephone Company $5.2M (the RPC Credit of $36M provided during Plan Year 2 less the Eligible RPC Amount earned by the customer during such Plan Year 2 of $30.8M, as determined in accordance with the table in (H)(1)(a) preceding).

Example 2:

If the TBR for Plan Year 2 was calculated as $829M, then the customer would be required to refund to the Telephone Company the entire RPC Credit of $36M (the RPC Credit of $36M provided during Plan Year 2 less the Eligible RPC Amount earned by the customer during such Plan Year 2 of $0, as determined in accordance with the table in (H)(1)(a) preceding). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(H) Credits (Cont'd)

(1) Revenue Performance Credits (RPCs) (Cont'd)

(c) Application of a Debit (if any)

If the customer is required to refund to the Telephone Company some (or all) of the RPC Credit, the Telephone Company shall enter a debit on its CABS billing to the customer as soon as reasonably possible, which generally will be approximately thirty (30) days following the completion of the Annual True-Up described in (M) following. Such debit shall be issued on BANs of the customer that are associated with the Services in MSAs where the Telephone Company has received pricing flexibility. The customer shall pay to the Telephone Company such refund amount no later than the due date set forth on such bill.

(2) TBR Credits

TBR Credits are comprised of Quarterly TBR Credits and Annual TBR Credits

(a) Quarterly TBR Credits

(1) Subject to the terms of (M) and (N) following, if the customer achieves a TBR as set forth in the Quarterly TBR Credit Table set forth in (H)(2)(a)(4) following for one (1) or more of the first three (3) Quarters of each Plan Year, then the customer will be eligible for the corresponding Quarterly TBR Credit for such Quarter, as set forth in the Quarterly TBR table in (H)(2)(a)(4) following. Quarterly TBR Credits are subject to an Annual True-Up as described in (M) following.

(2) The Quarterly TBR Credit shall be determined at the end of each of the first three (3) Quarters of each Plan Year by calculating the TBR for Services for the Quarter just ended in accordance with (G) preceding. There shall be no Quarterly TBR Credit due in the last Quarter (i.e., Quarter 4) of each Plan Year. No Quarterly TBR Credit will be due if the TBR for the Quarter just ended is less than $207.5M.

(3) If the customer is eligible to receive one (1) or more Quarterly TBR Credits, the Telephone Company will provide a credit on its CABS billing to the customer within sixty (60) days following the end of the applicable Quarter. (N)

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(H) Credits (Cont'd)

(2) TBR Credits (Cont'd)

(a) Quarterly TBR Credits

(4) Quarterly TBR Credit Table

Quarterly TBR	Plan Year 1 Quarterly TBR Credit	Plan Year 2 Quarterly TBR Credit	Plan Year 3 Quarterly TBR Credit
Less than $207.5M	None ($0)	None ($0)	None ($0)
Greater than or equal to $207.5M but less than $210.0M	$1.325M	$2.075M	$2.850M
Greater than or equal to $210.0M but less than $212.5M	$1.675M	$2.575M	$3.450M
Greater than or equal to $212.5M	$2.000M	$3.000M	$4.000M

(5) Example 1:

Assume that the TBR for Quarter 2 in Plan Year 2 is calculated as $215M, then the applicable Quarterly TBR Credit is $3M (as determined in accordance with the Quarterly TBR table in (H)(2)(a)(4) preceding). This amount is subject to the Annual True-Up as defined in (M) following. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(H) Credits (Cont'd)

(2) TBR Credits (Cont'd)

(b) Annual TBR Credits

(1) Subject to the terms of (M) and (N) following, if the customer achieves an annual TBR as set forth in the Annual TBR Credit Table in (H)(2)(b)(2) following for each Plan Year, then the customer will be eligible for the corresponding Annual TBR Credit for such Plan Year (i.e., the Plan Year just ended), as set forth in the Annual TBR table in (H)(2)(b)(2) following. The applicable Annual TBR Credit is the aggregate TBR Credit amount, if any, for which the customer is eligible during each Plan Year, and includes any Quarterly TBR Credits that may have been previously provided during such Plan Year.

(2) Annual TBR Credit Table

Annual TBR	Plan Year 1 Annual TBR Credit	Plan Year 2 Annual TBR Credit	Plan Year 3 Annual TBR Credit
Less than $830.0M	None ($0)	None ($0)	None ($0)
Greater than or equal to $830.0M but less than $840.0M	$5.300M	$8.300M	$11.400M
Greater than or equal to $840.0M but less than $850.0M	$6.700M	$10.300M	$13.800M
Greater than or equal to $850.0M	$8.000M	$12.000M	$16.000M

(N)

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(H) Credits (Cont'd)

(2) TBR Credits (Cont'd)

(b) Annual TBR Credits (Cont'd)

(3) At each Annual True-Up, the Annual TBR Credit shall be equal to the difference between (i) the Annual TBR Credit corresponding to the TBR for Services for the Plan Year just ended (as determined in accordance with the Annual TBR table set forth in (H)(2)(b)(2) preceding); and (ii) the total amount of all Quarterly TBR Credits provided by the Telephone Company during such Plan Year. No Annual TBR Credit will be due if the TBR for that Plan Year (i.e., the Plan Year just ended) is less than $830M.

(c) The following describes the calculation of any credits or refunds that would be applicable in a given Plan Year:

(1) If the amount of the Annual TBR Credit for which the customer is eligible in a given Plan Year exceeds the total amount of all Quarterly TBR Credits already provided to the customer during such Plan Year, then the Telephone Company shall provide a credit equal to the difference between (a) the Annual TBR Credit for which the customer was eligible in such Plan Year (as determined in accordance with the Annual TBR table in (H)(2)(b)(2) preceding); and (b) the total amount of all Quarterly TBR Credits provided in such Plan Year.

Example 1:

Assume that the customer's Annual TBR for Plan Year 2 is $865M, then the applicable Annual TBR Credit is $12M (as determined in accordance with the Annual TBR table in (H)(2)(b)(2) preceding). Assume also that the Telephone Company had provided Quarterly TBR Credits in Plan Year 2 in the amount of $3M per Quarter for each of the 3 Quarters (i.e., a total of $9M in Quarterly TBR Credits). Then, at the end of Plan Year 2, the Telephone Company would provide an additional credit of $3M (i.e., the eligible Annual TBR Credit of $12M less $9M of Quarterly TBR Credits already provided during such Plan Year). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(H) Credits (Cont'd)

(2) TBR Credits (Cont'd)

(c) (Cont'd)

(2) If the total amount of all Quarterly TBR Credits already provided to the customer during a Plan Year exceeds the applicable Annual TBR Credit for which the customer is eligible (in accordance with the Annual TBR table in (H)(2)(b)(2) preceding), then the customer would be required to refund the difference between (a) the total amount of all Quarterly TBR Credits provided in such Plan Year; and (b) the Annual TBR Credit for which it was eligible in such Plan Year (as determined in accordance with the Annual TBR table in (H)(2)(b)(2) preceding).

Example 2:

Assume that the TBR for Plan Year 2 is $835M, then the applicable Annual TBR Credit is $8.3M (as determined in accordance with the Annual TBR table in (H)(2)(b)(2) preceding). Assume, however, that the Telephone Company had provided Quarterly TBR Credits in Plan Year 2 in the amounts of $3M, $3M, and $2.575M for each of the 3 Quarters, respectively (i.e., a total of $8.575M), then the customer would be required to refund $275,000 to the Telephone Company (i.e., $8.575M of Quarterly TBR Credits provided during such Plan Year less the eligible Annual TBR Credit of $8.3M).

Example 3:

Assume that the TBR for Plan Year 2 is $829M, then the applicable Annual TBR Credit is $0 (as determined in accordance with the Annual TBR table in (H)(2)(b)(2) preceding). Assume, however, that the Telephone Company had provided Quarterly TBR Credits in Plan Year 2 in the amounts of $3M, $3M, and $2.575M for each of the 3 Quarters, respectively (i.e., a total of $8.575M), then the customer would be required to refund $8.575M to the Telephone Company (i.e., $8.575M of Quarterly TBR Credits already provided during such Plan Year less the eligible Annual TBR Credit of $0). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(H) Credits (Cont'd)

(2) TBR Credits (Cont'd)

(d) Application of Credit or Debit

If the customer is eligible to receive an Annual TBR Credit, the Telephone Company shall enter a credit on its CABS billing to the customer within thirty (30) days following the completion of the Annual True-Up, as described in (M) following. If the customer is required to refund to the Telephone Company some (or all) of the TBR Credits, the Telephone Company shall enter a debit on its CABS billing to the customer as soon as reasonably possible, which generally will be approximately thirty (30) days following the completion of the Annual True-Up, as described in (M) following. Such debit/credit shall be issued on BANs of the customer that are associated with the Services in MSAs where the Telephone Company has received pricing flexibility. The customer shall pay to the Telephone Company such refund amount no later than the due date set forth on such bill.

(3) Volume Incentive Discount (VID) Credits

(a) Subject to the terms of (M) and (N) following, if the customer achieves a TBR greater than $215.000M during a given Quarter during the Service Period, then the customer will be eligible for the corresponding VID Credit for such Quarter, as set forth in the table in (H)(3)(b) following. To determine the applicable VID Credit, multiply (1) the applicable VID Discount percentage from the table in (H)(3)(b) following that corresponds to the TBR achieved for such Quarter by the customer; by (2) the difference between (a) the TBR attained in such Quarter; and (b) $215.000M. Subject to the customer meeting an annual TBR of $830M or greater as set forth in (H)(3)(e) following, VID Credits are available in all four Quarters of each Plan Year. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(H) Credits (Cont'd)

(3) Volume Incentive Discount (VID) Credits (Cont'd)

(b) VID Credit Table

Quarterly TBR	VID Discount
Greater than \$215.000M but less than \$217.125M	10%
Greater than or equal to \$217.125M but less than \$219.250M	12%
Greater than or equal to \$219.250M but less than \$221.375M	14%
Greater than or equal to \$221.375M but less than \$223.500M	16%
Greater than \$223.500M	18%

(c) Examples

Example 1:
If the TBR attained by the customer for Quarter 1 in Plan Year 3 is \$215.000M, then the customer is eligible for a VID Credit of \$0 for such Quarter (i.e., \$215.000M achieved TBR minus \$215.000M, multiplied by 10%).

Example 2:
If the TBR attained by the customer for Quarter 2 in Plan Year 2 is \$224.9M, then the customer is eligible for a VID Credit of \$1.782M for such Quarter (i.e., \$224.9M achieved TBR minus \$215.000M, multiplied by 18%).

(d) If the customer is eligible to receive a VID Credit for a Quarter, the Telephone Company will provide a credit on its CABS billing to the customer within sixty (60) days following the end of the applicable Quarter. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(H) Credits (Cont'd)

(3) Volume Incentive Discount (VID) Credits (Cont'd)

(e) If the TBR as calculated at an Annual True-Up in a given Plan Year is less than $830M, then all VID Credits provided during such Plan Year shall be refunded by the customer as set forth below. If the TBR as calculated at an Annual True-Up in a given Plan Year is equal to or greater than $830M, then any VID Credits provided during such Plan Year shall not be subject to refund by the customer. If the customer is required to refund to the Telephone Company all of the VID Credits, the Telephone Company shall enter a debit on its CABS billing to the customer as soon as reasonably possible, which generally will be approximately thirty (30) days following the completion of the Annual True-Up described in (M) following. Such debit shall be issued on BANs of the customer that are associated with the Services in MSAs where the Telephone Company has received pricing flexibility. The customer shall pay to the Telephone Company such refund amount no later than the due date set forth on such bill. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(I) DS3 Credits

(1) Eligible DS3 Circuits

(a) Subject to the terms of this Section (I), and Section (N) following, the customer will receive DS3 Credits (as defined in (I)(2) following) for the first one thousand two hundred (1,200) Eligible DS3 Circuits (as defined below) that the customer orders in a Plan Year (including, as set forth below for Plan Year 1, such Eligible DS3 Circuits that the customer ordered on or after April 1, 2007). An **Eligible DS3 Circuit** shall mean a DS3 circuit that meets all of the following criteria, provided that any such DS3 circuits that the customer orders in a Plan Year beyond the first 1,200 such DS3 circuits (including, as set forth below for Plan Year 1, such DS3 circuits that the customer ordered on or after April 1, 2007) in that Plan Year shall not be an Eligible DS3 Circuit:

(1) The DS3 circuit must have an inter-office mileage (channel mileage) rate element, and must be in one of the configurations set forth in the table in (I)(2)(b) following; and

(2) The DS3 circuit cannot be a DS3 circuit that was disconnected from its current location and installed as new at the same location; and

(3) The DS3 circuit must be ordered by the customer on or after April 1, 2007 in one of the operating territories and, pursuant to the terms, of this tariff or FCC11, as applicable. (x)

(b) Only the first 1,200 Eligible DS3 Circuits (i.e., the Eligible DS3 Circuits that meet all of the criteria set forth in (I)(1)(a)(1) through (I)(1)(a)(3) preceding) that are ordered by the customer during a Plan Year (or from April 1, 2007, as applicable, as set forth in (I)(1)(c) following) shall receive DS3 Credits. Any DS3 circuits in addition to the initial 1,200 Eligible DS3 Circuits purchased during a Plan Year shall be billed at the applicable rates set forth in other sections of this tariff, and are not eligible for the DS3 Credits set forth in (I)(2) following. (N)

(x) Issued under authority of Special Permission No. 07-017 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(I) DS3 Credits (Cont'd)

(1) Eligible DS3 Circuits (Cont'd)

(c) During Plan Year 1, the 1,200 Eligible DS3 Circuits shall also include any Eligible DS3 Circuits ordered by the customer under this tariff from and after April 1, 2007. No later than September 22, 2007, the Telephone Company shall provide the applicable DS3 Credit on its CABS bill to the customer for the difference between the billed rate and the rate set forth in (I)(2)(b) following for such Eligible DS3 Circuits ordered between April 1, 2007 and July 24, 2007.

(2) DS3 Credits and True-Up of Mileage

(a) The Eligible DS3 Circuits purchased by the customer shall be billed on a monthly basis in accordance with other sections of this tariff. The Telephone Company shall provide a credit on its CABS billing to the customer for the difference between (i) the applicable rates set forth in other sections of this tariff; and (ii) the rates set forth in (I)(2)(b) following (**DS3 Credit**). The customer and the Telephone Company acknowledge and agree that the applicable DS3 Credit shall be applied after the end of the applicable Quarter or Plan Year, during which applicable Quarter or Plan Year, the MRCs for the Eligible DS3 Circuit(s) were billed.

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(I) DS3 Credits (Cont'd)

(2) DS3 Credits and True-Up of Mileage (Cont'd)

(b) Rates Used to Determine DS3 Credits

DS3 Circuit Type	Rate
Point-to-Point DS3 (Includes the DS3 Primary Premises Channel Termination (as described in Section 7.4.1(A)(1) preceding), the DS3 Secondary Premises Channel Termination (as described in Section 7.4.1(A)(1), and DS3 Channel Mileage between the wire centers serving such locations (as determined in accordance with Section 7.4.6(A) preceding))	$1,990.00
Multiplexed (Muxed) DS3 (Includes the DS3 Primary Premises Channel Termination (as described in Section 7.4.1(A)(1) preceding), DS3 Channel Mileage between the wire centers serving the Primary Premises and the Telephone Company DS3/DS1 Hub (as determined in accordance with Section 7.4.6(A) preceding), and the DS3/DS1 multiplexer (as described in Section 7.2.9(D)(3)(a) preceding))	$1,650.00

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(I) DS3 Credits (Cont'd)

(2) DS3 Credits and True-Up of Mileage (Cont'd)

(b) Rates Used to Determine DS3 Credits (Cont'd)

DS3 Circuit Type	Rate
Point-to-Point DS3 where POP location is served by an IntelliLight Entrance Facility (Includes DS3 Channel Mileage between the wire centers serving the customer's IEF location and the DS3 Secondary Premises (as described in Section 7.4.6(A) preceding) and the DS3 Secondary Premises Channel Termination(as described in Section 7.4.1(A)(1) preceding) (see note)	$1,640.00
Multiplexed (Muxed) DS3 where POP Location is served by an IntelliLight Entrance Facility (Includes DS3 Channel Mileage between the wire centers serving the customer's IEF location and the Telephone Company DS3/DS1 Hub (as determined in accordance with Section 7.4.6(A) preceding) and the DS3/DS1 multiplexer (as described in Section 7.2.9(D)(3)(a) preceding) (see note)	$1,408.00 (N)

Note: Rates in this (I)(2)(b) do not apply to IntelliLight Entrance Facility, (N)
however provided. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(I) DS3 Credits (Cont'd)

(2) DS3 Credits and True-Up of Mileage (Cont'd)

(c) The rates set forth in (I)(2)(b) preceding are only applicable to the configurations set forth in the table in (I)(2)(b) preceding. Such configurations assume an average of 13.15 airline miles between the locations involved (**DS3 Allowable Average Mileage**).

(d) No later than sixty (60) days following the end of each Plan Year, or no later than July 31st for all years after the end of the Service Period, as applicable, the Telephone Company will conduct a true-up to determine whether the Actual Total Billed Mileage (as defined in (I)(2)(e) following) is greater than the Allowed Total Billed Mileage (as defined in (I)(2)(g) following), and will provide a written notice to the customer setting forth the calculation of the Actual Total Billed Mileage and the Actual Total Billed Circuits (as defined in (I)(2)(f) following), including an identification of the Eligible DS3 Circuits used in the calculation. The customer and the Telephone Company agree that (1) the DS3 Credits set forth in (I)(2) preceding shall continue to apply after the expiration or early termination of the Service Period to all Eligible DS3 Circuits ordered during the Service Period; and (2) the true-up and calculation of the Total Excess Mileage and Total Excess Mileage Charge (if any, and as set forth in (h) and (i) following) shall continue to apply after the expiration or early termination of the Service Period, in each case until the last Eligible DS3 Circuit has been disconnected. In the event of an early termination of this Option 47 in accordance with (N) following, the customer shall not receive the DS3 Credits set forth in (I)(2) preceding on any new orders for DS3 Services from and after the Permitted Date of Termination (as described in (N) following). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(I) DS3 Credits (Cont'd)

(2) DS3 Credits and True-Up of Mileage (Cont'd)

(e) The Telephone Company shall calculate the **Actual Total Billed Mileage** by summing the monthly billed mileage lengths of each Eligible DS3 Circuit ordered by the customer during all years that have been completed (as of the date that the true-up is being conducted), pro-rated (if applicable) for the number of months that such Eligible DS3 Circuit was actually in-service during such year(s). For example, at the end of Plan Year 2, the calculations of Actual Total Billed Mileage would use the monthly billed mileage lengths of each Eligible DS3 Circuit ordered by the customer during the first 24 months of the Service Period, pro-rated (if applicable) for the number of months each Eligible DS3 Circuit was in service.

(f) The Telephone Company shall calculate the **Actual Total Billed Circuits** by summing the monthly billed circuit quantities of each Eligible DS3 Circuit ordered by the customer during all year(s) that have been completed as of the date that the true-up is being conducted, pro-rated (if applicable) for the number of months that such Eligible DS3 Circuit was actually in-service during such year(s). For example, at the end of Plan Year 2, the calculations of Actual Total Billed Circuits would use the monthly billed quantities of each Eligible DS3 Circuits ordered by the customer during the first 24 months of the Service Period, pro-rated (if applicable) for the number of months each Eligible DS3 Circuit was in service.

(g) The Telephone Company shall calculate the **Allowed Total Billed Mileage** by multiplying the Actual Total Billed Circuits times the DS3 Allowable Average Mileage.

(h) The Telephone Company shall calculate the **Total Excess Mileage** by subtracting the Allowed Total Billed Mileage from the Actual Total Billed Mileage.

(i) If the Total Excess Mileage is greater than zero, the Telephone Company shall calculate the **Total Excess Mileage Charge** by multiplying the Total Excess Mileage times the **DS3 Excess Mileage Charge** of $90.00. In such case, the customer shall pay the Telephone Company the Total Excess Mileage Charge within sixty (60) days of being billed therefor. If the Total Excess Mileage is less than or equal to zero, then no further adjustments or amounts are due by either the customer or the Telephone Company. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(I) DS3 Credits (Cont'd)

(2) DS3 Credits and True-Up of Mileage (Cont'd)

(j) Example 1

If in Plan Year 1, the Actual Total Billed Mileage is 108,077.55 miles, but the Allowed Total Billed Mileage is 105,200.00 miles, the customer must pay the Telephone Company a Total Excess Mileage Charge of $258,979.50 (108,077.55 – 105,200.00 = 2,877.55 miles, x $90).

(3) Quarterly and Annual Review to Determine Eligibility for DS3 Credits

(a) Quarterly Review to Determine Eligibility for DS3 Credits

If, in any given Quarter of the Service Period, the customer's TBR for Services is less than $207.500M for the applicable Quarter, then the customer will not receive a DS3 Credit for any Eligible DS3 Circuits ordered during any subsequent Quarter(s) until such time that the customer's TBR for a given Quarter meets or exceeds $207.500M. Even if the customer's TBR for a given Quarter is less than $207.500M, the customer shall retain its DS3 Credit for any Eligible DS3 Circuits ordered in the Quarter just ended and any Eligible DS3 Circuits ordered in any prior Quarters.

(b) Annual Review to Determine Eligibility for DS3 Credits

If the customer's annual TBR (as calculated at the Annual True-Up) is equal to or greater than $830M, then the customer shall receive the rates set forth in (I)(2)(b) preceding (i.e., the customer will receive a DS3 Credit) for the first 1,200 Eligible DS3 Circuits ordered during the Plan Year just completed. If the customer's annual TBR (as calculated at the Annual True-Up) is less than $830M, then the customer may retain the DS3 Credits for any Eligible DS3 Circuits that were previously receiving such DS3 Credits, and such Eligible DS3 Circuits shall continue to receive the DS3 Credits until such time as they are disconnected. In calculating the annual TBR for such Plan Year, the Telephone Company shall only use the DS3 Credits that are actually provided during such Plan Year, and shall not include any DS3 Credits that could have been provided based on achieving an annual TBR of $830M for the Plan Year just completed. If the customer's annual TBR (as calculated at the Annual True-Up) is equal to or greater than $830M, but the customer's TBR for Services for Quarter 4 of such Plan Year is less than $207.500M, then the customer will not receive DS3 Credits for all Eligible DS3 Circuits ordered during any subsequent Quarter(s) until such time that the customer's TBR for a given Quarter meets or exceeds $207.500M. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(I) DS3 Credits (Cont'd)

(4) Example 2

Assume that in Quarters 1 and 2 of Plan Year 1 the customer placed orders for 250 Eligible DS3 Circuits in each such Quarter, for a total of 500 Eligible DS3 Circuits. Assume further that at the end of Quarter 1 of Plan Year 1, the customer's Quarterly TBR is calculated as $208.000M, and that at the end of Quarter 2 of Plan Year 1, that the customer's Quarterly TBR is calculated as $205.000M. Then, the customer shall not be eligible to receive the DS3 Credits for any Eligible DS3 Circuits ordered in Quarter 3, and may not be eligible for such DS3 Credit in any successive Quarter until such time that the customer's Quarterly TBR meets or exceeds $207.500M. However, the customer shall retain the DS3 Credits that it received in Quarters 1 and 2 of Plan Year 1 for the 500 Eligible DS3 Circuits. Further, the customer shall continue to receive DS3 Credits on such 500 Eligible DS3 Circuits until such Eligible DS3 Circuits are disconnected.

Assume further that in Quarters 3 and 4 of Plan Year 1, the customer placed orders for an additional 300 Eligible DS3 Circuits in each such Quarter, for a total of 600 Eligible DS3 Circuits. Assume also that at the end of Plan Year 1, the customer's annual TBR is calculated as $840M (such calculation shall include only DS3 Credits provided on the 500 Eligible DS3 Circuits during the first two Quarters of the Plan Year), and that its Quarterly TBR for Quarter 4 of Plan year 1 was $207M. Since the customer's annual TBR is greater than $830M, the customer will be eligible to receive DS3 Credits on all Eligible DS3 Circuits ordered during Plan Year 1 (i.e., also on the 600 Eligible DS3 Circuits ordered in Quarters 3 and 4). The Telephone Company shall provide a DS3 Credit for such 600 Eligible DS3 Circuits following completion of the Annual True-Up. However, since the customer Quarterly TBR for Quarter 4 was less than $207.500M, the customer will not receive DS3 Credits for any Eligible DS3 Circuits ordered during any subsequent Quarter(s) until such time that the customer's TBR for a given Quarter meets or exceeds $207.500M. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(J) Limitation on Grooms

In consideration of the Credits and the DS3 Credits for Eligible DS3 Circuits as contemplated herein, the customer and the Telephone Company hereby agree as follows:

(1) Limitation on Grooms

Subject to the terms of this Option 47, during each Plan Year, the Telephone Company shall not be required to perform more than four hundred (400) Grooms of Special Access DS3 circuits per Plan Year (**Maximum Annual Grooms**).

(2) ACNAs Subject to Limitation on Grooms

The Maximum Annual Grooms limitation set forth in Section (J)(1) preceding shall only apply to those Customer ACNA(s) that are designated by the customer and agreed to, in writing, by the Telephone Company (i.e., the Maximum Annual Grooms limitation may apply to all, or less than all, of the Customer ACNA(s)). When determining whether the number of Grooms exceeds the Maximum Annual Grooms, the Telephone Company shall count all Grooms ordered during the Plan Year in any of the operating territories of this tariff, FCC11, FCC14 and FCC16; however, during Plan Year 1, the number of Grooms shall be measured from June 1, 2007 through May 31, 2008. (x)

(3) Grooms in Excess of Maximum Annual Grooms

The customer may submit requests to the Telephone Company to perform Grooms that exceed the Maximum Annual Grooms during any Plan Year, but the Telephone Company shall not be obligated to perform any Grooms in excess of the Maximum Annual Grooms, unless the customer specifically instructs the Telephone Company in writing to perform such Grooms that are in excess of the Maximum Annual Grooms, and agrees in writing to the assessment of any reductions in the Credits as set forth in (J)(4) following. (N)

(x) Issued under authority of Special Permission No. 07-017 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(J) Limitation on Grooms (Cont'd)

(4) Reduction in Credits or Application of Debits

During any given Plan Year, if the customer submits one (1) or more requests to the Telephone Company to perform more than the Maximum Annual Grooms, and the Telephone Company agrees to the same, the aggregate Credits provided under this Option 47 (including the RPC, TBR, and VID Credits) shall be reduced by $50,000 for each Groom that exceeds the Maximum Annual Grooms, or in the case where the customer is not eligible for a Credit, then the Telephone Company shall issue a debit on the customer's BAN(s) equal to $50,000 for each Groom that exceeds the Maximum Annual Grooms. The customer agrees that any reduction in the Credits, or application of a debit, as set forth herein, will be in addition to any retermination, move, or other charges assessed under other sections of this tariff. For example, following the Annual True-Up for Plan Year 2, assume that the Telephone Company owes an aggregate Credit (inclusive of any VID Credit and Annual TBR Credit) of $3.5M to the customer. Assume further that the customer has requested, and the Telephone Company has performed ten (10) Grooms in excess of the Maximum Annual Grooms. Hence, the total Credit provided to the customer for Plan Year 2 is $3M ($3.5M less $500,000).

(5) 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) Telephone Company Initiated Grooms: Any Groom initiated by the Telephone Company; or

(b) Optimization Grooms: 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); or

(c) A disconnection of a multiplexed DS3 Service that does not (at the time of the Groom) have any DS1 Service that rides a channel of such DS3 Service; or

(d) 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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(J) Limitation on Grooms (Cont'd)

(6) No representation or warranty is made by the Telephone Company with respect to the number of Grooms, process, speed, or completion of any Grooms in addition to the Maximum Annual Grooms, and such additional Grooms shall not be subject to the terms of this Option 47 with respect to any remedies for failure to perform the Grooms. Other than as set forth herein, all Grooms shall remain subject to the terms set forth in other sections of this tariff.

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

Only the Customer ACNA(s) are included in calculation of TBR under this Option 47. If the customer experiences either of the changes in control set forth in (1) or (2) following, the ACNA(s) associated with such changes in control will not be added to or removed from the calculation of TBR under this Option 47, unless the Telephone Company and the customer mutually agree to such addition or removal.

(1) The customer merges with, acquires, or otherwise gains an interest (whether through stock, assets, or otherwise) in one or more ACNA(s), entities, or unaffiliated third parties.

(2) The customer sells or otherwise divests one or more ACNA(s), or a line of business, division, affiliate, or other interest. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(L) Sale of a Telephone Company Operating Company

(1) If some or all of the assets and/or stock of a Verizon Operating Telephone Company are acquired by an unaffiliated third party (**Acquired VZ Telco**), and the Acquired VZ Telco does not provide the Services to the customer under this Option 47 after such time, then the tiers and the Credits set forth in the tables in (H)(1) through (H)(3) preceding shall be adjusted in accordance with Step 1 through Step 4 following:

Step 1 Calculate the following reduction amounts as described below:

(i) Calculate the **Total Impacted Revenue**

Calculate the MRCs for the Services purchased by the customer from the Acquired VZ Telco during the twelve (12) months prior to the time that the Acquired VZ Telco ceases to provide the Services under this Option 47; and

(ii) Calculate **Average Monthly Impacted Revenue**

Divide the Total Impacted Revenue calculated in (i) of this Step 1 by twelve (12) months.

(iii) Calculate the **Acquisition Reduction Amount** for the Plan Year in Which the Sale Occurred

Multiply the Average Monthly Impacted Revenue for Services calculated in (ii) of this Step 1 by the number of months remaining in the Plan Year in which the sale occurred. As an illustrative example, if the sale occurs in month 3 of Plan Year 2, then the Average Monthly Impacted Revenue is multiplied by 9 months (i.e., 12 months less 3 months).

(iv) Calculate the **Annual Acquisition Reduction Amount** for the Remaining Plan Year(s)

Multiply the Average Monthly Impacted Revenue for Services calculated in (ii) of this Step 1 by twelve (12) months.

(v) Calculate the **Quarterly Acquisition Reduction Amount**

Multiply the Average Monthly Impacted Revenue for Services calculated in (ii) of this Step 1 by three (3) months. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(L) Sale of a Telephone Company Operating Company (Cont'd)

(1) (Cont'd)

Step 2 Reduce each of the tiers in each of the tables set forth in (H)(1) through (H)(3) preceding each time a sale occurs as follows:

(i) For the Plan Year during which the sale occurs, reduce the upper and lower ranges in each of the tiers in the RPC table set forth in (H)(1)(a) preceding and in the Annual TBR Credit table set forth in (H)(2)(b)(2) preceding by the Acquisition Reduction Amount calculated in (iii) of Step 1.

When calculating RPC and Annual TBR Credits for the Plan Year in which the sale occurs, the tiers of the RPC table as revised in this (i) of Step 2 shall be used in lieu of the tiers in the RPC table set forth in (H)(1)(a) preceding, and the tiers of the Annual TBR Credit table as revised in this (i) of Step 2 shall be used in lieu of the tiers in the Annual TBR Credit Table set forth in (H)(2)(b)(2) preceding. Additionally, the reduced tiers of the RPC table and Annual TBR Credit table are subject to further reduction in the event of a subsequent sale of another Telephone Company operating company.

(ii) For any remaining Plan Year(s), reduce the upper and lower ranges in each of the tiers in the RPC table set forth in (H)(1)(a) preceding, and in the Annual TBR Credit table set forth in (H)(2)(b)(2) preceding by the Annual Acquisition Reduction Amount calculated in (iv) of Step 1.

When calculating RPC and Annual TBR Credits for any remaining Plan Year(s), the tiers of the RPC table as revised in this (ii) of Step 2 shall be used in lieu of the tiers in the RPC table set forth in (H)(1)(a) preceding, and the tiers of the Annual TBR Credit table as revised in this (ii) of Step 2 shall be used in lieu of the tiers in the Annual TBR Credit Table set forth in (H)(2)(b)(2) preceding. Additionally, the reduced tiers of the RPC table and Annual TBR Credit table are subject to further reduction in the event of a subsequent sale of another Telephone Company operating company.

(iii) Reduce the upper and lower ranges in each of the tiers in the Quarterly TBR Credit Table set forth in (H)(2)(a)(4) preceding, and in the VID Credit Table set forth in (H)(3)(b) preceding by the Quarterly Acquisition Reduction Amount calculated in (v) of Step 1. For any sale that occurs prior to completion of a Quarter, the Quarterly Acquisition Reduction Amount shall be pro-rated to the number of days during the Quarter prior to the sale of the Acquired VZ Telco. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(L) Sale of a Telephone Company Operating Company (Cont'd)

(1) (Cont'd)

Step 3 Calculate the Applicable Revenue Reduction Percentages as follows:

(i) Calculate the **Acquisition Revenue Reduction Percentage** by dividing the Acquisition Reduction Amount by the lowest range of the tiers in each of the RPC and Annual TBR tables set forth in (H)(1)(a) and (H)(2)(b)(2) preceding, which tiers may have been reduced in accordance with (i) of Step 2 from time to time.

(ii) Calculate the **Annual Acquisition Revenue Reduction Percentage** by dividing the Annual Acquisition Reduction Amount by the lowest range of the tiers in each of the RPC and Annual TBR tables set forth in (H)(1)(a) and (H)(2)(b)(2) preceding, which tiers may have been reduced in accordance with (ii) of Step 2 from time to time.

(iii) Calculate the applicable **Quarterly Acquisition Revenue Reduction Percentage** by dividing the applicable Quarterly Acquisition Reduction Amount by twenty-five percent (25%) of the lowest range of the tiers in each of the RPC and Annual TBR tables set forth in (H)(1)(a) and (H)(2)(b)(2) preceding, which tiers may have been reduced in accordance with (iii) of Step 2 from time to time. If any sale occurs prior to the completion of a Quarter, there will be a Quarterly Acquisition Revenue Reduction Percentage for the Quarter in which the sale occurs as well as a Quarterly Acquisition Revenue Reduction Percentage for all remaining Quarters. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(L) Sale of a Telephone Company Operating Company (Cont'd)

(1) (Cont'd)

Step 4 Determine the Reduced Credits

(i) Multiply the Acquisition Revenue Reduction Percentage calculated in (i) of Step 3 preceding by each of the Credit amounts set forth in the RPC table in (H)(1)(a) preceding, and each of the Credit amounts set forth in the Annual TBR Credit table in (H)(2)(b)(2) preceding, for the Plan Year in which the sale occurred. Then, subtract these amounts from each of the Credit amounts set forth in the RPC table in (H)(1)(a) and the Annual TBR Credit table in (H)(2)(b)(2) preceding, for the Plan Year in which the sale occurred, to determine the appropriate credits for the Plan Year in which the sale occurred.

(ii) Multiply the Annual Acquisition Revenue Reduction Percentage calculated in (ii) of Step 3 preceding by each of the Credit amounts set forth in the RPC table in (H)(1)(a) preceding, and each of the Credit amounts set forth in the Annual TBR Credit table in (H)(2)(b)(2) preceding, for any remaining Plan Years. Then, subtract these amounts from each of the Credit amounts set forth in the RPC table in (H)(1)(a) preceding and the Annual TBR Credit table in (H)(2)(b)(2) preceding, for any remaining Plan Years, to determine the appropriate credits for any remaining Plan Years.

(iii) If the sale occurs at the end of a Quarter, multiply the Quarterly Acquisition Revenue Reduction Percentage calculated in (iii) of Step 3 preceding by each of the Credit amounts set forth in the Quarterly TBR Credit table in (H)(2)(a)(4) preceding. Then, subtract these amounts from each of the Credit amounts set forth in the Quarterly TBR Credit table in (H)(2)(a)(4) preceding to determine the appropriate Quarterly TBR credits. If the sale occurs prior to the completion of a Quarter, in addition to determining the appropriate Quarterly TBR credits for all other Quarters as set forth preceding in this (iii), calculate the appropriate Quarterly TBR credit for the Quarter in which the sale occurs utilizing the Quarterly Acquisition Revenue Reduction Percentage for such Quarter. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(L) Sale of a Telephone Company Operating Company (Cont'd)

(2) Illustrative Example

Assume that Verizon Delaware LLC (the Acquired VZ Telco) was acquired by an unaffiliated third party and ceased to operate at the end of month three (3) of year 1 of the Service Period. Assume that the customer purchased a total of $24M of Services from Verizon Delaware LLC during the twelve (12) months prior to the time that Verizon Delaware LLC ceased to provide the Services under this Option 47. Assume also that at the end of year 1 of the Service Period, the customer has achieved a TBR for Services of $849M. To calculate the applicable RPC Credits and TBR Billing Credits at the end of each year of the Service Period, perform the following calculation:

Step 1 Calculate the reduction amounts

(i) This example assumes the Total Impacted Revenue for the Services purchased by the customer from the Acquired VZ Telco is $24M.

(ii) The Monthly Average Impacted Revenue for Services purchased by the customer from the Acquired VZ Telco is $2M [$24M/12 months].

(iii) The Acquisition Reduction Amount for Services in Plan Year 1 is $18M [$2M x 9 months that remain in Plan Year 1 of the Service Period].

(iv) The Annual Acquisition Reduction Amount for Services in Plan Year 2 and Plan Year 3 is $24M [for each remaining Plan Year, multiply $2M x 12 months].

(v) The Quarterly Annual Reduction Amount is $6M [$2M x 3 months per Quarter]

Step 2 Reduce each tier of the TBR for Service set forth in the tables in (H)(1) through (H)(3) preceding.

(i) Subtract $18M (the Acquisition Reduction Amount for Services calculated in (iii) of Step 1) from each of the tiers in the RPC table set forth in (H)(1)(a) preceding and in the Annual TRR Credit Table set forth in (H)(2)(b)(2) preceding for the Plan Year during which the sale occurred. This reduction yields a new RPC table (as set forth in (i) following) and a new Annual TBR table (as set forth in (ii) following), which shall be used in lieu of the corresponding tables in (H)(1)(a) and (H)(2)(b)(2) preceding, respectively, during the Plan Year during which the sale occurred. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(L) Sale of a Telephone Company Operating Company (Cont'd)

(2) Illustrative Example (Cont'd)

Step 2 Reduce each tier of the TBR for Service set forth in (H)(1) through (H)(3) (Cont'd)

(ii) Subtract $24M (the Acquisition Reduction Amount for Services calculated in (iv) of Step 1) from each of the tiers in the RPC table set forth in (H)(1)(a) preceding and in the Annual TBR Credit table set forth in (H)(2)(b)(2) preceding for each Plan Year(s) subsequent to the sale. This reduction yields a new RPC table (as set forth in (i) following) and a new Annual TBR table (as set forth in (ii) following), which shall be used in lieu of the corresponding tables in (H)(1)(a) and (H)(2)(b)(2) preceding, respectively, during any successive Plan Years following the Plan Year in which the sale occurred.

(iii) Subtract $6M (the Acquisition Reduction Amount for Services calculated in (iv) of Step 1) from each of the tiers in the Quarterly TBR Credit table set forth in (H)(2)(a)(4) preceding and in the VID Credit table set forth in (H)(3)(b) preceding for each Plan Year(s) subsequent to the sale. This reduction yields a new Quarterly TBR Credit table (as set forth in (iii) following) and a new VID Credit table (as set forth in (iv) following), which shall be used in lieu of the corresponding tables in (H)(2)(a)(4) and (H)(3)(b) preceding, respectively, during any successive Plan Years following the Plan Year in which the sale occurred.

Step 3 Calculate the Revenue Reduction Percentages

(i) The Acquisition Revenue Reduction Percentage is 2.2% [$18M/$830M].
(ii) The Annual Acquisition Revenue Reduction Percentage is 2.9% [$24M/$830M].
(iii) The Quarterly Acquisition Revenue Reduction Percentage is 2.9% [$6M/(0.25 x $830M)].

Step 4 Proportionately reduce the Credits

(i) Proportionately reduce the Credits set forth in (H)(1)(a) and (H)(2)(b)(2) preceding for the Plan Year in which the sale occurred by the Acquisition Revenue Reduction Percentage of 2.2%.
(ii) Proportionately reduce the Credits set forth in (H)(1)(a) and (H)(2)(b)(2) preceding for any remaining Plan Years by the Annual Acquisition Revenue Reduction Percentage of 2.9%.
(iii) Proportionately reduce the Credits set forth in (H)(2)(a)(4) preceding by the Quarterly Acquisition Revenue Reduction Percentage of 2.9%. (N)

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(L) Sale of a Telephone Company Operating Company (Cont'd)

(2) Illustrative Example (Cont'd)

Upon completion of the calculations in Step 1 through Step 4 preceding, the adjusted Credit tables are as follows:

(i) Adjusted RPC Tables (Section (H)(1)(a) preceding)

Annual TBR	Plan Year 1 RPC	Plan Year 2 RPC	Plan Year 3 RPC
Less than $812.0M	None ($0)	N/A	N/A
Greater than or equal to $812.0M but less than $822.0M	$23.179M	N/A	N/A
Greater than or equal to $822.0M but less than $832.0M	$29.633M	N/A	N/A
Greater than or equal to $832.0M	$35.208M	N/A	N/A

Annual TBR	Plan Year 1 RPC	Plan Year 2 RPC	Plan Year 3 RPC
Less than $806.0M	N/A	None ($0)	None ($0)
Greater than or equal to $806.0M but less than $816.0M	N/A	$24.081M	$24.858M
Greater than or equal to $816.0M but less than $826.0M	N/A	$29.907M	$30.295M
Greater than or equal to $826.0M	N/A	$34.956M	$34.956M

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(L) Sale of a Telephone Company Operating Company (Cont'd)

(2) Illustrative Example (Cont'd)

(ii) Adjusted Annual TBR Credit Table (Section (H)(2)(b)(2)preceding)

Annual TBR	Plan Year 1 Annual TBR Credit	Plan Year 2 Annual TBR Credit	Plan Year 3 Annual TBR Credit
Less than $812.0M	None ($0)	N/A	N/A
Greater than or equal to $812.0M but less than $822.0M	$5.183M	N/A	N/A
Greater than or equal to $822.0M but less than $832.0M	$6.553M	N/A	N/A
Greater than or equal to $832.0M	$7.824M	N/A	N/A

Annual TBR	Plan Year 1 Annual TBR Credit	Plan Year 2 Annual TBR Credit	Plan Year 3 Annual TBR Credit
Less than $806.0M	N/A	None ($0)	None ($0)
Greater than or equal to $806.0M but less than $816.0M	N/A	$ 8.059M	$11.069M
Greater than or equal to $816.0M but less than $826.0M	N/A	$10.001M	$13.400M
Greater than or equal to $826.0M	N/A	$11.652M	$15.536M

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(L) Sale of a Telephone Company Operating Company (Cont'd)

(2) Illustrative Example (Cont'd)

(iii) Adjusted Quarterly TBR Credit Table (Section (H)(2)(a)(4) preceding)

Quarterly TBR	Plan Year 1 Quarterly TBR Credit	Plan Year 2 Quarterly TBR Credit	Plan Year 3 Quarterly TBR Credit
Less than $201.5M	None ($0)	None ($0)	None ($0)
Greater than or equal to $201.5M but less than $204.0M	$1.287M	$2.015M	$2.767M
Greater than or equal to $204.0M but less than $206.5M	$1.626M	$2.500M	$3.350M
Greater than or equal to $206.5M	$1.942M	$2.913M	$3.884M

(iv) Adjusted VID Credit Table (Section (H)(3)(b) preceding)

Quarterly TBR	VID Discount
Greater than $209.000M but less than $211.125M	10%
Greater than or equal to $211.125M but less than $213.250M	12%
Greater than or equal to $213.250M but less than $215.375M	14%
Greater than or equal to $215.375M but less than $217.500M	16%
Greater than $217.500M	18% (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(M) Annual True-Up, Calculation of TBR and Disputes

No later than ninety (90) days following the end of each Plan Year, the Telephone Company shall complete an annual true-up to calculate the TBR and any corresponding credits owed to the customer or debits owed to the Telephone Company as a result thereof (**Annual True-Up**), and provide written notice to the customer setting forth the calculation of TBR for Quarter 4 and the Plan Year just ended, and any Credits due to the customer, or any debits owed to the Telephone Company, each as further described herein.

(1) Calculation of TBR

At the Annual True-Up, the Telephone Company shall calculate TBR with respect to the Customer ACNA(s) as follows:

(a) add all of the MRCs for the Services billed during the Plan Year just completed, using the USOCs (set forth in (G)(6) preceding); and

(b) subtract from such number derived in (a) preceding (i) any amounts that have not been paid in full by the customer for the Services at the time of the Annual True-Up; and (ii) any DS3 Credits earned during the Plan Year just completed, as more specifically set forth in (G) and (I) preceding.

Such TBR calculation shall not include any credits or debits processed during such Plan Year. Any ongoing disputes, claims, backbilling, or other adjustments (whether debits or credits) shall not affect the calculation of TBR as set forth above. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(M) Annual True-Up, Calculation of TBR and Disputes (Cont'd)

(2) No Further Disputes/Claims; Adjustments to the TBR

Using such calculated TBR, the Telephone Company shall determine whether any additional Credits are owed by the Telephone Company, or debits owed by the customer, pursuant to (H)(1) through (H)(3) preceding. Upon completion of the Annual True-Up and the credit or debit that is owed in accordance with the terms of this Option 47, there shall be no adjustment to the calculation of the TBR at any later date, including as a result of any ongoing or new disputes, claims or backbilling that may be instituted by either the customer or the Telephone Company. The foregoing shall apply with respect to all billing for all Customer ACNA(s). Either the customer or the Telephone Company may institute backbilling, claims, or other disputes on amounts that were previously included in calculating TBR.

(3) Until any debit or credit as required to be provided under this Option 47 is actually billed (i.e., set forth on a CABS bill rendered to the customer), such debit or credit shall not be subject to any late payment penalty as set forth in Section 2.4.1 preceding. Upon the billing of such debit or credit, late payment penalties (if any) shall apply for failure to timely pay any such amounts. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(M) Annual True-Up, Calculation of TBR and Disputes (Cont'd)

(4) Example

Assume the following:

- Plan Year 1 ends on May 31, 2008.
- The Telephone Company billed an aggregate amount of $885M, comprised of MRCs for the Services and net of any DS3 Credits earned during Plan Year 1 (as more specifically set forth in (G) preceding).
- The customer paid $880M of billed MRCs for the Services no later than August 30, 2008 (i.e., as of the date of the Annual True-Up), but has not paid $5M of such billed MRC amounts.
- As of July 30, 2008, the customer has fifty (50) filed disputes totaling $10M in the aggregate.
- As of July 30, 2008, the Telephone Company has notified the customer of certain additional back billing items which equal in the aggregate $5M, but the Telephone Company has not billed such amounts.
- The customer has not requested any Grooms in excess of the Maximum Annual Grooms.

Based on the foregoing, the total TBR is calculated to be $880M (billed MRCs and DS3 Credits of $885M less $5M of unpaid MRCs). The customer would be eligible for the corresponding Annual TBR Credit (as set forth in (H)(2) preceding), any VID Credit, if applicable, for Quarter 4 of Plan Year 1 (as set forth in (H)(3) preceding), would retain any VID Credit earned for Quarters 1, 2 or 3 of Plan Year 1, and would retain all RPC Credits provided in Plan Year 1. The $5M of backbilling that the Telephone Company seeks to bill, and the $10M in disputes on which the customer seeks a credit do not change the calculated TBR of $880M, and such amounts are subject to the terms of other sections of this tariff. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(M) Annual True-Up, Calculation of TBR and Disputes (Cont'd)

(4) Example (Cont'd)

Assume further that three (3) months later (i.e., on October 31, 2008), the customer or the Telephone Company have determined that (i) the customer is entitled to a credit of $7M (out of the customer's initial claim of $10M) associated with the disputes; (ii) the customer seeks to initiate five (5) new claims that pertain to MRCs for Services billed during the April and May 2008 bill periods (assume that all such claims are equal to $12M in the aggregate); and (iii) the customer and the Telephone Company both seek to initiate claims that pertain to MRCs for Services billed during the January through April 2006 bill periods.

All such disputes, adjustments, and claims shall be determined and resolved in accordance with the applicable sections of this tariff. There shall be no adjustment to the calculated TBR of $880M, and no further adjustment to the Credits, as a result of any resolution of any such claims.

(N) Early Termination

(1) On June 1, 2008 or on June 1, 2009, a customer subscribing to this Option 47 has the right to terminate its subscription to Option 47, or the Telephone Company has the right to terminate this Option 47 (each, a **Permitted Termination Date**). If the customer seeks to terminate its subscription to Option 47 and/or the Telephone Company seeks to terminate this Option 47, such party must provide at least forty-five (45) days advance notice in writing prior to the Permitted Termination Date of its intent to terminate. If either the customer or the Telephone Company does not provide such notice to the other party within the specified time period, then it shall not have a termination right until the next Permitted Termination Date (subject to the forty-five (45) day notice requirement set forth in this section). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.48 Contract Tariff Option 47 (Cont'd) (N)

(N) Early Termination

(2) In addition to the termination liabilities outlined in (N)(1) preceding, termination of any individual Service(s) shall be subject to applicable termination liabilities (if any) in accordance with other sections of this tariff.

(3) If the customer terminates its subscription to this Option 47 or the Telephone Company terminates Option 47 at a Permitted Termination Date, then the following shall apply:

(a) the Telephone Company shall conduct the Annual True-Up as set forth in (M) preceding; and

(b) The customer shall be eligible for any VID Credit that it may have earned in the Quarter ending prior to the Permitted Termination Date.

In such event, the customer shall not receive the DS3 Credits on any new orders for Eligible DS3 Circuits from and after the Permitted Date of Termination.

(O) Alternate Tariff Arrangements

(1) Other than the terms set forth herein, nothing herein shall modify the application of any termination or shortfall penalties that apply in accordance with other sections of this tariff, including under any Commitment Discount Plans, FMS Term Plans, or Term Pricing Plans.

(2) Other than Alternate Tariff Arrangements that are in effect as of July 24, 2007, (including any existing contract tariffs for DS1 Services and DS3 Services), the customer may not subscribe to any Alternate Tariff Arrangement that provides a discount or credit on the Services, including the National Discount Plan as set forth in Section 25.3 following. Subscription to any such Alternate Tariff Arrangement will result in loss of all Credits and any special pricing available under this Option 47. (N)

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ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.49 Contract Tariff Option 48 (N)

(A) Scope

Contract Tariff Option 48 (**Option 48**) 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).

In this Option 48, 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).

Additionally, all amounts in this Option 48 will be rounded up or down to the nearest $10,000.

(B) Eligibility

The customer must meet all of the following criteria in order to be eligible to receive the Billing Credits of this Option 48.

(1) During the twelve (12) month period ending on June 30, 2007, the customer, together with all its affiliates, must have: (i) achieved a minimum of fifty million dollars ($50.0M) in aggregate monthly billed recurring revenue for all Qualifying Services (as defined in (E) following) purchased by the customer from the Telephone Company; (ii) had no more than twelve and one half percent (12.5%) of the aggregate monthly billed recurring revenue for Qualifying Services purchased under this tariff, Tariff F.C.C. (x) No. 11 (FCC11), Tariff F.C.C. No. 14 (FCC14), and Tariff F.C.C. No. 16 (FCC16) billed on a month-to-month basis; and (iii) had no (x) more than three percent (3%) of the aggregate monthly billed recurring revenue for Qualifying Services purchased under this tariff and FCC11 billed on a month-to-month basis. (x)

(2) In order to receive any Billing Credit (as determined in (I) following) other than a Billing Credit of $0 under this Option 48, the customer must achieve during the Service Period (as defined in (C) following) a minimum Total Billed Revenue (**TBR**), as described following, for Qualifying Services (as defined in (E) following) of at least sixty-one million two hundred fifty thousand dollars ($61.25M), of which a minimum of seventeen million two hundred fifty thousand dollars ($17.25M) of such TBR for Qualifying Services must be derived from Inter-Office Facility (**IOF)** transport as determined using the Channel Mileage rate elements as set forth in (E) following. For purposes of this Option 48, IOF TBR for Qualifying Services shall mean the portion of the TBR for Qualifying Services billed under the Channel Mileage USOCs set forth in (E) following during the Service Period. (N)

(x) Issued under authority of Special Permission No. 07-023 of the Federal Communications Commission.

21. Contract Tariffs (Cont'd)

21.49 Contract Tariff Option 48 (Cont'd) (N)

(B) Eligibility (Cont'd)

(3) Other than tariff arrangements that are in effect as of September 27, 2007, 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.

(4) The customer must subscribe to Option 48 by submitting a written authorization in a manner designated by the Telephone Company during the period beginning September 27, 2007 and ending October 26, 2007. Such subscription must include a list of Customer ACNA(s) which the Telephone Company agrees to, in writing, for inclusion in this Option 48.

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 48. The amount of the Billing 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 the Service Period, and such Billing Credits shall be calculated in accordance with the terms and conditions of this Option 48. Billing Credits are determined in accordance with (I) following.

(C) Service Period

The Service Period of this Option 48 shall be for a period of one (1) year commencing on October 1, 2007, and ending on September 30, 2008.

(D) 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, FCC11 and FCC14. Wire (x) centers for the Phase II MSAs are listed in Section 14.7 preceding of this tariff, Section 15.3 of FCC11, and Section 19.1 of FCC14. (x) Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section (x) 14.7 preceding of this tariff, Section 15.3 of FCC11, and Section 19.1 of FCC14) that occur during the Service Period of this Option (x) 48 will apply. No Billing Credits will be provided in the operating territories of FCC16. (N)(x)

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ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.49 Contract Tariff Option 48 (Cont'd) (N)

(E) Qualifying Services

(1) 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 7.2.9 preceding of FCC11, Section 5.3.6 of FCC14, (x) and Section 7.11.1 of FCC16, as the same may be amended from time (x) 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 FCC14 and (x) FCC16) and Facilities Management Services (FMS as set forth in this tariff and FCC11) will not be included. (x)

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

(1) Channel Mileage Rate Elements

1A5LX	1A5ZS	1A8ZS	1HH7S	1HHBS
1HHPS	1J53S	1J54S	1L5LS	1L5RS
1L5XX	1LFMX	1LFSX	1T58S	1U5PS
1YA8S	TRG			

(2) All Other Rate Elements

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

(N)

(x) Issued under authority of Special Permission No. 07-023 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.49 Contract Tariff Option 48 (Cont'd) (N)

(E) Qualifying Services (Cont'd)

(1) (Cont'd)

(b) (Cont'd)

(2) All Other Rate Elements (Cont'd)

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	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		

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.49 Contract Tariff Option 48 (Cont'd) (N)

(E) Description of Qualifying Services (Cont'd)

(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 Option 48.

(F) Revenue Used to Calculate TBR and IOF TBR

(1) 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** the MRC amounts which are paid in full by the customer.

(a) For purposes of this Option 48, **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 (E) preceding, and excluding Disputed Charges.

(b) For purposes of this Option 48, **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 the Service Period in accordance with Section (I)(2) following. Amounts which have not been paid in full, as of the forty-fifth (45th) calendar day following the end of 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.

(c) For purposes of this Option 48, "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 the this tariff, FCC11, FCC14 or FCC16, as applicable. (N)(x)

(x) Issued under authority of Special Permission No. 07-023 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.49 Contract Tariff Option 48 (Cont'd) (N)

(F) Revenue Used to Calculate TBR and IOF TBR (Cont'd)

(2) Revenue 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:

(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 September 27, 2007;
(g) shortfall or overage charges associated with term plan true-ups;
(h) minimum period charges;
(i) any Disputed Charges;
(j) termination liabilities; or
(k) Billing Credits/adjustments. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.49 Contract Tariff Option 48 (Cont'd) (N)

(G) Mergers and Acquisitions of the Customer

In the event that after subscription to this Option 48, 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 Option 48.

(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 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, 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.

(3) The Telephone Company reserves the right to terminate the customer's subscription to this Option 48 without liability if the customer does not adhere to the provisions of this Section (G).

(H) Sale of a Verizon Operating Telephone Company

(1) If some or all of the assets or equity of a Verizon Operating Telephone Company of this tariff, FCC11, FCC14, or FCC16 as (x) applicable, are acquired by an unaffiliated third party ("**Acquired VZ Telco**"), and Verizon does not provide the Qualifying Services to the customer after such time, then the terms and conditions set forth in (H)(2) and (H)(3) following shall apply, in addition to any other terms and conditions set forth in this tariff, FCC11, FCC14, or FCC16 as applicable. (x)

(2) Each range or tier of the TBR for Qualifying Services and IOF TBR for Qualifying Services set forth in the Table in (I)(2)(d) following shall be proportionately reduced by the TBR Acquisition Reduction Amount or IOF TBR Acquisition Amount (each as defined in (a) and (b) following), respectively. (N)

(x) Issued under authority of Special Permission No. 07-023 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.49 Contract Tariff Option 48 (Cont'd) (N)

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

(2) (Cont'd)

(a) The TBR Acquisition Reduction Amount shall be calculated for the Qualifying Services as follows:

(i) calculate the TBR for Qualifying Services purchased by the customer from the Acquired VZ Telco during the twelve (12) months prior to the time that the Acquired VZ Telco ceases to provide the Qualifying Services. For purposes of this Option 48, TBR for Qualifying Services shall mean the portion of the Qualifying Services billed under the USOCs set forth in (E)(1)(b)(1) and (E)(1)(b)(2) preceding; and

(ii) calculate the average monthly amount of TBR for Qualifying Services purchased by the customer from the Acquired VZ Telco by dividing the number in (i) preceding by twelve (12) months; and

(iii) multiply the average monthly amount of TBR for Qualifying Services calculated in (ii) preceding by the number of months and any fraction thereof remaining in the Service Period.

(iv) Reduce the tiers of the TBR for Qualifying Services set forth in the Table in (I)(2)(d) following by the amount of the TBR Acquisition Reduction Amount as calculated in (iii) preceding.

(b) The IOF TBR Acquisition Reduction Amount shall be calculated for the Qualifying Services as follows:

(i) calculate the IOF TBR for Qualifying Services purchased by the customer from the Acquired VZ Telco during the twelve (12) months prior to the time that the Acquired VZ Telco ceases to provide the Qualifying Services; For purposes of this Option 48, IOF TBR for Qualifying Services shall mean the portion of the Qualifying Services billed under the USOCs set forth in (E)(1)(b)(1) preceding; and

(ii) calculate the average monthly amount of IOF TBR for Qualifying Services purchased by the customer from the Acquired VZ Telco by dividing the number in (i) preceding by twelve (12) months; and

(iii) multiply the average monthly amount for IOF TBR for Qualifying Services calculated in (ii) preceding by the number of months and any fraction thereof remaining in the Service Period.

(iv) Reduce the tiers of the IOF TBR for Qualifying Services set forth in the Table in (I)(2)(d) following by the amount of the IOF TBR Acquisition Reduction Amount as calculated in (iii) preceding. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.49 Contract Tariff Option 48 (Cont'd) (N)

(H) Sale of a Verizon Operating Telephone Company (Cont'd)

(3) All of the Billing Credits set forth in the Table in (I)(2)(d) following shall be reduced by a percentage which shall be calculated by dividing the TBR Acquisition Reduction Amount by $61.25M.

For Example:

Assume the Telephone Company sells Verizon Delaware LLC and that the sale is finalized with two months remaining in the Service Period.

(a) Proportionately reduce each range or tier of the TBR for Qualifying Services by the TBR Acquisition Reduction Amount

(i) Assume that the customer's TBR for Qualifying Services purchased by the customer from Verizon Delaware LLC during the previous 12 months = $24M.

(ii) Calculate the average monthly amount of TBR for Qualifying Services purchased by the customer from Verizon Delaware LLC = $2M [$24M/12].

(iii) To calculate the TBR Acquisition Reduction Amount, multiply the average monthly amount determined in (ii) preceding ($2M) by the number of months (2) remaining in the Service Period = $4M [$2M x 2].

(iv) Reduce the tiers set forth in the Table in (I)(2)(d) following by such TBR Acquisition Reduction Amount.

(b) Proportionately reduce each range or tier of the IOF TBR for Qualifying Services by the IOF TBR Acquisition Reduction Amount

(i) Assume that the customer's IOF TBR for Qualifying Services purchased by the customer from Verizon Delaware LLC during the previous 12 months = $12M.

(ii) Calculate the average monthly amount of IOF TBR for Qualifying Services purchased by the customer from Verizon Delaware LLC = $1M [$12M/12].

(iii) To calculate the IOF TBR Acquisition Reduction Amount, multiply the average monthly amount determined in (ii) preceding ($1M) by the number of months (2) remaining in the Service Period = $2M [$1M x 2].

(iv) Reduce the tiers set forth in the Table in (I)(2)(d) following by such IOF TBR Acquisition Reduction Amount.

(c) Calculate the percentage reduction in Billing Credits by dividing the TBR Acquisition Reduction Amount of $4M by $61.25M = 6.5%. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.49 Contract Tariff Option 48 (Cont'd) (N)

(I) Calculation of TBR and Billing Credit

(1) Calculation of the TBR for Qualifying Services and IOF TBR for Qualifying Services at the End of Service Period

(a) Calculation of TBR for Qualifying Services

Upon expiration of the Service Period, the Telephone Company will calculate all eligible recurring Special Access DS1 and DS3 revenues as outlined in (E)(1)(b)(1) and (E)(1)(b)(2) preceding. The Special Access DS1 and DS3 recurring revenues carrying any USOCs not listed in (E)(1)(b)(1) and (E)(1)(b)(2) preceding will not be included. Non-Special Access DS1s and DS3s carrying any of the USOCs listed in (E)(1)(b)(1) and (E)(1)(b)(2) preceding will also not be included.

As an illustrative example of calculating TBR for Qualifying Services, assume that the eligible recurring Special Access DS1 and DS3 revenue as outlined in (E)(1)(b)(1) and (E)(1)(b)(2) preceding was $66.5M. Forty-five (45) calendar days after end of the Service Period, the Telephone Company will calculate all eligible recurring Special Access DS1 and DS3 revenue for the Service Period subject to dispute. Further assume that the amount under dispute is $1.0M. The TBR for Qualifying Services to be used in determining the Billing Credit therefore equals $65.5M [$66.5M - $1.0M].

(b) Calculation of IOF TBR for Qualifying Services

Upon expiration of the Service Period, the Telephone Company shall calculate all eligible Special Access DS1 and DS3 revenues as outlined in E)(1)(b)(1) preceding. The Special Access DS1 and DS3 recurring revenues not carrying one of the USOCs listed in (E)(1)(b)(1) preceding will not be included. Non-Special Access DS1s and DS3s carrying any of the USOCs listed in (E)(1)(b)(1) preceding will also not be included.

As an illustrative example of calculating IOF TBR for Qualifying Services, assume that the eligible recurring Special Access DS1 and DS3 revenue as outlined in (E)(1)(b)(1) preceding was $18.5M. Forty-five (45) calendar days after the end of the Service Period, the Telephone Company will calculate all eligible recurring Special Access IOF DS1 and DS3 revenues for the Service Period subject to dispute. Further assume that the amount under dispute is $1.0M. The IOF TBR for Qualifying Services to be used in determining the Billing Credit equals $17.5M [$18.5M - $1.0M]. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.49 Contract Tariff Option 48 (Cont'd) (N)

(I) Calculation of TBR and Billing Credit (Cont'd)

(1) Calculation of the TBR for Qualifying Services and IOF TBR for Qualifying Services at the End of Service Period (Cont'd)

(c) No later than the 60th day following the end of 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 Service Period in accordance with the terms and condition set forth in this Option 48, including Sections (F)(1), (F)(2) preceding and (I)(2) following. Subject to any reductions and adjustments as set forth herein, the customer shall be eligible to receive the applicable credit set forth in Table 1 following ("**Billing Credit**"), which Billing Credit may be $0 or more depending on the customer's TBR for Qualifying Services and IOF TBR for Qualifying Services during the Service Period.

(2) Calculation of Billing Credit at the End of the Service Period

If the customer has not achieved both a TBR for Qualifying Services of at least $61.25M and an IOF TBR for Qualifying Services of $17.25M, then the customer shall not receive any Billing Credit (i.e., a Billing Credit of $0 as set forth in the Table in (I)(2)(d) following). To calculate the Billing Credit, the Telephone Company shall:

(a) Locate the customer's TBR for Qualifying Services and IOF TBR for Qualifying Services in the Table in (I)(2)(d) following under the headings "TBR for Qualifying Services" and "IOF TBR for Qualifying Services," respectively. The Billing Credit (if any) that the customer is eligible to receive is set forth in the lowest tier achieved of either the TBR for Qualifying Services or the IOF TBR for Qualifying Services. The TBR for Qualifying Services and IOF TBR for Qualifying Services achieved by the customer during the Service Period is calculated in accordance with the terms and conditions set forth in Section (I)(1)(a) and (I)(1)(b) preceding, including Sections (F)(1), (F)(2) preceding and this Section(I)(2); (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.49 Contract Tariff Option 48 (Cont'd) (N)

(I) Calculation of TBR and Billing Credit (Cont'd)

(2) Calculation of Billing Credit at the End of the Service Period (Cont'd)

(b) The Telephone Company shall credit the customer's BANs with the applicable Billing Credit as determined in accordance with the terms of this Option 48. The Billing Credits will be provided only in the MSAs that have achieved Phase I or Phase II pricing flexibility. In no event will the customer be eligible for any Billing Credit unless both their TBR for Qualifying Services and IOF TBR for Qualifying Services fall within one of the tiers set forth in the Table in (I)(2)(d) following.

(c) To use the Billing Credit Table in (I)(2)(d) following, the "Floor" amount represents the applicable tier minimum and the "Ceiling" amount represents the applicable tier maximum. TBR amounts that fall above a tier minimum but below a tier maximum fall into that tier. To determine the applicable tier for the TBR for Qualifying Services, determine the appropriate tier into which the TBR for Qualifying Services falls. To determine the applicable tier for the IOF TBR for Qualifying Services, determine the appropriate tier into which the IOF TBR for Qualifying Services falls. To determine the Billing Credit, determine the highest tier that the customer achieved for both TBR for Qualifying Services and the IOF TBR for Qualifying Services. As an example, if the customer achieved Tier B for TBR for Qualifying Services and Tier C for IOF TBR for Qualifying Services, the highest tier that customer achieved for both the TBR for Qualifying Services and the IOF TBR for Qualifying Services would be Tier B, and the customer would be entitled to the Tier B Billing Credit (i.e., $200,000). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.49 Contract Tariff Option 48 (Cont'd) (N)

(I) Calculation of TBR and Billing Credit (Cont'd)

(2) Calculation of Billing Credit at the End of the Service Period (Cont'd)

(d) Table 1

	TBR for Qualifying Services		**IOF TBR for Qualifying Services**		**Billing Credit**
Tier	Floor	Ceiling	Floor	Ceiling	Billing Credit
A	$ 0.00M	$61.24M	$ 0.00M	$17.24M	$ 0
B	$61.25M	$65.49M	$17.25M	$18.49M	$ 200,000
C	$65.50M	$66.49M	$18.50M	$19.49M	$ 400,000
D	$66.50M	$68.49M	$19.50M	$21.49M	$1,100,000
E	$68.50M	$70.49M	$21.50M	$23.49M	$1,800,000
F	$70.50M	None	$23.50M	None	$3,000,000

Illustrative Examples:

Example 1:

Assume the customer's TBR for Qualifying Services equals $66.5M (placing the customer in Tier D) but the customer's IOF TBR for Qualifying Services equals $17.25M (placing the customer in Tier B), the customer will receive Tier B Billing Credit of $200,000.

Example 2:

Assume the customer's TBR for Qualifying Services equals 70.5M (placing the customer in Tier F) but the customer's IOF TBR for Qualifying Services equals $16.0M (placing the customer in Tier A), the customer will receive no Billing Credit.

Example 3:

Assume the customer's TBR for Qualifying Services equals 69.0M (placing the customer in Tier E) but the customer's IOF TBR for Qualifying Services equals $25.0M (placing the customer in Tier F), the customer will receive tier E Billing Credit of $1.8M. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.49 Contract Tariff Option 48 (Cont'd) (N)

(I) Calculation of TBR and Billing Credit (Cont'd)

(3) Disputes, Releases and Waivers

(a) In calculating the Billing Credit, all of the following requirements shall apply.

(1) The Telephone Company shall not include in the calculation of the Billing Credit any Disputed Charges remaining as of the forty-fifth (45^{th}) calendar day following the end of the Service Period.

(2) For the purpose of calculating the Billing Credit, the Telephone Company shall not include in MRCs any credits or debits for Qualifying Services provided during any periods prior to the Effective Date (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 Billing Account Number (BAN), circuit ID, USOC detail, amount in dispute, appropriate references within this tariff, and a full explanation regarding why the customer believes it was billed in error. (N)

21. Contract Tariffs (Cont'd)

21.49 Contract Tariff Option 48 (Cont'd) (N)

(I) Calculation of TBR and Billing Credit (Cont'd)

(3) Disputes, Releases and Waivers (Cont'd)

(a) (Cont'd)

(4) Upon resolution of any Disputed Charges, or disputes raised after the issuance of the Billing Credit in respect of amounts included in the TBR for Qualifying Services or the IOF TBR for Qualifying Services, 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 Credit, 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.

(5) There will not be any adjustment to the Billing Credit, the TBR for Qualifying Services or the IOF TBR for Qualifying Services if the Telephone Company bills amounts after the determination of the Billing Credit that would have otherwise been included in the TBR for Qualifying Services or the IOF TBR for Qualifying Services calculated preceding.

(6) The Billing Credit (as determined by the Telephone Company and agreed to by the customer) is not subject to dispute, except that the customer may dispute the Billing Credit only if the Billing Credit applied by the Telephone Company does not conform with the Billing Credits set forth in this Section (I).

(7) The amount of the Billing Credit shall in no event be subject to any late payment, interest or penalty as set forth in Section 2 preceding. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.49 Contract Tariff Option 48 (Cont'd) (N)

(J) Termination at the end of the Service Period

Subject to the terms set forth herein, the customer may terminate its subscription to this Option 48 at any time during the Service Period. The customer must provide written notice of such termination at least thirty (30) days prior to the requested date of termination. Termination of less than all of the Contract Tariffs options (i.e., terminations of Option 48 of this tariff, or Contract Tariff Option 49 of FCC11, or Contract Tariff Option (x)
23 of FCC14) shall deemed to be an automatic termination of all (x)
Contract Tariff options. If the customer terminates its subscription to this Option 48 at any time during the Service Period, the customer will not be entitled to the payment of any Billing Credit, pro rated or otherwise, after the termination date. All obligations set forth in other sections of this tariff with respect to the Qualifying Services shall continue to apply. If the customer terminates a Qualifying Service(s) during the Service Period, termination liability shall apply in accordance with the applicable term plan under which such Qualifying (N)
Service(s) is being billed.

(x) Issued under authority of Special Permission No. 07-023 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (N)

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

(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, Verizon Telephone Companies Tariff F.C.C. No. 11 (**FCC11**), (x)
and the Verizon Telephone Companies Tariff F.C.C. No. 14 (**FCC14**). (x)
Wire centers for the Phase II MSAs are listed in Section 14.7 preceding of this tariff, Section 15.3 of FCC11, and Section 19.1 (x)
of FCC14. Any additions of, or changes to, the MSAs (including (x)
changes to wire centers or Level 1/Level 2 pricing status as described in Section 14.7 preceding of this tariff, Section 15.3 (x)
of FCC11, and Section 19.1 of FCC14) that occur during the (x)
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 Verizon Telephone Companies Tariff F.C.C. No. 16 (**FCC16**). (x)

(2) No Billing Credits, FTTC Credit, or COW & COLT Credit will be provided in the states of Maine, New Hampshire or Vermont of FCC11. (N)(x)

(x) Issued under authority of Special Permission No. 08-001 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

(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 7.2.9 of FCC11, excluding the states of Maine, New Hampshire and Vermont, Section 5.3.6 of FCC14, and Section 7.11.1 of FCC16, 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. (x)

(a) Rate elements for MetroLAN services (as set forth in FCC14 and FCC16) and Facilities Management Services (FMS as set forth in this tariff and FCC11) will not be included. (x)

(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				

(N)

(x) Issued under authority of Special Permission No. 08-001 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

(E) Qualifying Services (Cont'd)

(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

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

(E) Qualifying Services (Cont'd)

(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 only 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 and 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, FCC11, FCC14, or FCC16, as applicable, and shall not include any amounts that (x)
are Disputed Charges. In the event that the customer disputes (x)
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.

(x) Issued under authority of Special Permission No. 08-001 of the Federal Communications Commission. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

(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, FCC11, FCC14 and FCC16. (x)

(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 50 of FCC11 and Option 24 of FCC14. (x)

(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. (N)

(x) Issued under authority of Special Permission No. 08-001 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

(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, FCC11, FCC14 and FCC16. (x)

(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. (N)

(x) Issued under authority of Special Permission No. 08-001 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

(H) Sale of a Verizon Operating Telephone Company

(1) If some or all of the assets or stock of a Verizon Operating Telephone Company of this tariff, FCC11, FCC14, or FCC16, as (x) applicable, are acquired by an unaffiliated third party (**Acquired VZ Telco**), and the Telephone Company does not provide the Qualifying Services in the operating territory of the Acquired VZ 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, FCC11, FCC14, or FCC16, as (x) applicable. No Service(s) provided in the states of Maine, New Hampshire or Vermont are included in the ARC/ARC+ for Qualifying Services and, accordingly, any sale of the assets or stock of the Verizon Operating Telephone Company providing service in those three states will not trigger the application of this Section (H).

(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 VZ 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. (N)

(x) Issued under authority of Special Permission No. 08-001 of the Federal Communications Commission.

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

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

(1) (Cont'd)

(a) (Cont'd)

For Example:

(i) Assume the Telephone Company sells Verizon New York 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 Verizon New York 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 Verizon New York 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]. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

(H) Sale of Verizon 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 VZ 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 Verizon New York 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 Verizon New York 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]. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

(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]). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

(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 50 of FCC11 and Option 24 of FCC14. If (x)
neither the customer nor the Telephone Company terminates Option 49, the existing terms and conditions of this Option 49, Option 50 of (x)
FCC11 and Option 24 of FCC14 shall continue to apply. (N)(x)

(x) Issued under authority of Special Permission No. 08-001 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

(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**. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

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

(1) Calculation of the ARC Level (Cont'd)

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

(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). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

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

(2) Quarterly Billing Credit Calculation (Cont'd)

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

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

(2) Quarterly Billing Credit Calculation (Cont'd)

(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.

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

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

(3) Calculation of ARC Billing Credit (Cont'd)

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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

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

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

(d) (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 (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

(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.

(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 and FCC11 during the three (3) month period just ended. The Telephone Company will calculate the FTTC Credit as follows: (x) (N)

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ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

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

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

(a) FTTC Credit (Cont'd)

(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

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

(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, FCC11, FCC14 and FCC16. 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). (x)

(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. (N)

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ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

(L) Disputes (Cont'd)

(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.

(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. (N)

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

(L) Disputes (Cont'd)

(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, FCC11 and FCC14. (x)

(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. (N)

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ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

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

(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.

(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)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

(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, FCC11, FCC14 and FCC16. (x)

(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). (N)

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ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

(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 25.2.7(H)(2) of FCC11, Section 23.1.7(H)(2) of FCC14, or Section 22.1.7(H)(2) of FCC16, 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 25.2.7(H)(2)(g) of FCC11, Section 23.1.7(H)(2)(g) of FCC14, or Section 22.1.7(H)(2)(g) of FCC16, any upgraded circuits that qualify as set forth preceding in this Section (O). (N)

(x) Issued under authority of Special Permission No. 08-001 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

(O) MRC Credits for Service Upgrades (Cont'd)

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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

(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, Option 50 of FCC11 and Option 24 (x) of FCC14, subject to the payment of **Termination Liability** as set (x) 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, Option 50 of FCC11 and Option 24 (x) of FCC14. If the customer notifies the Telephone Company that it (x) 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. (N)

(x) Issued under authority of Special Permission No. 08-001 of the Federal Communications Commission.

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

(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, Option 50 of FCC11, and Option 24 of FCC14. (x) 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.

(R) Termination Liability

(1) Subject to the terms set forth in this Section (R), the customer may terminate its subscription to this Option 49, Option 50 of (x) FCC11 and Option 24 of FCC14 at any time during the Service (x) 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, Option 50 of FCC11 and Option 24 (x) of FCC14. (x) Termination of less than all of the Contract Tariffs (i.e., terminations of the contract option under this tariff, FCC11 or FCC14) (x) shall be deemed to be an automatic termination of all Contract Tariffs. If the customer terminates this Option 49, Option 50 of FCC11 or Option 24 of FCC14 (x) 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, FCC11, FCC14, and FCC16 (x) with respect to the Qualifying Services shall continue to apply. (N)

(x) Issued under authority of Special Permission No. 08-001 of the Federal Communications Commission.

21. Contract Tariffs (Cont'd)

21.50 Contract Tariff Option 49 (Cont'd) (N)

(R) Termination Liability (Cont'd)

(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%

(N)

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21. Contract Tariffs (Cont'd)

21.51 Contract Tariff Option 50 (N)

(A) Scope

Contract Tariff Option 50 (**Option 50**) provides certain discounts and Billing Credits on Special Access High Capacity 1.544 Mbps (DS1) and 44.736 Mbps (DS3) Channel Mileage Rate Elements (as further defined in (B)(4) following) when the customer maintains a certain minimum number of DS1 and DS3 Transport Miles as defined herein.

Contract Tariff Option 50 also provides additional discounts and Billing Credits upon the conversion by the customer of a minimum of seventy five percent (75%) of the number of in-service DS1 unbundled loops as of July 18, 2008 to Special Access Service DS1 channel terminations and conversion of seventy five percent (75%) of the number of in-service DS1 unbundled transport miles as of July 18, 2008 to Special Access Service DS1 Transport Miles (as further defined in (B)(7) following). In consideration for this additional discount and Billing Credit, the customer must maintain a certain minimum number of Special Access Service DS1 channel terminations and DS1 Transport Miles.

(B) Specific Terms

Unless otherwise defined in this Option 50, the following terms are used in this Option 50.

(1) **Alternative Tariff Arrangement** shall mean collectively any other generally available tariff arrangement, contract tariff option, special service 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 50.

(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) **Billing Credit** shall mean collectively the amounts (if any) provided to the customer as a Transport Credit and/or UNE Conversion Credit on its monthly bill at the end of each Quarter during the Service Period based on the applicable discounts on the specific Services (as set forth in Sections (H) and (I) following) offered to the customer pursuant to this Option 50. Calculation of the applicable Billing Credits is described in Sections (H) and (I) following. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.51 Contract Tariff Option 50 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(4) **Channel Mileage Rate Elements** shall mean the following:

(a) the Switched Access Service direct trunked transport rate elements, as such rate elements are described more particularly in Section 6.1.2(A)(2) preceding of this tariff, Section 6.1.3(A) of Tariff F.C.C. No. 11 (**FCC11**), Section 4.2.3(C) of Tariff F.C.C. No. 14 (**FCC14**), and Section 6.5.2(C) of Tariff F.C.C. No. 16 (**FCC16**); and (x)

(b) the Special Access Service channel mileage rate element, as such rate elements are described more particularly in Section 7.1.2(B) preceding of this tariff, and Section 7.1.2(B) of FCC11; and (x)

(c) the Special Access Service special transport rate elements as such rate elements are described more particularly in Section 5.1.1(B) of FCC14 (excluding MetroLAN transport); and (x)

(d) the Special Access Service circuit mileage rate elements as such rate elements are described more particularly in Section 7.2.1(B) of FCC16 (excluding MetroLAN transport). (x)

(5) **Channel Termination Rate Elements** shall mean the following:

(a) the Special Access Service channel termination rate elements as such rate elements are more particularly described in Section 7.1.2(A) preceding of this tariff, and Section 7.1.2(A) of FCC11; and (x)

(b) the Special Access Service Special Access Line (**SAL**) rate elements, as such rate elements are described more particularly in Section 5.1.1(C) of FCC14; and (x)

(c) the Special Access Service circuit termination rate elements as such rate elements are described more particularly in Section 7.2.1(A) of FCC16. (N)(x)

(x) Issued under authority of Special Permission No. 08-016 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.51 Contract Tariff Option 50 (N)

(B) Specific Terms (Cont'd)

(6) **DS1 and DS3 Transport Miles** shall mean the sum of the DS1 Transport Miles and the DS3 Transport Miles.

(7) **DS1 Transport Miles** shall mean the aggregate number of miles billed by the Telephone Company to the customer for the Channel Mileage Rate Elements provided over DS1 high capacity facilities during each month of the Service Period provided pursuant to this tariff, FCC11, FCC14 and FCC16, and which miles are not subject to dispute by the customer. If the customer disputes the billing of any mileage for the Channel Mileage Rate Elements (e.g., number of miles billed or monthly recurring charges for a circuit is incorrect) provided over DS1 high capacity facilities, then such miles shall not be included in the calculation of DS1 Transport Miles. Unless error can be demonstrated by the customer, the Telephone Company's calculation of such aggregate mileage shall be deemed to be accurate. (x)

(8) **DS3 Mileage Ratio** shall mean the ratio of the number of DS3 Transport Miles divided by the number of DS1 Transport Miles.

(9) **DS3 Transport Miles** shall mean the aggregate number of miles billed by the Telephone Company to the customer for the Channel Mileage Rate Elements provided over DS3 high capacity facilities during each month of the Service Period provided pursuant to this tariff, FCC11, FCC14 and FCC16, and which miles are not subject to dispute by the customer. If the customer disputes the billing of any mileage for the Channel Mileage Rate Elements (e.g., number of miles billed or monthly recurring charges for a circuit is incorrect) provided over DS3 high capacity facilities, then such miles shall not be included in the calculation of DS3 Transport Miles. Unless error can be demonstrated by the customer, the Telephone Company's calculation of such aggregate mileage shall be deemed to be accurate. (x) (N)

(x) Issued under authority of Special Permission No. 08-016 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.51 Contract Tariff Option 50 (N)

(B) Specific Terms (Cont'd)

(10) **Minimum DS1 and DS3 Transport Miles** shall have the meaning set forth in Section (G) following.

(11) **Minimum Special Access Quantities in Service** shall have the meaning set forth in Section (I)(4) following.

(12) **Plan Year** shall mean each of the following periods during the Service Period: (i) Plan Year 1 shall commence on the July 18, 2008 and end on May 31, 2009; and (ii) Plan Year 2 shall commence on June 1, 2009 and end on May 31, 2010.

(13) **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 90 days thereafter), except for the first (1st) Quarter of Plan Year 1 which shall commence on the July 18, 2008 and end on August 31, 2008, and shall include solely for purposes of calculating the discounts and the Billing Credits in respect of such Quarter, the months of June and July, 2008; or (ii) each consecutive 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.

(14) **Transport Credit** shall mean collectively the amounts (if any) provided to the customer as a credit on its monthly bill at the end of each Quarter during the Service Period based upon the number of DS1 and DS3 Transport Miles (as defined in (B)(6) preceding) billed by the Telephone Company to the customer on a monthly basis. Calculation of the applicable Transport Credit is described in Section (H) following. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.51 Contract Tariff Option 50 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(15) **UNE Conversion Credit** shall have the meaning set forth in Section (I) following.

(16) **UNE Qualifying Month** shall mean the month in the Service Period during which the customer meets the requirements of Section (I)(2) following.

(C) Eligibility

The customer must meet all of the criteria set forth in this Section (C) in order to be eligible to receive the rates, terms, and conditions under this Option 50.

(1) As of the July 18, 2008, the customer must have:

(a) been billed a combined total of between One Hundred Fifty Thousand (150,000) and Two Hundred Fifty Thousand (250,000) DS1 and DS3 Transport Miles during the thirty (30) calendar day period immediately preceding July 18, 2008; and

(b) A DS3 Mileage Ratio of no more than .055 for the thirty (30) calendar day period immediately preceding July 18, 2008; and

(c) A minimum two thousand five hundred (2,500) in-service DS1 unbundled loops and sixteen thousand (16,000) in-service DS1 unbundled transport miles as of July 18, 2008. (N)

21. Contract Tariffs (Cont'd)

21.51 Contract Tariff Option 50 (Cont'd) (N)

(C) Eligibility (Cont'd)

(2) The customer may not concurrently subscribe to an Alternative Tariff Arrangement which meets any of the following criteria at any time during the Service Period: (i) an Alternative Tariff Arrangement which provides a discount, credit, or other reduction in rates or terms, other than a generally available discount plan which allows for aggregation of Special Access Services across this tariff, FCC11, FCC14 and FCC16; and (ii) an Alternative Tariff Arrangement which provides discounts on Channel Mileage Rate Elements provided over DS1 or DS3 high capacity facilities. If the customer wishes to subscribe to such an Alternative Tariff Arrangement, then the customer shall not receive any Discounts and Billing Credits under this Option 50, Option 51 of FCC11, and Option 26 of FCC14, and such subscription shall be considered a termination by the customer of this Option 50, Option 51 of FCC11, and Option 26 of FCC14, subject to Section (L) following. (x)

(3) The customer must subscribe to Option 50 by submitting a written authorization in a manner designated by the Telephone Company during the period beginning July 18, 2008 and ending August 17, 2008. Such subscription must include a list of Customer ACNA(s) which the Telephone Company agrees to, in writing, for inclusion in this Option 50.

(D) Service Period

The Service Period of this Option 50 shall commence on July 18, 2008 and end on May 31, 2010.

(E) Serving Area

The Transport Credit and UNE Conversion Credit will be provided only in the Metropolitan Statistical Areas (**MSAs**) that have achieved Phase I or Phase II pricing flexibility under this tariff, FCC11 and FCC14. Wire centers for the Phase II MSAs are listed in Section 14.7 preceding of this tariff, Section 15.3 of FCC11, and Section 19.1 of FCC14. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 14.7 preceding of this tariff, Section 15.3 of FCC11, and Section 19.1 of FCC14) that occur during the Service Period of this Option 50 will apply. No Billing Credits will be provided in the operating territories of FCC16. (N)(x)

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21. Contract Tariffs (Cont'd)

21.51 Contract Tariff Option 50 (Cont'd) (N)

(F) Services and Rate Elements Subject to this Option 50

Subject to the terms and conditions of this Option 50, the applicable Transport Credit (as described in Section (H) following) and UNE Conversion Credit (as described in Section (I) following) shall be provided on the following Services and the following rate elements:

(1) Channel Mileage Rate Elements

The applicable Transport Credit (as described in Section (H) following) shall only be based upon the per mile units and monthly recurring charges (**MRCs**) for Channel Mileage Rate Elements, net of any discounts given under existing pricing plans, if applicable, that are billed during the Service Period and that meet all of the following criteria during each month of the Service Period, and excluding Disputed Charges. For purposes of this Option 50, **Disputed Charges** shall mean MRCs 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 Quarter of the Service Period. Amounts which have not been paid in full, as of the forty-fifth (45th) calendar day following the end of each Quarter of the Service Period (regardless of whether or not such amounts are under dispute by the customer) shall be excluded from the determination of the applicable Transport Credit. For purposes of this Option 50, **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, FCC11, FCC14 or FCC16, as (x)
applicable: (x)

(a) The Channel Mileage Rate Element must be a rate element of a service that has a Network Channel (**NC**) Code of either HC or HF (i.e., the circuit must be DS1 or DS3 bandwidth); (N)

(x) Issued under authority of Special Permission No. 08-016 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.51 Contract Tariff Option 50 (Cont'd) (N)

(F) Services and Rate Elements Subject to this Option 50 (Cont'd)

(1) Channel Mileage Rate Elements (Cont'd)

(b) The Channel Mileage Rate Elements must be billing one of the following USOCs: 1A4YS, 1A4ZS, 1A5LX, 1A5ZS, 1J51S, 1J52S, 1J53S, 1J54S, 1L5LS, 1L5XX, 1LFMX, 1LFSX, 1T58S, 1U5PS, 1YA8S, 1YLXS, 1YTCS, 1YTDS, 1YTOS, 1YTRS, 1YTXS, 1YTYS, TRG, TRL, TRLAX, TS31X, and TS32X.

(c) The customer satisfies the requirements of maintaining the Minimum DS1 and DS3 Transport Miles as more specifically described in Section (G) following, and the requirements regarding disputes, payments, credits, and debits set forth in Section (H)(4) following.

(2) The Transport Credit is provided only on billed Channel Mileage Rate Elements that meet the requirements of this Option 50 (including any requirements set forth in Section (H) following). The following types of charges (which is an illustrative list and is not intended to be a comprehensive listing of all other charges excluded from the Transport Credit calculation) are not included in the calculation of the Transport Credit:

(a) Any non-recurring charges;

(b) Taxes, fees, 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); (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.51 Contract Tariff Option 50 (Cont'd) (N)

(F) Services and Rate Elements Subject to this Option 50 (Cont'd)

(2) (Cont'd)

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

(e) Any debits or credits for Services rendered in prior Quarters or periods prior to July 18, 2008, subject to Section (H) following;

(f) Minimum period charges;

(g) Any Disputed Charges;

(h) Shortfall or overage charges associated with term plan true-ups;

(i) Termination liabilities; or

(j) Any other charges that are not applied on a recurring monthly basis. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.51 Contract Tariff Option 50 (Cont'd) (N)

(G) Minimum DS1 and DS3 Transport Miles

(1) Subject to the terms and conditions of this Option 50, including by way of example the requirement to maintain the Minimum DS1 and DS3 Transport Miles as set forth following, the customer is eligible to receive the applicable Transport Credit as described in Section (H) following.

(2) In order to receive the applicable Transport Credit (as set forth in the table in Section (H) following) in any given month of the Service Period, the customer must meet either one of the following criteria (individually and collectively referred to as **Minimum DS1 and DS3 Transport Miles**):

(a) During each month of the Service Period, the customer must maintain in-service no less than the number of DS1 and DS3 Transport Miles in-service as of July 18, 2008, and including any DS1 Transport Miles as a result of the conversion of UNEs pursuant to Section (I) following, or otherwise. If the customer satisfies this criteria, then the Telephone Company will not calculate, and the customer is not required to meet the requirements of Section (G)(2)(b) following; or

(b) During any Quarter, the customer must maintain an average of no less than the number of DS1 and DS3 Transport Miles in-service as of July 18, 2008, including any DS1 Transport Miles as a result of the conversion of UNEs pursuant to Section (I) following, or otherwise. If the customer maintains an average number of no less than the number of DS1 and DS3 Transport Miles in-service as of July 18, 2008, including any DS1 Transport Miles as a result of the conversion of UNEs pursuant to Section (I) following, or otherwise, during each month of such Quarter, but does not otherwise meet the criteria as set forth in Section (G)(2)(a) preceding (i.e., the actual DS1 and DS3 Transport Miles in a given calendar month are less than that required as set forth in this Section (G)), the customer shall still be eligible for the applicable Transport Credit as set forth in Section (H) following in respect of each of the months of the Quarter. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.51 Contract Tariff Option 50 (Cont'd) (N)

(G) Minimum DS1 and DS3 Transport Miles (Cont'd)

The following two illustrative examples are presented.

Example 1

During Quarter 1 of Plan Year 2, the Telephone Company calculates the customer's DS1 and DS3 Transport Miles (excluding any miles which are disputed by the customer) during each such month of Quarter 1 of Plan Year 2 as follows. Assume for purposes of this Example 1 and Example 2 following that the number of DS1 and DS3 Transport Miles in-service as of July 18, 2008, including any DS1 Transport Miles as a result of the conversion of UNEs pursuant to Section (I) following, or otherwise, is equal to 170,000:

- Month 1 - 165,000 miles, and
- Month 2 – 171,000 miles, and
- Month 3 – 172,000 miles.

Since Month 1 did not satisfy the requirements of Section (G)(2)(a) preceding (i.e., the billed DS1 and DS3 Transport Miles were less than 170,000), this results in an average number of DS1 and DS3 Transport Miles for Quarter 1 of 169,333 miles per month (i.e., an aggregate of 508,000 Transport Miles for Quarter 1 divided by 3 months).

Based on this information, the customer would not receive the applicable Transport Credit (as set forth Section (H) following) in Month 1 of Quarter 1 because the customer has not satisfied either of the criteria set forth in Section (G)(2) preceding (i.e., the actual DS1 and DS3 Transport Miles in Month 1 are less than 170,000 miles, and the average monthly DS1 and DS3 Transport Miles, as measured throughout the three months of Quarter 1, is less than 170,000 miles). However, the customer would be eligible for the applicable Transport Credit (as set forth in Section (H) following) in Months 2 and 3 of Quarter 1 because the customer satisfied the Minimum DS1 and DS3 Transport Mile criteria in Section (G)(2)(a) preceding (i.e., its actual DS1 and DS3 Transport Miles for Months 2 and 3 are each at or above 170,000 miles). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.51 Contract Tariff Option 50 (Cont'd) (N)

(G) Minimum DS1 and DS3 Transport Miles (Cont'd)

Example 2

During Quarter 1, the Telephone Company calculates the customer's DS1 and DS3 Transport Miles (excluding any miles which are disputed by the customer) during each such month of Quarter 1 as follows:

- Month 1 - 169,000 miles, and
- Month 2 – 175,000 miles, and
- Month 3 – 177,000 miles.

This results in an average number of DS1 and DS3 Transport Miles for Quarter 1 of 173,667 miles per month (i.e., an aggregate of 521,000 Transport Miles for Quarter 1 divided by 3 months).

Based on this information, the customer would receive the applicable Transport Credit (as set forth in Section (H) following) for each month of Quarter 1 because the customer meets the Minimum DS1 and DS3 Transport Mile criteria in Section (G)(2)(b) preceding (i.e., the average monthly DS1 and DS3 Transport Miles are greater than 170,000 miles for each month of Quarter 1).

(H) Transport Credit

(1) Subject to the terms of this Option 50, including specifically the requirement to maintain the Minimum DS1 and DS3 Transport Miles as set forth in Section (G) preceding, and the method of calculation and timing of the Transport Credit as set forth in Section (H)(2) following, the Telephone Company will apply a credit to the billing of the customer's DS1 and DS3 Channel Mileage Rate Elements. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.51 Contract Tariff Option 50 (Cont'd) (N)

(H) Transport Credit (Cont'd)

(2) Calculation of Transport Credit

At the end of each month during the Service Period, the Telephone Company will calculate the Transport Credit as follows:

(Step 1) The aggregate DS1 and DS3 Transport Miles billed to the customer for the Channel Mileage Rate Elements will be calculated.

(Step 2) Based upon the DS1 and DS3 Transport Miles calculated in Step 1, the highest discount tier that the customer has achieved for the month will be identified from Table 1 following.

(Step 3) The discount percentage associated with the highest discount tier achieved (from Step 2) will then be multiplied times the total billed MRCs (less any Disputed Charges) for the month associated with the DS1 and DS3 Channel Mileage Rate Elements as described in Section (F)(1) preceding.

Table 1: Transport Credit Table

Discount Tier	Minimum Mileage (In miles)	Maximum Mileage (In miles)	Discount Percentage
1	150,000	160,000	7.05%
2	160,001	170,000	7.20%
3	170,001	175,000	7.50%
4	175,001	180,000	7.70%
5	180,001	185,000	8.05%
6	185,001	190,000	8.40%
7	190,001	195,000	8.85%
8	195,001	200,000	9.35%
9	200,001	205,000	9.90%
10	205,001	210,000	10.45%
11	210,001	215,000	11.05%
12	215,001	+	11.65%

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.51 Contract Tariff Option 50 (Cont'd) (N)

(H) Transport Credit (Cont'd)

(2) Calculation of Transport Credit (Cont'd)

As an illustrative example, assume the customer had 180,000 DS1 and DS3 Transport Miles for Month 1 of Plan Year 2 and that the billed MRCs for DS1 and DS3 Channel Mileage Rate Elements for Month 1 of Plan Year 2 were $3,500,000. Per Table 1 preceding, the 180,000 miles would qualify the customer for a tier 4 discount of 7.70%. The Transport Credit for Month 1 of Plan Year 2 in this example is $269,500 ($3,500,000 X 7.70%). Each of the preceding steps would be repeated for Months 2 and 3 in a Quarter to arrive at the aggregate Transport Credit for the Quarter.

(3) Payment of Transport Credit

If the customer is eligible for a Transport Credit as set forth in this Option 50, then, subject to the terms of this Option 50, no later than sixty (60) days after the end of each Quarter during the Service Period, the Telephone Company shall credit the customer's BANs with the applicable Transport Credit as determined in accordance with the terms of Section (H)(2) preceding. The Transport Credit will be provided only in the MSAs that have achieved Phase I or Phase II pricing flexibility under this tariff, FCC11 and FCC14. (x)

(4) In calculating the Transport Credit if any, all of the following requirements shall apply:

(a) The Telephone Company shall not include in the calculation of the Transport Credit any amounts which are unpaid and/or disputed by the customer as of the forth-fifth (45th) day following the end of each Quarter. For example, assume that the customer had MRCs for DS1 and DS3 Channel Mileage Rate Elements 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, claiming that the DS1 and DS3 Transport Miles were incorrectly calculated. Hence, in calculating the Transport Credit, the MRCs would be calculated as $2,550,000 ($3,000,000 less $450,000).

(b) To the extent that the customer has any disputes, then the customer must submit such disputes to the Telephone Company no later than the forty-fifth (45th) 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 and amount under dispute the following "Dispute Associated with 2008 Contract Tariff." (N)

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21. Contract Tariffs (Cont'd)

21.51 Contract Tariff Option 50 (Cont'd) (N)

(H) Transport Credit (Cont'd)

(4) (Cont'd):

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

(d) For the purpose of calculating the Transport Credit, the Telephone Company shall not include in MRCs any credits or debits for 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 Transport Credit is being calculated. As an illustrative example, assume that the customer had MRCs for all DS1 and DS3 Channel Mileage Rate Elements 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 claiming that the DS1 and DS3 Transport Miles were incorrectly calculated. Hence, in calculating the Transport Credit, the MRCs would be calculated as $2,550,000 ($3,000,000 less $450,000). Assume further that in Quarter 2, the Telephone Company and the customer agree that the customer should have paid $150,000 of the $450,000 for DS1 and DS3 Channel Mileage Rate Elements, and the customer pays the $150,000. The $150,000 will not be included for purposes of calculating the customer's Transport Credit in Quarter 2, however the $150,000 will be credited to the customer in connection with the required one-time payment adjustment with respect to Quarter 1 set forth in (e) following.

(e) Upon resolution of any Disputed Charges, or disputes raised after the determination of the Billing Credit, amounts may be credited to the customer if the customer prevails, however notwithstanding anything to the contrary herein, and subject to the following proviso, there shall be no adjustment to the Billing Credit, and the same shall apply regardless of the outcome of any Disputed Charges; provided, however, that for each Quarter the Telephone Company shall determine the Disputed Charges for such Quarter that are resolved in favor of the Telephone Company and paid in full by the customer as of the ninetieth (90^{th}) day after the end of each Quarter during the Service Period, and make a one-time payment adjustment on such date to the Billing Credit for such Quarter with respect to each month to which such Disputed Charges related, by crediting to the customer the additional amounts that have been paid in full in respect of Disputed Charges that no longer remain subject to dispute. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.51 Contract Tariff Option 50 (Cont'd) (N)

(H) Transport Credit (Cont'd)

(4) (Cont'd):

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

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

(h) The amount of the Billing Credit shall in no event be subject to any late payment, interest or penalty as set forth in Section 2.4.1 preceding.

(I) UNE Conversion Credit

(1) Subject to the provisions of Section (I)(2) following related to the conversion of unbundled loops and unbundled transport miles to Special Access Services and Section (I)(3) following related to the calculation of Minimum Special Access Quantities in Service, the customer shall be eligible to receive a UNE Conversion Credit.

(2) UNE Conversion Requirements

In order to qualify for the UNE Conversion Credit, the customer must meet all of the following criteria:

(a) Submit a bulk order to convert a minimum of seventy five percent (75%) of the DS1 unbundled loops in-service within the operating territories of this tariff, FCC11, FCC14 and FCC16 (x) as of July 18, 2008to an equivalent number of Special Access Service DS1 Channel Termination Rate Elements;

(b) Submit a bulk order to convert a minimum of seventy five percent (75%) of the DS1 unbundled transport miles within the operating territories of this tariff, FCC11, FCC14 and FCC16 (x) in-service as of July 18, 2008 to an equivalent number of Special Access Service DS1 Channel Mileage Rate Elements; and

(c) The bulk orders to authorize the conversions in (a) and (b) preceding must occur within the first six (6) months of the Service Period and provide for the same billing effective date as the date of submission of such bulk order.

(d) The customer may not purchase any unbundled services within the operating territories of this tariff, FCC11, FCC14 and (x) FCC16 after July 18, 2008. (N)(x)

(x) Issued under authority of Special Permission No. 08-016 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.51 Contract Tariff Option 50 (Cont'd) (N)

(I) UNE Conversion Credit (Cont'd)

(3) Credit Amount

The UNE Conversion Credit shall be calculated, beginning with the month in which the requirements set forth in (I)(2) preceding are satisfied, as follows:

(a) First, calculate the aggregate number of unbundled loops converted to DS1 Channel Termination Rate Elements pursuant to (I)(2)(a) preceding.

(b) Second, multiply the aggregate number of unbundled loops converted determined in (a) preceding by ninety dollars ($90) to determine the amount of the UNE Conversion Credit.

(c) Finally, subject to the shortfall provisions of Section (I)(5) following, the UNE Conversion Credit calculated in (b) preceding shall be applied on a monthly basis in respect of all months remaining in the Service Period. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.51 Contract Tariff Option 50 (Cont'd) (N)

(I) UNE Conversion Credit (Cont'd)

(3) Credit Amount (Cont'd)

Illustrative Example 1:

Assume the customer authorizes the conversion of 2,250 DS1 unbundled loops to an equivalent number of DS1 Channel Termination Rate Elements in Month 1 of Quarter 2. Further assume that the customer authorizes the conversion of 13,500 DS1 unbundled transport miles to an equivalent number of DS1 Channel Mileage Rate Elements in Month 2 of Quarter 2. Further assume that the 2,250 DS1 unbundled loops and the 13,500 DS1 unbundled transport miles are equivalent to seventy five percent (75%) of their respective in-service quantities as of July 18, 2008.

Under this scenario, the customer would be eligible to receive a UNE Conversion Credit beginning in Month 2 of Quarter 2 calculated as follows:

2,250 x $90 = $202,500

The customer would continue to be eligible for a monthly UNE Conversion Credit of $202,500 for the remaining months of the Service Period so long as the requirements of Section (I)(4) following are met.

(4) Minimum Special Access Quantities in Service

At the end of the month in which the customer fulfills the requirements of Section (I)(2) preceding (i.e., the **UNE Qualifying Month**) and becomes eligible to receive its first UNE Conversion Credit, the Telephone Company will calculate the **Minimum Special Access Quantities in Service** as follows:

(a) The Minimum DS1 Channel Termination Rate Elements shall be equal to the total DS1 Channel Termination Rate Elements that are billed to the customer during the UNE Qualifying Month (including the DS1 unbundled loops that were converted under the provisions of Section (I)(2)(a) preceding); and

(b) The Minimum DS1 Channel Mileage Rate Elements shall be equal to the total miles for the DS1 Channel Mileage Rate Elements that are billed to the customer during the UNE Qualifying Month (including the DS1 unbundled transport miles that were converted under the provisions of Section (I)(2)(b) preceding). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.51 Contract Tariff Option 50 (Cont'd) (N)

(I) UNE Conversion Credit (Cont'd)

(5) In order to be eligible for the UNE Conversion Credit (as calculated in Section (I)(3) preceding) in any given month of the Service Period following the UNE Qualifying Month, the customer must meet the following criteria:

(a) During any month of the Service Period following the UNE Qualifying Month, the customer must maintain in-service no less than the Minimum Special Access Quantities in Service for both DS1 Channel Termination Rate Elements and DS1 Channel Mileage Rate Elements (as calculated in Sections (I)(4)(a) and (b) preceding) per month. If the customer meets this criteria, then the Telephone Company will not calculate, and the customer is not required to meet the requirements of Section (I)(5)(b) following; or

(b) During any Quarter of the Service Period including or subsequent to the Quarter containing the UNE Qualifying Month, the customer must maintain an average (prorated for the number of months during the Quarter in which the UNE Qualifying Month occurs) of no less than the Minimum Special Access Quantities in Service for both DS1 Channel Termination Rate Elements and DS1 Channel Mileage Rate Elements (as calculated in Sections (I)(4)(a) and (b) preceding). If the customer maintains an average (prorated for the number of months during the Quarter in which the UNE Qualifying Month occurs) of no less than the Minimum Special Access Quantities in Service during each Quarter, but does not otherwise meet the criteria as set forth in Section (I)(5)(a) preceding (i.e., the actual DS1 channel terminations or actual DS1 Transport Miles in a given month are less than their respective Minimum Special Access Quantities in Service), the customer shall still be eligible for the applicable UNE Conversion Credit as set forth in Section (I)(3) preceding with respect to each of the months of the Quarter (prorated for the number of months during the Quarter in which the UNE Qualifying Month occurs). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.51 Contract Tariff Option 50 (Cont'd) (N)

(I) UNE Conversion Credit (Cont'd)

(5) (Cont'd)

The following two illustrative examples are presented. For both of the following examples assume that the Minimum Special Access Quantities in Service are 50,000 DS1 channel terminations and 185,000 DS1 Transport Miles and that the UNE Qualifying Month is Month 1 of Quarter 2 of Plan Year 1.

Example 1

During Quarter 3, the Telephone Company calculates the customer's DS1 channel terminations and DS1 channel miles (excluding any channel terminations and miles which are disputed by the customer) during each such month of Quarter 3 as follows:

- Month 1 – 50,000 channel terminations; 181,000 miles, and
- Month 2 – 50,500 channel terminations; 185,000 miles, and
- Month 3 – 51,000 channel terminations; 186,000 miles.

Since Month 1 did not meet the requirements of Section (I)(5)(a) preceding (i.e., the billed DS1 Transport Miles were less than 185,000), this results in an average number of DS1 Transport Miles for Quarter 3 of 184,000 miles per month (i.e., an aggregate of 552,000 Transport Miles for Quarter 3 divided by 3 months).

Based on this information, the customer would not receive the UNE Conversion Credit for Month 1 of Quarter 3 because the customer has not met both of the Minimum Special Access Quantities in Service criteria set forth in Section (I)(4) preceding (i.e., the actual DS1 Transport Miles in Month 1 are less than 185,000 miles, and the average monthly DS1 Transport Miles, as measured throughout the three months of Quarter 3, are less than 185,000 miles). The fact that the DS1 channel terminations exceeded 50,000 is irrelevant because both the DS1 channel terminations and DS1 Transport Miles must be met or exceeded to qualify for the monthly UNE Conversion Credit.

However, the customer would be eligible for the UNE Conversion Credit (as set forth in Section (I)(3) preceding) in Months 2 and 3 of Quarter 1 because the customer met both of the Minimum Special Access Quantities in Service criteria in Section (I)(4) preceding (i.e., its actual DS1 channel terminations exceed 50,000 and its actual DS1 Channel Mileage exceeds 185,000 for Months 2 and 3). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.51 Contract Tariff Option 50 (Cont'd) (N)

(I) UNE Conversion Credit (Cont'd)

(5) (Cont'd)

Example 2

During Quarter 3, the Telephone Company calculates the customer's DS1 channel terminations and DS1 Transport Miles (excluding any channel terminations and miles which are disputed by the customer) during each such month of Quarter 3 as follows:

- Month 1 – 49,500 channel terminations; 186,000 miles, and
- Month 2 – 50,500 channel terminations; 186,000 miles, and
- Month 3 – 51,000 channel terminations; 186,000 miles.

This results in an average number of DS1 channel terminations for Quarter 3 of 50,333 DS1 channel terminations per month (i.e., an aggregate of 151,000 DS1 channel terminations for Quarter 3 divided by 3 months).

Based on this information, the customer would receive the applicable UNE Conversion Credit for all three months of Quarter 3 because the customer meets both the Minimum Special Access Quantities in Service criteria set forth in Section (I)(4) preceding (i.e., the average monthly DS1 channel terminations are greater than 50,000 and DS1 Transport Miles are greater than 185,000).

(6) Payment of UNE Conversion Credit

If the customer is eligible for a UNE Conversion Credit as set forth in this Option 50, then subject to the terms of this Option 50, no later than sixty (60) days after the end of each Quarter during the Service Period, the Telephone Company shall credit the customer's BANs with the applicable monthly UNE Conversion Credits as determined in accordance with the terms of this Option 50. The UNE Conversion Credit will be provided only in the MSAs that have achieved Phase I or Phase II pricing flexibility under this tariff, FCC11 and FCC14. (N)(x)

(x) Issued under authority of Special Permission No. 08-016 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.51 Contract Tariff Option 50 (Cont'd) (N)

(J) Mergers and Acquisitions of the Customer

In the event that after subscription to this Option 50, 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, FCC11, FCC14, or FCC16. (x)

(1) The customer may not combine or include any DS1 or DS3 Transport Miles, Channel Mileage Rate Elements, or Channel Termination Rate Elements 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 50, Option 51 of FCC11 or Option 26 of FCC14. (x)

(2) The customer's DS1 Transport Miles, DS3 Transport Miles, Channel Mileage Rate Elements, and Channel Termination Rate Elements shall be calculated based on its business and revenue with the Telephone Company using the Customer ACNAs (as submitted by the customer in its subscription to this Option 50 and approved by the Telephone Company for inclusion in this Option 50), 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) The Telephone Company reserves the right to terminate the customer's subscription to this Option 50 without liability if the customer does not adhere to the provisions of this Section (J). Termination of the customer's subscription to this Option 50 shall be an automatic termination of the customer's subscription to Option 51 of FCC11 and Option 26 of FCC14. (x)

(K) Sale of Verizon Operating Telephone Company

If some or all of the assets or stock of a Verizon Operating Telephone Company that provides Services which are used to determine the customer's Minimum DS1 and DS3 Transport Miles and/or Minimum Special Access Quantities in Service (i.e., the Channel Termination Rate Elements and the Channel Mileage Rate Elements of this tariff, FCC11, FCC14 and FCC16) are acquired by an (x) unaffiliated third party during the Service Period, effective with the closing of such transaction, the Telephone Company will proportionally adjust the Minimum DS1 and DS3 Transport Miles, the Minimum Special Access Quantities in Service, and the related Billing Credits. (N)

(x) Issued under authority of Special Permission No. 08-016 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.51 Contract Tariff Option 50 (Cont'd) (N)

(L) Termination of Plan

(1) Termination

Subject to the terms set forth in this Section (L), the customer may terminate its subscription to this Option 50, Option 51 of FCC11 and Option 26 of FCC14 at any time during the Service Period. The customer must provide written notice of termination at least ninety (90) days prior to the requested date of termination. Termination of less than all of the Contract Tariffs (i.e., terminations of this Option 50, Option 51 of FCC11 or Option 26 of FCC14) shall be deemed to be an automatic termination of the customer's subscription to this Option 50, Option 51 of FCC11 and Option 26 of FCC14. If the customer terminates or cancels this Option 50, Option 51 of FCC11 and/or Option 26 of FCC14 at any time during the Service Period, then the customer shall pay to the Telephone Company by no later than sixty (60) days after such date of termination an amount equal to the following: (x)

(a) If termination occurs within the first twelve (12) months of the Service Period, seventy-five percent (75%) of all Transport Credits and UNE Conversion Credits paid up to the date of such termination under this Option 50, Option 51 of FCC11 and Option 26 of FCC14 (i.e., all Billing Credits paid since July 18, 2008). (x)

(b) If termination occurs within the last twelve (12) months of the Service Period, fifty percent (50%) of all Transport Credits and UNE Conversion Credits paid up to the date of such termination under this Option 50, Option 51 of FCC11 and Option 26 of FCC14 (i.e., all Billing Credits paid since the Effective Date). (x)

The customer will not receive any further Transport Credits or UNE Conversion Credits after receipt of notice of termination. (N)

(x) Issued under authority of Special Permission No. 08-016 of the Federal Communications Commission.

21. Contract Tariffs (Cont'd)

21.51 Contract Tariff Option 50 (Cont'd) (N)

(M) Changes in Price of Channel Termination and Channel Mileage Rate Elements

At the end of each month of the Service Period in which any MRCs or non-recurring charges (**NRCs**) for DS1 or DS3 Channel Termination Rate Elements, or DS1 or DS3 Channel Mileage Rate Elements, increase or decrease, a price change index (**Price Change Index**) comparing the aggregate MRCs and NRCs in the month in which the price increases and/or decreases occur and the aggregate MRCs and NRCs as of July 18, 2008 shall be calculated as described below.

If the Price Change Index for any month is equal to or greater than one hundred and two (102), then the Telephone Company will multiply the amount shown in (I)(3)(b) preceding by an equivalent percentage increase (i.e., a Price Change Index of one hundred and three (103) would result in a three percent (3%) increase in the amount shown in Section (I)(3)(b) preceding to $92.70), thereby increasing the UNE Conversion Credit payable with respect to that month of the Service Period.

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 July 18, 2008 by dividing the aggregate MRCs and NRCs billed to the customer by the Telephone Company for all Special Access Channel Termination Rate Elements and Channel Mileage Rate Elements in-service in the month immediately preceding July 18, 2008;

(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 an increase or decrease in any MRCs or NRCs for DS1 or DS3 Channel Termination Rate Elements, or DS1 or DS3 Channel Mileage Rate Elements, as compared to the MRCs and NRCs in effect as of July 18, 2008, is reflected in the billing, by dividing the aggregate MRCs and NRCs 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; (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.51 Contract Tariff Option 50 (Cont'd) (N)

(M) Changes in Price of Channel Termination and Channel Mileage Rate Elements (Cont'd)

(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/NRCs at the new prices; and

(Step 5) Divide the result calculated in Step 4 preceding by the sum of the MRCs/NRCs for DS1 and DS3 Channel Termination Rate Elements and DS1 and DS3 Channel Mileage Rate Elements calculated in Step 1 preceding.

(Step 6) Multiply the result calculated in Step 5 by 100 to get the Price Change Index.

As an illustrative example:

Example 1:

Assume that as of (add tariff effective the MRCs and NRCs, 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 (Step 1):

Revenue Rate Element:	MRCs/NRCs (1)	Units in Service (2)	Average Per Unit (3) = (1)/(2)
Channel Termination			
DS1	$6,600,000	55,000	$120.00
DS3	$ 480,000	600	$800.00
Channel Mileage			
DS1	$2,720,000	160,000	$ 17.00
DS3	$1,150,000	10,000	$115.00
Total MRCs/NRCs (at July 18, 2008)	$10,950,000		

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.51 Contract Tariff Option 50 (Cont'd) (N)

(M) Changes in Price of Channel Termination and Channel Mileage Rate Elements (Cont'd)

Example 1 (Cont'd):

Further assume that during month ten (10) of Plan Year 1 the Telephone Company changes the prices on the Channel Termination Rate Elements and the Channel Mileage Rate Elements and that the MRCs and NRCs, units in service, and average revenue per unit following the price changes are as follows (Step 2):

Rate Element:	MRCs/NRCs (1)	Units in Service (2)	Average Revenue Per Unit (3) = (1)/(2)
Channel Termination			
DS1	$7,380,000	605,000	$123.00
DS3	$ 530,000	650	$800.00
Channel Mileage			
DS1	$2,950,000	164,000	$ 18.00
DS3	$1,270,000	11,000	$115.00
Total MRCs/NRCs (Month 10-Plan Year 1)	$12,130,000		

Taking the average revenue per units calculated in Step 2 above times the units in service for Step 1 above would give the following results (Step 3):

DS1 Channel Termination Revenues =	$6,765,000	(55,000 x $123)
DS3 Channel Termination Revenues =	$ 480,000	(600 x $800)
DS1 Channel Mileage Revenue =	$2,880,000	(160,000 x $18)
DS3 Channel Mileage Revenue =	$1,150,000	(10,000 x $115)

The sum of the results from Step 3 would be $11,275,000 ($6,765,000 + $480,000 + $2,880,000 + 1,150,000) and the price change index would be 103.0 ($11,275,000 / $10,950,000 x 100). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.52 Contract Tariff Option 51 (N)

(A) Scope

Contract Tariff Option 51 (Option 51) provides discounted monthly rates for services subscribed to herein to customers who also purchase Telephone Company provided dedicated SONET ring (**DSR**). Services subscribed to herein shall be in accordance with the requirements set forth in (B) through (F) following.

(B) Eligibility

All of the following requirements must be met in order to be eligible for subscription to Option 51.

(1) A customer must subscribe to Option 51 by submitting a written authorization in a manner designated by the Telephone Company during the subscription period which begins on September 18, 2008 and ends on November 16, 2008 (**Subscription Period**).

(2) The customer must currently subscribe to Option 28 as set forth in Section 21.29 preceding.

(3) The customer must subscribe all DS3 and DS1 ports that are currently billing under Option 28 preceding to this Option 51 (**Transferred Ports**).

(C) Serving Area

(1) The serving area of Option 51 is comprised of the following Metropolitan Statistical Areas (**MSAs**):

New York NY MSA #1 (New Jersey wire centers only) (**MSA#1**)

New Brunswick-Perth Amboy-Sayerville NJ (**MSA#62**) (see Note)

Note: The discounted rates set forth in (F) following do not apply to the rate elements associated with the services provided by the Telephone Company that connect the End User Premises to its serving wire center in MSA#62.

(2) Wire centers for Phase II MSAs are listed in Section 14.7 preceding.

(3) Any additions or changes to the wire centers included in the above MSAs that occur after (add tariff effective date) will apply and be included in Option 51. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.52 Contract Tariff Option 51 (Cont'd) (N)

(D) Service Period

(1) The service period for this Option 51 is sixty (60) months beginning with the date of the customer's subscription to this Option 51 and ending sixty (60) months later (**Initial Service Period**).

(2) At the end of the Initial Service Period, the customer may continue its subscription to Transferred Ports under this Option 51 for a period not to exceed forty-two (42) months (**Extended Service Period**). The Extended Service Period shall commence on the day following expiration of the Initial Service Period and continue until terminated by the customer in writing to the Telephone Company or the end of the Extended Service Period, whichever first occurs. The Initial Service Period together with the Extended Service Period, if any, shall comprise the **Service Period** for this Option 51.

(E) Terms and Conditions

(1) Except as set forth in this Section 21.52, the terms and conditions and application of rates and charges for DSR ports as set forth in Section 23.1 following apply to Transferred Ports, and to any other service(s) connected to such Transferred Ports that are provided under this tariff.

(2) Transferred Ports are subject to the rates and charges set forth in (F) following. Such rates apply in lieu of the rates set forth for DSR Ports in Section 23.1 following.

(3) Termination Liability

In lieu of the termination liability provision set forth in Section 23.1(E) following, in the event that one or more Transferred Ports are discontinued prior to the end of the twenty-seventh (27^{th}) month of the Initial Service Period, termination liability applies through the end of the twenty-seventh (27^{th}) month of the Initial Service Period. Subject to the application of rates described in Section 14.7 preceding, the termination liability charge shall be calculated at twenty-five percent (25%) of the applicable 5-year DSR port rate set forth in Section 23.1(L)(3) following. Termination liability does not apply if such Transferred Ports are disconnected after the twenty-seventh (27^{th}) month of the Initial Service Period or at any time during the Extended Service Period. Termination liability for additional services provided under this tariff that are added during the Service Period, other than Transferred Ports, shall apply as set forth in applicable sections of this tariff. Termination of Transferred Ports by the customer during the Extended Service Period shall not be subject to termination liability. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.52 Contract Tariff Option 51 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(4) Expiration of the Service Period

Upon completion of the Initial Service Period or Extended Service Period, as applicable, 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 Transferred Ports on a month-to-month basis in accordance with Section 23.1 following and at the 5-year DSR port rates and charges set forth in Section 23.1 following for price band rates and charges or all other rates and charges, as applicable, which apply in accordance with the application of rates set forth in Section 14.7 preceding.

(d) In the event that the customer does not make an election of (a) through (c) preceding, the customer's subscription to Transferred Ports will continue in accordance with (c) preceding.

(5) Except as set forth in this Option 51, 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 for services that are provided under this tariff.

(F) Rates and Charges

The following rates and charges apply to Transferred Ports that are subscribed to this Option 51 (see Note below). The Telephone Company shall not initiate a rate increase for such rates and charges during the Service Period. The rates and charges for rate elements associated with services that connect to such Transferred Ports are set forth in other sections of this tariff.

Rate Element	USOC	Monthly Rate	Nonrecurring Charge
Ports, per port			
DS1	-----	22.40	None
DS3	-----	92.00	None

Note: The rates and charges set forth above do not apply to ports that are provided at an End User designated premises in MSA#62. Such ports are subject to the rates and charges set forth in Section 23.1(L)(3) following. (N)

21. Contract Tariffs (Cont'd)

21.53 Contract Tariff Option 52

(A) Scope

Contract Tariff Option 52 provides a discount for customers who order newly installed, full-time Serial Component Video Service (**SCVS**) or newly installed, High-Definition Digital Video Transport Service (**Hi-Def DVTS**) in accordance with the requirements set forth in this Option 52.

(**B**) Eligibility

The customer must meet all of the criteria set forth following in order to be eligible to receive the rates, terms, and conditions of this Option 52.

(1) The customer must subscribe to this Option 52 by submitting a written authorization in a manner designated by the Telephone Company during the period that begins September 20, 2008 and ends March 31, 2009, or during the period that begins April 1, 2009 (C)
and ends March 31, 2010 (**Subscription Period**). (C)

(2) The customer must order new installations of at least three (3) full-time SCVS channels or at least three (3) Hi-Def DVTS channels on a single order during the Subscription Period. The originating point of all such channels must be the same location and the termination point of all such channels must be the same location.

(3) 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 discount provided under this Option 52, unless the later date is designated by the Telephone Company.

(4) 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 SCVS or Hi-Def DVTS.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.53 Contract Tariff Option 52 (Cont'd) (N)

(C) Service Period

The Service Period for SCVS subscribed to under this Option 52 is three (3) years. The Service Period for Hi-Def DVTS subscribed to under this Option 52 shall be for a period of one (1) year or three (3) years depending on the term selected by the customer. The one (1) year Service Period shall commence on the day that the newly installed service is accepted by the customer and end twelve (12) months later. The three (3) year Service Period shall commence on the day that the newly installed service is accepted by the customer and end thirty-six (36) months later.

(D) Service Area

The discounts provided under this Option 52 shall be provided in the following Metropolitan Statistical Areas (MSAs):

- Washington DC-MD-VA MSA (MSA#8)
- Baltimore MD (MSA#14)
- Wilmington-Newark DE-MD (MSA#69)

Wire centers for the above MSAs are listed in Section 14.7 preceding. Any additions of, or changes to, the above MSAs (including changes to wire centers or Level 1/Level 2 pricing status) that occur during the Service Period of this Option 52 will apply.

(E) Terms and Conditions

(1) Except as set forth in this Option 52, the rates, terms and conditions set forth in Section 7.2.5(E) preceding apply for SCVS and Section 7.2.5(F) preceding apply for Hi-Def DVTS.

(2) Application of the Discount

(a) SCVS

The discount set forth in (F) following will be applied to the Channel Termination and Channel Mileage 3-Year rates set forth in Section 7.5.5(D) preceding for SCVS that is subscribed to this Option 52. The discount set forth in (F) following is not applicable to SCVS that is subscribed to on a daily basis.

The rate elements to which the discount is applied must be in billing under the following rate elements:

Channel Termination USOCs	Channel Mileage USOCs
T7TXX, T6XWX, TYT8X, TYT83	1L5LS, 1Y8WX

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.53 Contract Tariff Option 52 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Application of the Discount (Cont'd)

(b) Hi-Def DVTS

The discount set forth in (F) following will be applied to the Channel Termination and Channel Mileage 1-Year rates set forth in Section 7.5.5(E) preceding for Hi-Def DVTS that is subscribed to this Option 52 with a one (1) year Service Period, or to the Channel Termination and Channel Mileage 3-Year rates set forth in Section 7.5.5(E) preceding for Hi-Def DVTS that is subscribed to this Option 52 with a three (3) year Service Period, as applicable.

The rate elements to which the discount is applied must be in billing under the following rate elements:

Channel Termination USOCs	Channel Mileage USOCs
T6XJX, T6XWX	1Y8HX, 1Y8WX

(3) Expiration of the Service Period

Upon completion of the applicable Service Period, 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 with the service at the Month-to-Month rates set forth in Section 7.5.5 preceding which apply in accordance with the application of rates set forth in Section 14.7 preceding.

(d) In the event that the customer does not make an election of (a) through (c) preceding, the customer's subscription to the service will continue in accordance with (c) preceding. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.53 Contract Tariff Option 52 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(4) If service subscribed to this Option 52 is discontinued prior to the end of the selected Service Period, termination liability applies in accordance with Section 7.2.5(E)(4) preceding for SCVS or Section 7.2.5(F)(4) preceding for Hi-Def DVTS.

(5) If, at any time during the Service Period, the customer fails to maintain a minimum of three (3) SCVS channels or (3) Hi-Def DVTS channels, the customer's subscription to this Option 52 shall be terminated and the discount set forth in (F) following will cease from the date that customer failed to maintain such minimum number of SCVS or Hi-Def DVTS channels.

(F) Discounts

The following discounts will be applied during the selected Service Period of this Option 52 when a minimum of three (3) or more full-time SCVS or full-time Hi-Def DVTS channels are ordered between the same originating and terminating points.

(1) Channel Termination Rate Element

Service	Service Period	Discount Percentage
SCVS	3-Year	10%
Hi-Def DVTS	1-Year	15%
	3-Year	10%

(2) Channel Mileage Rate Element

Service	Service Period	Discount Percentage
SCVS	3-Year	40%
Hi-Def DVTS	1-Year	40%
	3-Year	40%

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.54 Contract Tariff Option 53 (N)

(A) Scope

Contract Tariff Option 53 (**Option 53**) provides Billing Discounts on certain Special Access Services if the customer meets certain volume commitments and total billed revenue amounts for the Qualifying Services (as defined in (E) following) as set forth herein.

In this Option 53, 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 criteria set forth following in order to be eligible to receive the rates, terms, and conditions of this Option 53.

(1) During the twelve (12) month period ending on September 30, 2008, the customer must have achieved a minimum of $4,000,000.00 ($4M) in aggregate monthly billed recurring revenue for all DS1 and DS3 Services purchased by the customer from the Telephone Company under Section 7.2.9 preceding of this tariff, Section 7.2.9 of Tariff FCC No. 11 (FCC11), Section 5.3.6 of Tariff FCC No. 14 (FCC14) and/or Section 7.11.1 of Tariff FCC No. 16 (FCC16). (x)

(2) The customer must concurrently subscribe to a Commitment Discount Plan (CDP) as defined in Section 25.1 following with a term of five (5) years or longer for Qualifying Services (as defined in (E)(1) following).

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

(4) In order to earn any Billing Discounts (as determined in (H) following) under this Option 53, the customer (in addition to meeting the criteria set forth in (B)(1) through (B)(3) preceding) must (i) meet or exceed the yearly cumulative minimum purchase commitment quantities for New Qualifying DS1 and DS3 Circuits as set forth in (H) following; (ii) purchase such New Qualifying DS1 and DS3 Circuits as set forth in (H) following; (iii) retain throughout Plan Years 3, 4 and 5 no fewer than the Plan Year 2 cumulative minimum purchase quantities of such New Qualifying DS1 and DS3 Circuits as specified in (H) following, and (iv) satisfy any applicable Minimum Annual Revenue Commitment (**MARC**) requirement as set forth in (H) following. (N)

(x) Issued under authority of Special Permission No. 08-023 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.54 Contract Tariff Option 53 (Cont'd) (N)

(B) Eligibility (Cont'd)

(5) Except as to the CDP subscription required under (B)(2) 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.

(6) The availability of the Billing Discount for Qualifying Services shall be determined based on the criteria and requirements set forth in this Option 53. The availability of the Billing Discount depends on the customer satisfying the yearly cumulative minimum new purchase and retention requirements for New Qualifying DS1 and DS3 Circuits, and the MARC requirement for any applicable Qualifying MSA, all in accordance with the terms and conditions of this Option 53.

(7) A customer must subscribe to Option 53 by submitting a written authorization in a manner designated by the Telephone Company during the subscription period which begins on November 1, 2008 and ends on December 1, 2008 (**Subscription Period)**.

(C) Service Period

The Service Period of this Option 53 shall be for a period of five (5) years commencing on November 12, 2008, and ending on November 11, 2013. As used herein, "Plan Year" refers to one of the five (5) consecutive twelve (12)-month periods that comprise the Service Period (e.g., Plan Year 1 refers to the twelve (12) month period commencing November 12, 2008 and ending November 11, 2009. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.54 Contract Tariff Option 53 (Cont'd) (N)

(D) Serving Area

The Billing Discounts will be provided only in the following Metropolitan Statistical Areas (**MSAs**) listed below (the **Qualifying MSAs**), and then only to the Qualifying Service Rate Elements (as defined in (E)(1) following) purchased within such MSAs. Wire centers for the Qualifying MSAs are listed in Section 14.7 preceding. Any additions of, or changes to, the Qualifying MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in this tariff) that occur during the Service Period of this Option 53 will apply. The Qualifying MSAs are the following MSAs as defined in Section 14.7 preceding:

- WASHINGTON DC-MD-VA (MSA#8)(the **DC MSA**)
- BALTIMORE MD (MSA#14)(the **Baltimore MSA**)
- NORFOLK-VIRGINIA BEACH-PORTSMOUTH VA/NC (MSA#43) (the **Norfolk-Virginia Beach-Portsmouth MSA**)
- RICHMOND VA (MSA #59) (the **Richmond MSA**)
- NEWPORT NEWS-HAMPTON VA (MSA #104) (the **Newport News-Hampton MSA**).

(E) Qualifying Services

(1) Description of Qualifying Services

Qualifying Services will be comprised only of newly-installed (i.e., installed on or after November 12, 2008, and excluding installation of any DS1 or DS3 Service that replaces a DS1 or DS3 Service that was disconnected from that same location) Special Access DS1 and DS3 Services as set forth in Section 7.2.9 preceding, as amended from time to time, subject to (E)(1)(a) and (b) following.

(a) The Billing Discount (as defined and set forth in (H) following) shall apply:

(1) only to the monthly recurring charges for the following rate elements for such DS1 and DS3 Services:

(a) Channel Termination

(b) Channel Mileage

(c) DS3 to DS1 Central Office Multiplexing optional feature; and (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.54 Contract Tariff Option 53 (Cont'd) (N)

(E) Qualifying Services (Cont'd)

(1) Description of Qualifying Services (Cont'd)

(a) (Cont'd)

(2) only where such rate elements are billed under the following USOCs:

(a) Channel Mileage USOCs

1J54S, 1T58S and 1YA8S

(b) Channel Termination USOCs

HKTJS, HKTJX, TNT4X, TNT8X, TYF8S, TYF8X

(c) DS3 to DS1 Central Office Multiplexing optional feature USOC

MXNRX

The DS1 and DS3 Service rate elements specified in (E)(1)(a)(1) preceding, where such rate elements are billed under the USOCs specified in (E)(1)(a)(2) preceding, may be referred to collectively herein as the **Qualifying Service Rate Elements.**

(b) All other rate elements and/or services purchased by the customer from the Telephone Company and not listed in (E)(1)(a) preceding shall not be eligible for inclusion as Qualifying Services under this Option 53. The charges to which the Billing Discount does not apply include the following:

(1) non-recurring charges;

(2) taxes, fees, surcharges, or similar charges imposed by a federal, state, local, or other governmental entity (e.g., Federal Universal Service Fund);

(3) service or administrative fees or charges imposed by the Telephone Company (e.g., interest penalty, late payment penalty);

(4) minimum period charges;

(5) termination liabilities;

(6) any other charges that are not applied on a recurring monthly basis. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.54 Contract Tariff Option 53 (Cont'd)

(F) Mergers and Acquisitions of the Customer

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, the following terms and conditions will apply in addition to any other terms and conditions set forth in this tariff.

(1) The customer may not combine or include any circuits from the merged, acquiring, or acquired company, or assets of such merged, acquiring, or acquired company for purposes of determining whether the customer has met the yearly cumulative minimum purchase and retention quantities of New Qualifying DS1 and DS3 Circuits set forth in (H) following.

(2) For purposes of calculating the MARC set forth in (H) following, the customer may not combine or include any MRCs incurred by the merged, acquiring, or acquired company or incurred in connection with the assets of the merged, acquiring, or acquired company.

(3) Whether the customer has met the yearly cumulative minimum purchase and retention requirements for New Qualifying DS1 and DS3 Circuits as set forth in (H) following, and the MARC requirement set forth in (H) following, shall be determined based on its business with the Telephone Company using the customer's ACNA(s) (as submitted by the customer in its subscription to this Option 53 and approved by the Telephone Company for inclusion in this Option 53), without adding any ACNAs, circuits, or MRCs attributable to expansion of the customer's purchase of services from the Telephone Company through merger, transfer, assignment, acquisition, or otherwise.

(4) Without limiting any other right of the Telephone Company to terminate this Option 53, the Telephone Company may terminate this Option 53 without liability if the customer does not adhere to the provisions of this Section (F).

(G) Sale of a Verizon Operating Telephone Company

If some or all of the assets or stock of Verizon Maryland Inc., Verizon Virginia LLC, or Verizon Washington DC Inc. are acquired by (T) an unaffiliated third party (**Service-Affecting Acquisition**), and the Telephone Company does not provide the Qualifying Services to the customer after such time in the Qualifying MSAs, then the following terms and conditions shall apply, in addition to any other terms and conditions set forth in this tariff.

(1) New Qualifying DS1 and DS3 Circuits

For the time remaining in the Service Period, each yearly cumulative commitment quantity of New Qualifying DS1 and DS3 Circuits set forth in Table 1 in (H) following shall be proportionately reduced on a prospective basis by the applicable factor as specified in (a) and (b) following:

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.54 Contract Tariff Option 53 (Cont'd) (N)

(G) Sale of a Verizon Operating Telephone Company (Cont'd)

(1) New Qualifying DS1 and DS3 Circuits (Cont'd)

(a) DS1 Circuits

Divide (i) the total number of in-service (as of the closing date of the Service-Affecting Acquisition) New Qualifying DS1 Circuits that, under the terms of this Option 53, qualify for the Billing Discount specified in (H) following and that will no longer be provided by the Telephone Company to the customer as a result of the Service-Affecting Acquisition, by (ii) the total number of in-service (as of the closing date of the Service-Affecting Acquisition) New Qualifying DS1 Circuits that, under the terms of this Option 53, qualify for the Billing Discount specified in (H) following. Use the resulting percentage factor (**DS1 Acquisition Reduction Factor**) to reduce the yearly cumulative New Qualifying DS1 Circuit purchase commitment quantities for the time remaining in the Service Period. In the event this calculation results in a new commitment quantity that includes a partial circuit, round up or down to the nearest whole number of circuits.

For example: Assume that, at the end of Plan Year 1 of the Ramp-Up and Retention Schedule in (H) following, the customer had six hundred (600) in-service New Qualifying DS1 Circuits that qualified for the Billing Discount. Assume further that, as a result of a Service-Affecting Acquisition, the Telephone Company will no longer provide sixty (60) of those DS1 circuits. The minimum cumulative new purchase commitment quantity for Plan Year 2 is reduced by a DS1 Acquisition Reduction Factor of .10 [60 /600]. For Plan Year 2, the minimum cumulative new purchase commitment quantity is reduced to 1,035 [1,150 – (1,150 x .10)]. That same reduced quantity (1,035) also becomes the minimum retention commitment quantity for Plan Years 3, 4 and 5. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.54 Contract Tariff Option 53 (Cont'd) (N)

(G) Sale of a Verizon Operating Telephone Company (Cont'd)

(1) New Qualifying DS1 and DS3 Circuits (Cont'd)

(b) DS3 Circuits

Divide (i) the total number of in-service (as of the closing date of the Service-Affecting Acquisition) New Qualifying DS3 Circuits that, under the terms of this Option 53 qualify for the Billing Discount specified in (H) following, and that will no longer be provided by the Telephone Company to the customer as a result of the Service-Affecting Acquisition, by (ii) the total number of in-service (as of the closing date of the Service-Affecting Acquisition) New Qualifying DS3 Circuits that, under the terms of this Option 53, qualify for the Billing Discount specified in (H) following. Use the resulting percentage factor (**DS3 Acquisition Reduction Factor**) to reduce the yearly cumulative New Qualifying DS3 Circuit purchase commitment quantities for the time remaining in the Service Period. In the event this calculation results in a new commitment quantity that includes a partial circuit, round up or down to the nearest whole number of circuits.

For example: Assume that, at the end of Plan Year 1 of the Ramp-Up Schedule in (H) following, the customer had fifty (50) in-service New Qualifying DS3 Circuits that qualified for the Billing Discount. Assume further that, as a result of a Service-Affecting Acquisition, the Telephone Company will no longer provide ten (10) of those DS3 circuits. The yearly cumulative New Qualifying DS3 Circuit purchase commitment quantities for each of the remaining years of the Service Period are reduced by a DS3 Acquisition Reduction Factor of .20 [10/50]. For Plan Year 2, the cumulative minimum purchase quantity is reduced to forty-six (46) [58 – (58 x .20) = 46.4, which is rounded down to 46]. That same reduced quantity of forty-six (46) also becomes the minimum retention commitment quantity for Plan Years 3, 4 and 5. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.54 Contract Tariff Option 53 (Cont'd) (N)

(G) Sale of a Verizon Operating Telephone Company (Cont'd)

(2) MARC

If a Qualifying MSA in its entirety is the subject of the Service-Affecting Acquisition and is subject to a MARC under (H) following, then the MARC shall not apply for the Plan Year in which the Service-Affecting Acquisition occurs or for any subsequent year of the Service Period.

However, in the event that the Service-Affecting Acquisition affects only part of such a Qualifying MSA, then the MARC for that MSA shall be adjusted proportionately as follows:

(a) The Telephone Company will calculate the total MRCs that the customer, in the full calendar month preceding the Service-Affecting Acquisition, incurred in the subject Qualifying MSA for DS1 and DS3 Services under Section 7.2.9 preceding.

(b) The Telephone Company will determine how much of the above amount was incurred for DS1 and DS3 Services that the Telephone Company will no longer provide to the customer as a result of the Service-Affecting Acquisition.

(c) The Telephone Company will divide the amount described in (b) preceding by the amount described in (a) preceding, resulting in a percentage factor by which the MARC will be reduced.

For example: Assume the customer's MARC for the applicable Qualifying MSA is $100,000. Assume further that the customer incurred $20,000 in MRCs for DS1 and DS3 Services in that MSA during the full calendar month preceding the Service-Affecting Acquisition. Also assume that the customer incurred $10,000 of that amount for DS1 and DS3 Services that the Telephone Company will no longer provide as a result of the Service-Affecting Acquisition. The MARC would be adjusted as follows: $10,000 ÷ $20,000 = .50 X $100,000 = new MARC of $50,000. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.54 Contract Tariff Option 53 (Cont'd) (N)

(H) Billing Discount, Minimum Purchase Requirements, and MARC for Existing Services

(1) Provided that the customer has satisfied all applicable eligibility requirements set forth in this Option 53, the customer will receive a ten percent (10%) discount (**Billing Discount**), in addition to any discount to which the customer may be entitled under the CDP to which the customer must be subscribed under (B)(2) preceding, when purchasing Qualifying Services during the Service Period. For example: Assume a customer's 5-year CDP MRCs for a circuit comprised of Qualifying Service Rate Elements total $150. Application of the Billing Discount would result in the customer being charged $135 for that circuit [$150 - ($150 x 10%)]. The Billing Discount shall apply only to the Qualifying Service Rate Elements specified in (E)(1) preceding—and only in accordance with (D) preceding. To qualify for the Billing Discount, the customer must: (a) purchase, in the Qualifying MSAs, a minimum of one thousand one hundred and fifty (1,150) New Qualifying DS1 Circuits (as defined in (H)(2) following) and fifty-eight (58) New Qualifying DS3 Circuits (as defined in (H)(2) following) during the first two (2) Plan Years, all in accordance with the yearly minimum cumulative new purchase commitment quantities specified in the Ramp Up and Retention Schedule set forth in Table 1 following, (b) keep in service throughout Plan Years 3, 4 and 5 no fewer than the minimum cumulative purchase quantity specified for Plan Year 2 (i.e., at least one thousand one hundred fifty (1,150) DS1s and fifty-eight (58) DS3s) and (c) satisfy the MARC requirement, as applicable, as set forth in (H)(3) following.

Table 1 - Ramp-Up and Retention Schedule

Year	Service	Minimum Quantity	Minimum Cumulative Quantity
1	DS1	575	575
2	DS1	575	1,150
3	DS1	---	1,150
4	DS1	---	1,150
5	DS1	---	1,150
1	DS3	29	29
2	DS3	29	58
3	DS3	--	58
4	DS3	--	58
5	DS3	--	58

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.54 Contract Tariff Option 53 (Cont'd) (N)

(H) Billing Discount, Minimum Purchase Requirements, and MARC for Existing Services (Cont'd)

(2) For the purpose of determining whether the customer has met the yearly minimum cumulative new purchase commitment and retention commitment quantities set forth in (H)(1) preceding:

(a) A **New Qualifying DS1 Circuit** means a DS1 Qualifying Service that is newly-installed during the Service Period in a Qualifying MSA and is comprised of at least one (1) High Capacity 1.544 Mbps (DS1) Channel Termination and any associated mileage.

(b) A **New Qualifying DS3 Circuit** means any of the following arrangements that are newly-installed during the Service Period in a Qualifying MSA:

(1) A DS3 Qualifying Service that terminates on a High Capacity 44.736 Mbps (DS3) Termination;

(2) A DS3 Qualifying Service that connects to a DS3 port of a Telephone Company provided dedicated SONET ring service;

(3) A DS3 Qualifying Service that terminates over a Telephone Company provided SONET entrance facility service;

(4) A DS3 Qualifying Service that connects to a Telephone Company provided, multiplexed point-to-point SONET service; or

(5) A multiplexed DS3 Qualifying Service that connects to a third-party arrangement that is collocated in a Telephone Company central office. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.54 Contract Tariff Option 53 (Cont'd) (N)

(H) Billing Discount, Minimum Purchase Requirements, and MARC for Existing Services (Cont'd)

(2) (Cont'd)

(c) The terms "New Qualifying DS1 Circuit" and "New Qualifying DS3 Circuit" exclude any service that is not specifically identified in (H)(2)(a) or (b) preceding. Such excluded services include, but are not limited to, the following:

(1) Any Facilities Management Service (as defined in Section 7.2.13 following), including any such service utilizing a DS3 interface as set forth in Section 7.2.13 preceding.

(2) Any service that is disconnected from a particular location then installed as a new service at the same location.

(3) Any service that, at a particular location, replaces a service that was disconnected from that same location.

(3) MARC for Existing Services

If, as of November 12, 2008 (**Effective Date**), the customer has in service, in any Qualifying MSAs, any Special Access DS1 or DS3 Services purchased under Section 7.2.9 preceding (**Existing DS1/DS3 Services**), then the following provisions shall apply:

(a) The Telephone Company will determine the total amount of monthly recurring charges (**MRCs**) that the customer incurred for Existing DS1/DS3 Services in each Qualifying MSA during the three (3) calendar months prior to November 12, 2008 (the **Effective Date**). Such MRCs shall not include any shortfall or overage charges associated with CDP true-ups (e.g., for failure to satisfy commitment levels pursuant to the customer's CDP) or any other charges listed in (E)(1)(b)(1) through (E)(1)(b)(6) preceding.

(b) The Telephone Company will then multiply each such amount determined in (a) preceding by four (4) to arrive at a twelve (12)-month total, then multiply that amount by a factor of .90 (nine tenths). The resulting amount for each Qualifying MSA is the **MARC** for that Qualifying MSA.

(c) To qualify for the Billing Discount under this Option 53, the customer, during each of the five (5) Plan Years and in each Qualifying MSA in which the customer had Existing DS1/DS3 Services as of the Effective Date, must continue to incur MRCs totaling no less than the MARC for each such Qualifying MSA. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.54 Contract Tariff Option 53 (Cont'd) (N)

(H) Billing Discount, Minimum Purchase Requirements, and MARC for Existing Services (Cont'd)

(3) MARC for Existing Services (Cont'd)

(c) (Cont'd)

Example: Assume the Effective Date is April 10 of a given year. Assume further that, during the calendar months of January, February, and March of that same year, the customer incurred in the Baltimore MSA a total of $100,000 in MRCs for Existing DS1 Services and $50,000 in MRCs for Existing DS3 Services, and incurred in the DC MSA a total of $50,000 in MRCs for Existing DS1 Services and $50,000 in MRCs for Existing DS3 Services. Also assume the customer incurred no MRCs for Existing DS1/DS3 Services in the other Qualifying MSAs as of April 10 of that year. The MARC for the Baltimore MSA would be calculated as: ($100,000 + $50,000) X 4 X .90 = $540,000. The MARC for the DC MSA would be calculated as: ($50,000 + $50,000) X 4 X .90 = $360,000.

(d) Existing DS1/DS3 Services are not eligible for the Billing Discount under this Option 53.

(4) Annual Review

No later than thirty (30) days following each anniversary of the Effective Date:

(a) The Telephone Company shall review the customer's purchases of New Qualifying DS1 and DS3 Circuits to determine whether the customer has satisfied the applicable minimum cumulative new purchase and retention quantity commitments set forth in (H)(1) preceding. If the customer has not purchased the required volume of New Qualifying DS1 and DS3 Circuits (or, in the case of Plan Years 3, 4 and 5, has not maintained the minimum cumulative quantities specified in Table 1), then the termination liability provisions set forth in (I)(2) and (I)(3) following shall apply.

(b) The Telephone Company shall calculate the total MRCs the customer incurred for all Special Access DS1 and DS3 Services as set forth in Section 7.2.9 preceding (including Qualifying Services) in each of the applicable Qualifying MSAs to determine whether the customer satisfied the MARC requirement set forth in (H)(3) preceding for the preceding Plan Year for the respective Qualifying MSAs. The customer must have satisfied the MARC requirement for each Qualifying MSA. If the customer has not satisfied the MARC requirement for any of Qualifying MSA, then the termination liability provisions set forth in (I)(2) and (I)(3) following shall apply. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.54 Contract Tariff Option 53 (Cont'd) (N)

(I) Termination of Plan

(1) Termination

Subject to the terms set forth in this Section (I), the customer may terminate this Option 53 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 53. If the customer terminates this Option 53 at any time during the Service Period, the customer will not be entitled to any Billing Discount, pro rated or otherwise, after the termination date, and the customer shall pay to the Telephone Company termination liability charges as set forth in Sections (I)(2) and (I)(3) following. All obligations under the tariff with respect to the Qualifying Services shall continue to apply.

(2) Termination Liability

The customer shall pay termination liability charges, calculated as set forth in (I)(3) following, upon the occurrence of any or all of the following:

(a) If the customer, at any time during the Service Period, terminates this Option 53; (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.54 Contract Tariff Option 53 (Cont'd) (N)

(I) Termination of Plan (Cont'd)

(2) Termination Liability (Cont'd)

(b) If the customer, at any time during the Service Period, breaches any material term of this Option 53, including failure to satisfy any yearly minimum cumulative new purchase commitment quantity for Plan Years 1 or 2, the minimum cumulative retention quantity for Plan Years 3, 4 or 5, or a MARC requirement, all as set forth in (H) preceding, subject to the following provisions:

(1) In the case of a failure of the customer to satisfy a yearly minimum cumulative new purchase commitment quantity for Plan Years 1 and 2, the Telephone Company shall inform the customer of any such failure after completing the applicable annual review described in (H)(4) preceding, and the following provisions shall apply:

(a) The customer shall then have a period of sixty (60) days (**Quantity Cure Period**) to purchase New Qualifying DS1 Circuits or New Qualifying DS3 Circuits, as applicable, in sufficient quantities to meet the shortfall identified by the Telephone Company.

(b) If, as of the end of the Quantity Cure Period, the customer's in-service quantities of New Qualifying DS1 Circuits or New Qualifying DS3 Circuits remain below the required quantity, then termination liability shall apply and shall be calculated as described in Section (I)(3) following, based on the quantities of New Qualifying DS1 and DS3 Circuits in service as of the end of the Cure Period. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.54 Contract Tariff Option 53 (Cont'd) (N)

(I) Termination of Plan (Cont'd)

(2) Termination Liability (Cont'd)

(b) (Cont'd)

(2) In the case of a failure of the customer, as to any Plan Year, to satisfy a MARC requirement for any Qualifying MSA that is subject to a MARC requirement under (H)(3) preceding, the Telephone Company shall inform the customer of any such failure after completing the applicable annual review described in (H)(4) preceding, and the following provisions shall apply:

(a) The customer shall then have a period of sixty (60) days (**MARC Cure Period)** to incur MRCs for DS1 and/or DS3 Services under Section 7.2.9 preceding in the applicable Qualifying MSA in sufficient quantities to meet the shortfall identified by the Telephone Company.

(b) If, as of the end of the MARC Cure Period, the customer has not incurred MRCs for DS1 and/or DS3 Services under Section 7.2.9 preceding in the applicable Qualifying MSA in amounts sufficient to meet the shortfall identified by the Telephone Company, then termination liability shall apply and shall be calculated as described in (I)(3) following. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.54 Contract Tariff Option 53 (Cont'd) (N)

(I) Termination of Plan (Cont'd)

(3) Termination Liability Charge Calculation

(a) Termination liability charges shall be equal to: (i) the difference between (A) the total MRCs that the customer, for the month in which termination liability is triggered under (I)(2) preceding, incurred under this Option 53 for Qualifying Services that are in-service in the Qualifying MSAs during that month and (B) the total MRCs that the customer, for those same Qualifying Services and that same month, would have incurred under the customer's CDP (i.e., the CDP to which the customer is then subscribed as required by (B)(2) preceding) had the discount set forth in this Option 53 not been applied, and (ii) such difference then being multiplied by the applicable Termination Month Factor (**TMF**) set forth in Table 2 following.

Table 2

Plan Year	TMF
1	12
2	13
3	14
4	15
5	16

Example 1:

Assume the customer terminates Option 53 as of the end of the twenty-second (22nd) month of the Service Period, and during such twenty-second (22nd) month the customer has incurred a total of $100,000 in MRCs for Qualifying Services in the Qualifying MSAs. Assume further that the customer would have incurred a total of $112,000 in MRCs for those Qualifying Services under the CDP to which the customer is then subscribed if the Telephone Company had billed the customer the applicable CDP rates without applying the discount set forth in this Option 53. The termination liability would be calculated as: ($12,000 X 13 TMF) = $156,000 termination liability charge. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.54 Contract Tariff Option 53 (Cont'd) (N)

(I) Termination of Plan (Cont'd)

(3) Termination Liability Charge Calculation (Cont'd)

Example 2:

Assume the customer purchases fewer than five hundred seventy five (575) New Qualifying DS1 Circuits during the first twelve (12) months of the Service Period, but the customer does purchase twenty-nine (29) New Qualifying DS3 Circuits during such period. Assume further that, during the twelfth (12th) month of the Service Period, the customer incurred a total of $40,000 in MRCs for Qualifying Services in the Qualifying MSAs. Also assume that during the twelfth (12th) month of the Service Period, the customer would have incurred a total of $44,800 in MRCs for those Qualifying Services under the CDP to which the customer is then subscribed if the Telephone Company had billed the customer the applicable CDP rates without applying the discount set forth in this Option 53. The termination liability would be calculated as: ($4,800 X 12 TMF) = $57,600 termination liability charge.

Example 3:

Assume the Baltimore MSA is subject to a MARC of $5,000 and that, during Plan Year 1, the customer incurs MRCs for DS1 and DS3 Services under Section 7.2.9 preceding in the Baltimore MSA in amounts totaling $4,000, thus failing to satisfy the MARC requirement under Section (H)(3) preceding. Assume further that, during the twelfth (12th) month of the Service Period, the customer incurred a total of $40,000 in MRCs for Qualifying Services in the Qualifying MSAs. Also assume that during the twelfth (12th) month of the Service Period, the customer would have incurred a total of $44,800 in MRCs for those Qualifying Services under the CDP to which the customer is then subscribed if the Telephone Company had billed the customer the applicable CDP rates without applying the discount set forth in this Option 53. The termination liability would be calculated as: ($4,800 X 12 TMF) = $57,600 termination liability charge. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.54 Contract Tariff Option 53 (Cont'd) (N)

(I) Termination of Plan (Cont'd)

(4) New Service Offering or Service Upgrade

Provided that the conditions set forth in (a) through (d) following are met, if (i) the Telephone Company, using a new technology, makes available a new Special Access Service capable of substituting for the Qualifying Services that are subject to the Billing Discount under this Option 53, and the Telephone Company did not offer such service using such technology prior to the Effective Date (**New Replacement Service**), or (ii) if the customer elects to purchase Ethernet service from the Telephone Company to substitute for the Qualifying Services that are subject to the Billing Discount under this Option 53 (**Ethernet Replacement Service**), then the customer, upon entering into an effective new contract or Tariff arrangement to purchase such New Replacement Service or Ethernet Replacement Service from the Telephone Company in substitution for the Qualifying Services provided under this Option 53, may terminate this Option 53 without incurring termination liability as to any time remaining in the Service Period as of the date of termination (but without waiver of any termination liability the customer may have incurred for periods prior to that date). The customer may exercise this option provided the following additional conditions are met:

(a) Such new contract or Tariff arrangement for the New Replacement Service or Ethernet Replacement Service must include both (i) a term period that is equal to, or greater than, five (5) years; and (ii) minimum purchase obligations requiring the customer to purchase at least $10,000,000 in New Replacement Services or Ethernet Replacement Services during such five (5)-year term.

(b) The customer, at the time of the request, must be in compliance with all of the eligibility requirements set forth in this Option 53 (including the yearly minimum cumulative new purchase requirements for Plan Years 1 and 2, the minimum retention requirements for Plan Years 3, 4 and 5, and any applicable MARC requirements, all as set forth in (H) preceding.

(c) To exercise this option and terminate this Option 53 without termination liability as described in (I)(3) preceding, the customer must notify the Telephone Company in writing at least ninety (90) days prior to the requested termination date.

(d) The customer will be responsible for all non-recurring charges and special construction charges that apply to the Telephone Company's provision of the New Replacement Service or Ethernet Replace Service. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.55 Contract Tariff Option 54 (N)

(A) Scope

Contract Tariff Option 54 provides discounted monthly rates to customers who order Special Access High Capacity 1.544 Mbps Service (**DS1 Service**) in the New York and New Jersey Corridor and in accordance with the requirements set forth in (B) through (F) following.

(B) Eligibility

All of the following requirements must be met in order to be eligible for subscription to Option 54.

(1) A customer must subscribe to Option 54 by submitting a written authorization in a manner designated by the Telephone Company during the subscription period which begins on November 15, 2008 and ends on December 14, 2008 (**Subscription Period**).

(2) The customer must currently subscribe to Option 9 as set forth in Section 21.10 preceding.

(3) The customer must subscribe to a minimum of twelve (12) and up to a maximum of sixty-five (65) DS1 Service Corridor Channel Terminations (**DS1 Corridor CTs** as described in (E)(2) following) associated with DS1 Services where one end of the DS1 Services is located within the New York and New Jersey Corridor. A minimum of twelve (12) DS1 Corridor CTs must be maintained during the Initial Transferred Service Period (as described in (D)(1) following) and during the Extended Transferred Service Period of this Option 54 (as described in (D)(2) following). The following DS1 Corridor CTs may be subscribed to this Option 54.

(a) All DS1 Corridor Channel Terminations that are currently in billing under Option 9 preceding (**Transferred DS1 Corridor CTs**).

(b) Subject to (E)(1) following, newly installed DS1 Service Corridor Channel Terminations as provided herein (**New DS1 Corridor CTs**). Except as allowed under (a) preceding, a DS1 Corridor CT cannot be a channel termination that was disconnected from another contract tariff option or discount plan in order to subscribe that channel termination to this Option 54. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.55 Contract Tariff Option 54 (Cont'd) (N)

(C) Serving Area

(1) The serving area of Option 54 is comprised of the following New York and New Jersey wire centers that are within the New York and New Jersey Corridor portion of the New York Metropolitan Statistical Area (**MSA#1**). The specific wire centers of MSA#1 that are included in this Option 54 are specified in (C)(2) following.

(2) The following Telephone Company wire centers of MSA#1 comprise the geographic area of the New York and New Jersey Corridor:

New York Wire Centers

NYCKNY14	NYCMNY42	NYCQNYFR
NYCKNY71	NYCMNY50	NYCQNYHS
NYCKNY77	NYCMNY56	NYCQNYIA
NYCKNYAI	NYCMNY73	NYCQNYJA
NYCKNYAL	NYCMNY79	NYCQNYLI
NYCKNYAR	NYCMNY97	NYCQNYLN
NYCKNYAU	NYCMNYBS	NYCQNYNJ
NYCKNYAY	NYCMNYBW	NYCQNYNW
NYCKNYBR	NYCMNYCA	NYCQNYOP
NYCKNYBU	NYCMNYMN	NYCQNYRH
NYCKNYCL	NYCMNYPS	NYCRNYND
NYCKNYFA	NYCRNYNS	NYCRNYSS
NYCKNYFT	NYCMNYTH	NYCRNYWS
NYCKNYKP	NYCMNYVS	NYCXNYCI
NYCKNYLA	NYCMNYWA	NYCXNYCR
NYCKNYRA	NYCMNYWS	NYCXNYGC
NYCKNYTY	NYCMNYZO	NYCXNYHO
NYCKNYWM	NYCQNYAS	NYCXNYJE
NYCMNY13	NYCQNYBA	NYCXNYKB
NYCMNY18	NYCQNYBH	NYCXNYMH
NYCMNY30	NYCQNYCO	NYCXNYTB
NYCMNY36	NYCQNYFH	NYCXNYTR
NYCMNY37	NYCQNYFL	

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.55 Contract Tariff Option 54 (Cont'd) (N)

(C) Serving Area (Cont'd)

(2) (Cont'd)

New Jersey Wire Centers

BYNNNJ02	JRCYNJBR	PSSCNJPS
BLVLNJBE	JRCYNJJO	PTSNNJAR
BLFDNJBL	KRNYNJKN	PLFDNJPF
CFTNNJCF	LNDNNJ01	RCPKNJ02
CLWLNJCW	LTFLNJLF	RGWDNJRW
CFPKNJCS	LTFYNJLF	RHWYNJRA
CLSTNJCO	LVTNNJLI	RMSYNJRM
CNFRNJCR	MLBNNJMB	RSLLNJRL
DUMTNJDM	MTCLNJMC	RVDLNJPL
ELZBNJEL	MTVWNJMV	RTFRNJRU
ENWDNJEN	NBRGNJNB	SORGNJSO
EORNNJEO	NWPVNJMH	UNCYNJ02
ERLKNJEL	NWRKNJ03	UNINNJUV
FRLNNJFL	NWRKNJIR	WMFRNJ01
FRFDNJFA	NWRKNJ02	WORNNJWO
FTLENJLE	NWRKNJWA	WSFDNJWS
HCKNNJHK	NFLDNJNF	WYCKNJWK
HLDNNJ01	NTLYNJNU	
HLDLNJWE	OKLDNJ01	
IVTNNJES	RVEDNJOR	

(3) The New Jersey wire centers of MSA#1 are listed in Section 14.7 preceding. Any additions or changes to the wire centers included in MSA#1 that occur after November 15, 2008 will apply and be included in Option 54.

(D) Service Period

(1) Service Period for Transferred DS1 Corridor CTs

(a) The Service Period for Transferred DS1 Corridor CTs commences on the date that such Transferred DS1 Corridor CTs are in billing under this Option 54 and ends sixty (60) months later (**Initial Transferred Service Period**).

(b) At the end of the Initial Transferred Service Period, the customer may extend the service period by twenty-four (24) months (**Extended Transferred Service Period**). The Extended Transferred Service Period shall commence on the day following expiration of the Initial Transferred Service Period and continue for twenty-four (24) months. The Initial Transferred Service Period together with the Extended Transferred Service Period, if any, shall comprise the Service Period for the Transferred DS1 Corridor CTs of this Option 54. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.55 Contract Tariff Option 54 (Cont'd) (N)

(D) Service Period

(2) Service Period of New DS1 Corridor CTs

(a) The Service Period for each New DS1 Corridor CT added subsequent to the customer's subscription to this Option 54 shall commence with the installation of such New DS1 Corridor CT and end sixty (60) months later (each an **Initial New Service Period**).

(b) At the end of the Initial New Service Period, the customer may extend the service period by twenty-four (24) months (each an **Extended New Service Period**). The Extended New Service Period shall commence on the day following expiration of the Initial New Service Period and continue for twenty-four (24) months. The Initial New Service Period together with the Extended New Service Period, if any, shall comprise the Service Period for each New DS1 Corridor CT of this Option 54.

(E) Terms and Conditions

(1) The customer may add New DS1 Corridor CTs up to the maximum number of DS1 Corridor CTs that can be subscribed to under this Option 54. Each New DS1 Corridor CT added shall have its own Service Period as specified in (D)(2) preceding.

(2) For each DS1 Service under this Option 54, a Corridor Channel Termination monthly rate and nonrecurring charge shall apply for the New York portion of the service and a Corridor Channel Termination monthly rate and nonrecurring charge shall apply for the New Jersey portion of the service.

The DS1 Corridor Channel Termination rate element recovers the portion of the communications path from the customer's designated premises to the interconnection point between the facilities of the two Exchange Telephone Companies, inclusive of the channel termination and any transport involved. Each Exchange Telephone Company shall bill its DS1 Corridor CT in accordance with the regulations for ordering, rating and billing where more than one Exchange Telephone Company is involved as set forth in Section 2.4.7 preceding.

(3) Except as set forth in this Section 21.55, all terms and conditions set forth in other sections of this tariff apply to the DS1 Services and channel terminations that are subscribed to under this Option 54. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.55 Contract Tariff Option 54 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(4) The customer must maintain a minimum of twelve (12) DS1 Corridor CTs (Transferred DS1 Corridor CTs, New DS1 Corridor CTs, or a combination of Transferred DS1 Corridor CTs and New DS1 Corridor CTs) during the Initial Transferred Service Period and during the Extended Transferred Service Period. Failure to maintain such minimum number will result in cancellation of the customer's subscription to this Option 54. In this case, service will continue at the 5-year Term Pricing Plan rates for the DS1 Channel Termination rate element and the DS1 Channel Mileage rate element (measured from the wire center serving the customer designated premises involved to the interconnection point as calculated in accordance with Section 2.4.7 preceding). The DS1 Channel Termination and DS1 Channel Mileage rate elements apply in lieu of the flat rated DS1 Corridor CT rate element set forth herein.

(5) Termination Liability

In the event that one or more Transferred DS1 Corridor CTs are discontinued prior to the end of the Initial Transferred Service Period or one or more New DS1 Corridor CTs are discontinued prior to the end of the Initial New Service Period, termination liability applies in accordance with Section 7.4.17(D) preceding, except that the termination liability charge shall be calculated at fifty-five percent (55%) of the DS1 Corridor CT rate set forth in (F) following from the date of disconnection to the end of the Initial Transferred Service Period or Initial New Service Period, as applicable.

Minimum period charges as set forth in other sections of this tariff do not apply.

Termination liability does not apply to Transferred DS1 Corridor CTs during the Extended Transferred Service Period or to New DS1 Corridor CTs during the Extended New Service Period.

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.55 Contract Tariff Option 54 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(6) Expiration of the Service Period

Upon completion of the Service Period (Initial or Extended, as applicable), 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 services of this Option 54 on a month-to-month basis in accordance with Section 7.2.9 preceding and at the 5-year DS1 rates and charges set forth in Section 7.5.16(C) preceding which apply in accordance with the application of rates set forth in Section 14.7 preceding. Such rates and charges shall apply as a DS1 Channel Termination rate element and a DS1 Channel Mileage rate element between the wire center serving the customer designated premises involved and the interconnection point as calculated in accordance with Section 2.4.7 preceding. The DS1 Channel Termination and DS1 Channel Mileage rate elements apply in lieu of the flat rated DS1 Corridor CT rate element set forth herein.

(d) In the event that the customer does not make an election of (a) through (c) preceding, the customer's subscription to the services will continue in accordance with (c) preceding.

(F) Rates and Charges

Rates apply per DS1 Corridor CT. The following rates apply in all New Jersey rate zones and price bands as determined in Section 14.7 preceding.

Service	USOC	Monthly Rate	Nonrecurring Charge
DS1 Corridor CT, each - 5 Year Term	-----	170.00	$1.00

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.56 Contract Tariff Option 55 (N)

(A) Scope

Contract Tariff Option 55 provides Billing Credits to customers who subscribe to this Option 55 and satisfy the criteria set forth herein. 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) Eligibility

All of the following requirements must be met in order to be eligible for subscription to Option 55.

(1) Subscription Period

A customer must subscribe to Option 55 by submitting a written authorization in a manner designated by the Telephone Company during the thirty (30) day period which begins on March 1, 2009 and ends on March 30, 2009 (**Subscription Period**). Such subscription must include a list of Customer **ACNAs** which the Telephone Company agrees to, in writing, for inclusion in this Option 55.

(2) The customer must be a provider of Commercial Mobile Radio Services (**CMRS**) in each of the following Local Access and Transport Areas (**LATAs**): Western Massachusetts (LATA 126), Eastern Massachusetts (LATA 128), Rhode Island (LATA 130), New York Metropolitan (LATA 132), Atlantic Coast New Jersey (LATA 220), Delaware Valley New Jersey (LATA 222), North Jersey (LATA 224), Washington DC (LATA 236), and Baltimore Maryland (LATA 238).

(3) The customer, together with all its affiliates, must have: (i) achieved a minimum of $77,000,000 ($77M) in billed revenue during calendar year 2008 for all **Qualifying Services** purchased by the customer from the Telephone Company provided that (ii) no more than three percent (3%) of the revenue from such Qualifying Services is derived from the purchase of Telephone Company Facilities Management Service (**FMS**). The only revenues from Qualifying Services that count towards eligibility are NRC and MRC amounts that are paid in full by the customer. For purposes of this Option 55, **MRCs** shall mean billed monthly recurring revenues, and **NRCs** shall mean billed non-recurring revenues, both net of any discounts given under existing pricing plans, if applicable, for the Qualifying Services. Revenue from Qualifying Services does not include any revenues from taxes, termination fees, and billing credits or similar adjustments, other than as set forth above. **Qualifying Services** are comprised of:

(a) DS1 and DS3 Services as set forth in Section 7.2.9 preceding, Section 7.2.9 of Verizon's FCC Tariff No. 11 (**FCC 11**), Section 5.3.6 of Verizon's FCC Tariff No. 14 (**FCC 14**), and Section 7.11.1 of Verizon's FCC Tariff No. 16 (**FCC 16**), as the same may be amended from time to time. (x) (x) (N)

(x) Issued under authority of Special Permission No. 09-003 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.56 Contract Tariff Option 55 (Cont'd) (N)

(B) Eligibility (Cont'd)

(3) Qualifying Services (Cont'd)

(b) FMS as set forth in Section 7.2.13 preceding and Section 7.2.16 of FCC 11. (x)

Only DS1 Qualifying Services that are in Phase I and Phase II MSAs of this tariff are eligible for Billing Credits under this Option 55. All other services purchased by the customer from the Telephone Company or any affiliate of the Telephone Company and not listed in (B)(3)(a) or (B)(3)(b) preceding shall not be counted as Qualifying Services under this Option 55.

(4) The customer must commit at least three thousand three hundred (3,300) cell sites in LATAs 132 and 224 (**Eligible LATAs**) to this Option 55 and Option 53 of FCC 11 (**Base Cell Sites**). (x) Included in the count of Base Cell Sites are those cell sites within the Eligible LATAs at which the customer and the Telephone Company mutually agree to a planned technology migration from DS1 Qualifying Services to Telephone Company provided Ethernet services during the Service Period (**Technology Migration Event**). As used in this Option 55, the Base Cell Sites that are part of such Technology Migration Event are **Eligible Cell Sites**. All Base Cell Sites that are not Eligible Cell Sites are **Non-Eligible Cell Sites**. The customer and the Telephone Company shall mutually agree to a list of the cell sites, by type (i.e., Eligible Cell Sites or Non-Eligible Cell Sites), in LATAs 132 and 224.

(5) The customer may not concurrently subscribe DS1 Qualifying Services terminated at Base Cell Sites covered under this Option 55 to a Commitment Discount Plan (CDP) or National Discount Plan (NDP), 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 CDP or NDP, 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. (N)

(x) Issued under authority of Special Permission No. 09-003 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.56 Contract Tariff Option 55 (Cont'd) (N)

(C) Serving Area

(1) The serving area of Option 55 is comprised of the Metropolitan Statistical Areas (**MSAs**) that have achieved Phase I or Phase II pricing flexibility within the New York Metropolitan LATA (LATA 132) of this tariff and FCC 11, and within the North Jersey LATA (LATA 224) of this tariff. Wire centers for the Phase II MSAs of LATAs 132 and 224 are listed in Section 14.7 preceding. Wire centers for the Phase II MSAs of LATA 132 are set forth in Section 15.3 of FCC 11. (x)

(2) Any additions of, or changes to, the MSAs set forth in Section 14.7 preceding of this tariff and Section 15.3 of FCC 11 (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 14.7 preceding of this tariff and Section 15.3 of FCC 11) that occur during the Service Period will apply. (x)

(3) No Billing Credits will be provided in the operating territories of FCC 14 and FCC 16. (x)

(D) Service Period

The **Service Period** of this Option 55 shall be for a period of eight (8) years commencing on March 1, 2009 and ending on the day before the eight (8)-year anniversary thereof.

(E) Terms and Conditions

(1) Rates for Qualifying Services shall be billed in accordance with rates, terms, and conditions set forth in this tariff, FCC 11, FCC 14, and FCC 16, as applicable. (N)(x)

(x) Issued under authority of Special Permission No. 09-003 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.56 Contract Tariff Option 55 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Billing Credits

(a) Billing Credits will be provided when the terms of this Option 55 are satisfied and only in the MSAs specified in (C) preceding. Except as set forth in (E)(7) following, the customer is entitled to receive a monthly billing credit of $257 (**Billing Credit**) to be assessed on each Eligible Cell Site at which there is at least one (1) DS1 Qualifying Service. The customer shall not be entitled to Billing Credits at Non-Eligible Cell Sites under this Option 55.

(b) For each Eligible Cell Site with more than one (1) DS1 Qualifying Service, the customer shall not receive more than the single Billing Credit amount per such cell site per month.

(c) The Billing Credit for each Eligible Cell Site shall be provided to the customer as follows:

(1) The Billing Credit for the first quarter of the Service Period (i.e., the period beginning March 1, 2009 and ending May 31, 2009) shall be calculated and applied within one hundred twenty (120) calendar days of the end of the first quarter.

(2) The Billing Credit will continue to be calculated and applied within one hundred twenty (120) calendar days of the end of each subsequent quarter until such time as the Telephone Company is able to calculate and apply the Billing Credit within one hundred twenty (120) calendar days of the end of each month, at which time calculation and application of the Billing Credit will continue monthly for the remainder of the Service Period. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.56 Contract Tariff Option 55 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(3) Cell Site Requirements

(a) At the time of subscription to this Option 55, the Telephone Company will calculate the total MRCs associated with existing DS1 Qualifying Services at Non-Eligible Cell Sites (**Revenue Base**). For purposes of this (E)(3), **MRCs** shall mean billed monthly recurring revenues net of any discounts given under existing pricing plans, if applicable, for the DS1 Qualifying Services and does not include any revenues from taxes, termination fees, billing credits, or similar adjustments.

(b) The customer must maintain, at a minimum, the Revenue Base for each month of the Service Period.

(c) For any month of the Service Period where the customer fails to maintain the Revenue Base, the customer will be charged, and shall pay, an amount equal to the difference between the total MRCs calculated for that month for DS1 Qualifying Services and the Revenue Base (**DS1 MRC Amount**); provided that the number of DS1 Qualifying Services at any Non-Eligible Cell Site removed from this Option 55 and Option 53 of FCC 11 pursuant to the terms and (x) conditions set forth herein shall be subtracted from the number of DS1 Qualifying Services used to calculate the DS1 MRC Amount.

(4) Mergers and Acquisitions of Customer

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 during the Service Period, the following terms and conditions will apply in addition to any other terms and conditions set forth in this Option 55 and Option 53 of FCC 11. (x)

(a) The customer may not combine or include any DS1 Qualifying Services from the merged, acquiring, or acquired company, or assets of such merged, acquiring, or acquired company for the purposes of this Option 55 and/or Option 53 of FCC 11. (N)(x)

(x) Issued under authority of Special Permission No. 09-003 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.56 Contract Tariff Option 55 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(4) Mergers and Acquisitions of Customer (Cont'd)

(b) The customer's DS1 Qualifying Services shall be determined using its business with the Telephone Company that is billed under the Customer ACNAs provided to the Telephone Company under (B)(1) preceding, without adding the services associated with the ACNAs obtained through merger, transfer, assignment, or acquisition.

(c) The customer's Base Cell Sites and/or Eligible Cell Sites shall not include any cell sites from merged, acquiring, or acquired company. Nor shall this Option 55 or any benefits hereunder apply to any such cell sites.

(d) The Telephone Company reserves the right to terminate this Option 55 and Option 53 of FCC 11 without liability if the customer does not adhere to the provisions of this Section (E)(4); provided, however, that any procedure to correct such non-adherence that the customer and Telephone Company may mutually agree to (**cure process**) shall apply. (x)

(5) Sale of Verizon Operating Telephone Company

If some or all of the assets or stock of a Verizon Operating Telephone Company are acquired by an unaffiliated third party, and the Telephone Company does not provide the DS1 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.

Affected cell sites shall be removed from the list of Base Cell Sites, Eligible Cell Sites, and/or Non-Eligible Cell Sites and shall no longer be part of, or eligible for, Billing Credits under this Option 55. (N)

(x) Issued under authority of Special Permission No. 09-003 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.56 Contract Tariff Option 55 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(6) Disputes, Releases, and Waivers

In applying the Billing Credit, all of the following requirements shall apply:

(a) Any amounts, services, and cell sites that are included in the application of the Billing Credit will not be subject to any future claims or disputes by the customer unless otherwise agreed to by the customer and the Telephone Company.

(b) For the purpose of applying the Billing Credit, the Telephone Company shall not include any services provided during any periods before March 1, 2009.

(c) The amount of the Billing Credit shall in no event be subject to any interest payment or penalty.

(7) Termination

(a) Subject to the terms set forth in this Option 55, the customer may terminate this Option 55 at any time during the Service Period. Termination of this Option 55 shall be deemed to be an automatic termination of both this Option 55 and Option 53 of FCC 11. The (x) customer shall forfeit all future Billing Credits under this Option 55 and Option 53 of FCC 11, including any due to the customer for (x) the partial ensuing billing credit period that have not be applied to the customer's account.

(b) In the event the customer terminates a Telephone Company provided Ethernet service at any Eligible Cell Site where there also is DS1 Qualifying Service(s), such cell site shall no longer be eligible for the Billing Credits under this Option 55. The customer shall forfeit all future Billing Credits at that cell site including any billing credits due to the customer for the partial ensuing billing credit period that have not been applied to the customer's account.

(8) Expiration of the Service Period

Upon expiration (or early termination) of the Service Period of this Option 55, the Billing Credits of this Option 55 shall cease. The customer's subscription to the Qualifying Services specified in (B)(3) preceding shall continue in accordance with the rates, terms, and conditions (e.g., termination liability) set forth in the applicable section(s) of this tariff. (N)

(x) Issued under authority of Special Permission No. 09-003 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (N)

(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					

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(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, Option 54 (x) of FCC 11, and Option 28 of FCC 14 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 56, Option 54 of (x) FCC 11, and Option 28 of FCC 14. (x)

(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 Channel Termination as defined in Section 7.1.2(A) of Tariff FCC No. 11 (**FCC 11**), (iii) a DS1 (x) Special Access Line (SAL) as defined in Section 5.1.1(C) of Tariff FCC No. 14 (**FCC 14**), and (iv) a DS1 Circuit Termination as defined in Section 7.2(A) of Tariff FCC No. 16 (**FCC 16**) (x) (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. (N)

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ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(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).

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(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.

IEF 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 2.4.7 preceding using a single unique circuit identifier will count as one (1) Multiplexed DS3 Unit. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(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.

IEF 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 2.4.7 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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(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.

(3) The customer must concurrently subscribe to this Option 56, Option 54 of FCC 11, and Option 28 of FCC 14. (x)

(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 Section 25.1 of FCC 11, and the Eight-and Ten-Year DS1 Term and Volume Plan (ETTVP) as set forth in Section 5.6.14 of FCC 14), (collectively, **Existing Plans**). (x)

(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 54 of FCC 11 and Option 28 of FCC 14. (N) (x)

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ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(D) Terms and Conditions (Cont'd)

(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, Option 54 of FCC (x) 11, and Option 28 of FCC 14, and the Telephone Company will (x) 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, FCC 11, or (x) FCC 14 and available to the customer either currently or at any (x) 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, Option 54 of (x) FCC 11, and Option 28 of FCC 14. Except as set forth in this (x) (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, Option 54 of FCC (x) 11, and Option 28 of FCC 14. The Telephone Company shall perform (x) 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. (N)

(x) Issued under authority of Special Permission No. 09-007 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(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 11, FCC 14 and FCC 16 (x) 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 11, FCC 14 and FCC 16 for the months of (x) 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 11, FCC 14 and FCC 16 for the months of August (x) 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. (N)

(x) Issued under authority of Special Permission No. 09-007 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(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 7.2.9 of FCC 11, Section 5.3.6 (x) of FCC 14, and Section 7.11.1 of FCC 16, 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 7.2.9 preceding of this tariff, Section 7.2.9 of FCC 11, Section 5.3.6 (x) of FCC 14, and Section 7.11.1 of FCC 16, 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 and Section 7.2.16 of FCC 11, in each case as the same may be (x) amended from time to time (collectively, **FMS Services**).

(d) Special Access IntelliLight Entrance Facilities Service with a 44.736 Mbps electrical interface, as described in section 7.2.15 preceding, Section 26.1.4 of FCC 11, Section 20.4 of FCC 14, (x) Section 20.4 of FCC 16, in each case as the same may be amended (x) from time to time (collectively, **IEF 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 (b) 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. (N)

(x) Issued under authority of Special Permission No. 09-007 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(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 11, FCC 14 and FCC 16. **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. (x)

(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			

(N)

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ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(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				

IEF USOCs mapped to Billed Multiplexed DS3 Units will be included in the Billed Qualifying Service Revenue for those Units. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(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		

IEF USOCs mapped to Billed PTP DS3 Units will be included in the Billed Qualifying Service Revenue for those Units. (N)

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(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); (N)

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(G) Qualifying Services (Cont'd)

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

(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.

(4) USOC Updates

If, during the Service Period, the Telephone Company revises Section 7 preceding of this tariff, Section 30 and/or Section 31 (x) of FCC 11, Section 5 of FCC 14, or Section 7 of FCC 16 to (i) (x) 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 14.7 preceding, Section 15.3 of FCC 11, and Section 19.1 of (x) FCC 14. Wire centers for the Phase II MSAs are listed in Section 14.7 preceding, Section 15.3 of FCC 11, and Section 19.1 of FCC 14. (x) Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 14.7 preceding, Section 15.3 of FCC 11, and Section 19.1 of FCC 14) (x) that occur during the Service Period will apply. No Quarterly Billing Credits or other credits will be provided in the operating territories of FCC 16. (N) (x)

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(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:

(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 11, FCC 14 and FCC 16 for the months (x) 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%

(N)

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

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

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

(a) DS1 Flat Rate Pricing (Cont'd)

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)].

(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-IEF PTP DS3 Qualifying Services (including any PTP FMS DS3 Services) for which the customer was billed by the Telephone Company under this tariff, FCC 11, FCC 14 (x) and FCC 16 for the months of August 2008, September (x) 2008, and October 2008 by summing the total billed MRC associated with each of such services during this time period (**PTP Non-IEF Revenue**).

(Step 2) Calculate the total revenue for Non-IEF Multiplexed DS3 Qualifying Services (including any Multiplexed FMS DS3 Services) for which the customer was billed by the Telephone Company under this tariff, FCC 11, FCC 14 (x) and FCC 16 for the months of August 2008, September (x) 2008, and October 2008 by summing the total billed MRC associated with each of such services during this time period (**Multiplexed Non-IEF Revenue**).

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

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

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

(Step 5) Calculate the total revenue for IEF DS3 Qualifying Service units by summing the total MRC associated with the customer's Qualifying IEF Services using DS3 interfaces for which the customer was billed by the Telephone Company under this tariff, FCC 11, FCC 14 (x) and FCC 16 for the months of August 2008, September (x) 2008, and October 2008 (**IEF DS3 Revenue**).

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

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

(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 11, FCC 14 and FCC 16 for the (x) 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**). (N)

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(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 9) (Cont'd)

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%

(N)

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(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)

Illustrative Example:

(i) Assume the PTP Non-IEF 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-IEF 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 IEF 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).

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

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

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

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

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

Step 6 The PTP IEF 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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(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

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

(Step 1) Calculate the total revenue for Multiplexed Non-IEF DS3 Qualifying Services (including any Multiplexed FMS DS3 Services) for which the customer was billed by the Telephone Company under this tariff, FCC 11, FCC 14 and (x) FCC 16 for the months of August 2008, September 2008, (x) and October 2008 by summing the total MRC associated with each of such services during this time period (**Multiplexed Non-IEF Revenue**).

(Step 2) Calculate the total revenue for PTP Non-IEF DS3 Qualifying Services (including any PTP FMS DS3 Services) for which the customer was billed by the Telephone Company under this tariff, FCC 11, FCC 14 and FCC 16 for (x) 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-IEF Revenue**).

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

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

(Step 5) Calculate the total revenue for IEF DS3 Qualifying Services by summing the total MRC associated with the customer's Qualifying IEF Services using DS3 interfaces for which the customer was billed by the Telephone Company under this tariff, FCC 11, FCC 14 and FCC 16 for (x) the months of August 2008, September 2008, and October 2008 (**IEF DS3 Revenue**). (N)

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(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 6) Determine the portion of the IEF DS3 Revenue that is associated with IEF Multiplexed DS3 Services by first multiplying (i) the DS3 IEF Revenue calculated in Step 5; by (ii) the % of Non-IEF DS3 Revenue that is Multiplexed Non-IEF Revenue determined in Step 4 (**Multiplexed IEF 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 11, FCC 14 and FCC 16 for the months of (x) August 2008, September 2008, and October 2008 (**FMS DS1 Revenue**).

(Step 8) Calculate the total multiplexed DS3 revenue by summing the Multiplexed Non-IEF Revenue determined in Step 1; (ii) the Multiplexed IEF 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 11, FCC 14 and FCC 16 for the (x) 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 11, FCC 14 and FCC 16 for the (x) months of August 2008, September 2008, and October 2008 (**FMS DS1 Units**). (N)

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(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 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%

(N)

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(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)

Illustrative Example:

(i) Assume the Multiplexed Non-IEF 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-IEF 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 IEF DS3 Revenue is $168,350 ($55,000 for August 2008 + $56,000 for September 2008 + $57,350 for October 2008); and

(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-IEF Revenue is $4,856,579.

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

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

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

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

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

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

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21. Contract Tariffs (Cont’d)

21.57 Contract Tariff Option 56 (Cont’d) (N)

(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)

Illustrative Example (Cont’d):

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. (N)

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(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. (N)

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

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

(2) Calculation of Quarterly Billing Credit (Cont'd)

Illustrative Example (Cont'd):

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.

(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, Option 54 of (x)
FCC 11, and Option 28 of FCC 14. The single One-Time Revenue (x)
Performance Credit is provided for the customer's collective subscription to this Option 56, Option 54 of FCC 11, and Option 28 (x)
of FCC 14 (i.e., the total One-Time Revenue Performance Credit is (x)
$20M per customer). (N)

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(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, Option 54 of FCC 11, (x) and Option 28 of FCC 14. (x) 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 54 of FCC 11 and Option 28 of FCC 14. (x)

(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 11, FCC 14 and FCC 16 (x) for such Customer ACNAs. (N)

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(K) Limitation on Grooms (Cont'd)

(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.

(4) Other than as set forth herein, all Grooms shall remain subject to the terms set forth in this tariff, FCC 11, FCC 14 and FCC 16, 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, Option 54 of FCC 11 and Option 28 of FCC 14 for any period after the termination date described in (K)(1) preceding. Termination of this Option 56 shall be an automatic termination of Option 54 of FCC 11 and Option 28 of FCC 14. (x) (x) (x) (x) (N)(x)

(x) Issued under authority of Special Permission No. 09-007 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(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, Option 54 of FCC 11, or Option 28 (x) of FCC 14 for any reason, the review/true-up requirements shall (x) 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, Option 54 of FCC 11, or Option 28 of FCC 14, which (x) 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, Option 54 of FCC 11, or Option 28 of FCC 14, (x) 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, Option 54 of FCC 11, or Option 28 of FCC 14, (x) which collectively shall not be greater than the TISC available under the terms of the applicable Existing Plan. (N)

(x) Issued under authority of Special Permission No. 09-007 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

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

(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).

(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). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(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)

(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.

(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. (N)

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21. Contract Tariffs (Cont’d)

21.57 Contract Tariff Option 56 (Cont’d) (N)

(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 (Cont’d)

(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.

(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, Option 54 of FCC 11 and (x)
Option 28 of FCC 14 in accordance with (M)(2)(c) and (M)(4) (x)
following. (N)

(x) Issued under authority of Special Permission No. 09-007 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

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

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

(a) (Cont'd)

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, Option 54 of FCC 11 and Option 28 of FCC 14 in (x) 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, Option 54 of FCC 11 and Option 28 of (x) FCC 14 in accordance with (M)(2)(c)(2) following. (N)(x)

(x) Issued under authority of Special Permission No. 09-007 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(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

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**).

(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**. (N)

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(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)

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. (N)

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(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, Option 54 of (x) FCC 11, and Option 28 of FCC 14. (x) 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, Option 54 of FCC 11 and Option 28 of FCC 14, (x) shall be referred to herein as the **Property Adjustment Date.** (N)

(x) Issued under authority of Special Permission No. 09-007 of the Federal Communications Commission.

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(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) 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, Option 54 of FCC 11 and Option 28 of FCC 14 as set forth in (M)(2)(c)(2) preceding, the following apply: (x)

(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, Option 54 of FCC 11 and Option 28 of FCC 14. (x)(x)

(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, Option 54 of FCC 11 and Option 28 of FCC 14. (x)

(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, Option 54 of FCC 11, and Option 28 of FCC 14, 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, Option 54 of FCC 11, and Option 28 of FCC 14. (x)(N)(x)

(x) Issued under authority of Special Permission No. 09-007 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(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

In the event the Customer Acquired Properties are included in this Option 56, Option 54 of FCC 11 and Option 28 of FCC 14 (x) 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.

(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. (N)

(x) Issued under authority of Special Permission No. 09-007 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

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

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

(e) In the event the Customer Acquired Properties are included in this Option 56, Option 54 of FCC 11 and Option 28 of FCC 14 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. (x)

(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. (N)

(x) Issued under authority of Special Permission No. 09-007 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

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

(1) Sale of a Verizon 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 11, FCC 14 or FCC 16 during the Service Period (a **Verizon Property Sale**), the terms and conditions set forth in this Section (N) shall apply. (x)

(b) Prior to closure of the Verizon Property Sale or as expeditiously as practical after such closure, the Telephone Company shall notify the customer of such Verizon Property Sale via a written notice, which shall include the date on which the Verizon 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 Verizon 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 Verizon 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, Option 54 of FCC 11 and Option 28 of FCC 14 for all other purposes, and the Initial Watermarks shall be adjusted as set forth in (d) following. (x) (N)

(x) Issued under authority of Special Permission No. 09-007 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

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

(1) Sale of a Verizon Operating Telephone Company (Cont'd)

(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 Verizon 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 Verizon 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 Verizon Property Sale occurred) as of the closing date of the Verizon 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 Verizon Property Sale occurred.

(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 Verizon Property Sale occurred. (N)

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

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

(1) Sale of a Verizon Operating Telephone Company (Cont'd)

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 Verizon New York Inc. (**Verizon NY**) 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 Verizon Property Sale, Verizon NY 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 Verizon NY 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). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(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 **Verizon Acquired Properties** and such merger or acquisition may be referred to in either case as a **Verizon Acquisition**), the Telephone Company shall determine whether such Verizon Acquired Properties shall be included in or excluded from the terms and conditions (including the calculation of Quarterly Billing Credits) of this Option 56, Option 54 of FCC 11, and Option 28 of (x)
FCC 14 in accordance with (a) and (b) following. (x)

(a) The Telephone Company will determine whether it wishes to include the Verizon Acquired Properties in the terms and conditions (including the calculation of Quarterly Billing Credits) of this Option 56, Option 54 of FCC 11, and Option (x)
28 of FCC 14 based upon factors such as those specified in (x)
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 Verizon Acquired Property's equivalent 1.544 Mbps services using time division multiplexing technology) that the customer purchases from the Verizon Acquired Properties is greater than two percent (2%) of the Existing DS1 Unit Quantity Purchased from Verizon (as defined below) using the steps shown below:

(Step 1) Determine the total volume of DS1 Units 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 Verizon 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 Verizon Acquired Properties**). (N)

(x) Issued under authority of Special Permission No. 09-007 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(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)

(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 Verizon 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 Verizon**).

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

Illustrative Example:

Assume the following:

(i) The Verizon 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 Verizon Acquisition, the customer purchased a total of 3,000 Billed DS1 Units from the Verizon Acquired Properties.

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

Based on the above assumptions:

The Acquired Verizon 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%.

(N)

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

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

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

(b) If the Acquired Verizon DS1 Unit Percentage is no more than two percent (2%), then the Telephone Company may elect, in its sole discretion, to include the Verizon Acquired Properties in the terms and conditions (including the calculation of Quarterly Billing Credits) of this Option 56, Option 54 of FCC 11, and Option 28 of FCC 14. 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 Verizon Acquired Properties; (ii) the likelihood of additional regulatory filing requirements; (iii) the cost structure of the Verizon 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 Verizon 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 Verizon Acquired Properties using time division multiplexing technology) that the customer purchases from the Verizon 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 Verizon 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 Verizon 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 Verizon Acquired Properties using time division multiplexing technology) that the customer purchases from the Verizon Acquired Properties. The Telephone Company shall calculate such increase in the Initial Watermark(s) using the steps set forth in (N)(2)(e) following. (x) (N)

(x) Issued under authority of Special Permission No. 09-007 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(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 Verizon 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 Verizon Acquired Properties in this Option 56, Option 54 of FCC 11, and Option 28 of FCC 14. 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 Verizon Acquired Properties; (ii) the likelihood of additional regulatory filing requirements; (iii) the cost structure of the Verizon 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. (x) (x)

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 Verizon 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 Verizon Acquired Properties using time division multiplexing technology) that the customer purchases from the Verizon 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 (**Verizon Acquisition Property Adjustment Date**). (N)

(x) Issued under authority of Special Permission No. 09-007 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(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 Verizon Acquired Properties are included in the terms and conditions (including the calculation of Quarterly Billing Credits) of this Option 56, Option 54 of FCC 11, and (x) Option 28 of FCC 14 as described in (b) and (c) preceding, (x) then the Telephone Company shall adjust the Initial Watermarks set forth in (F) preceding as follows:

(1) For the Plan Year in which the Verizon 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 Verizon 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 Verizon 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 Verizon 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 Verizon Acquisition Property Adjustment Date occurred. (N)

(x) Issued under authority of Special Permission No. 09-007 of the Federal Communications Commission.

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

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

(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.

(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 54 of FCC 11 and Option 28 of FCC 14. (x) 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 54 of FCC 11 and Option 28 of (x) FCC 14. (x) 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. (N)

(x) Issued under authority of Special Permission No. 09-007 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(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.

(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 IEF 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**. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(Q) Order Performance Credits (Cont'd)

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.58 Contract Tariff Option 57 (N)

(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 21.58, 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					

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.58 Contract Tariff Option 57 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(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.

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.58 Contract Tariff Option 57 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(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. 11 (**FCC 11**), Tariff FCC No. 14 (**FCC 14**), and (x) Tariff FCC No. 16 (**FCC 16**); and (ii) multiplying the result by (x) 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 Channel Termination as defined in Section (x) 7.1.2(A) of FCC 11, (iii) a DS1 Special Access Line (SAL) as defined in Section 5.1.1(C) of FCC 14, or (iv) a DS1 Circuit Termination as defined in Section 7.2(A) of FCC 16. (x) 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, FCC 11, (x) FCC 14, and FCC 16; and (ii) multiplying the result by twelve (12). (x)

(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. (N)

(x) Issued under authority of Special Permission No. 09-008 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.58 Contract Tariff Option 57 (Cont'd) (N)

(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, FCC 11, FCC 14, and FCC 16; and (ii) multiplying the result by twelve (12). (x)

(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 (1^{st}) 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 a Verizon Operating Telephone Company as described in (K) following. (N)

(x) Issued under authority of Special Permission No. 09-008 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.58 Contract Tariff Option 57 (Cont'd) (N)

(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 and Section 25.1 of FCC 11, (x) the DS1 Term Volume Plan as set forth in Section 5.6.14 of FCC 14, and the DS1 Term Payment Plan as set forth in Section 7.2.1(G) of FCC 16 (collectively, **Existing Plans**), provided each (x) applicable Existing Plan remains generally available under this tariff, FCC 11, FCC 14 and/or FCC 16, as applicable; and (x)

(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. (N)

(x) Issued under authority of Special Permission No. 09-008 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.58 Contract Tariff Option 57 (Cont'd) (N)

(C) Eligibility (Cont'd)

(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 55 of FCC 11 and Option 29 of FCC 14. (x)

(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, Option 55 of FCC 11, and Option 29 of FCC 14, the Billing Credits (x) 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 FCC 16: (x)

(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 7.2.9 of FCC (x) 11, Section 5.3.6 of FCC 14, and Section 7.11.1 of FCC 16, in (x) 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 and Section 7.2.16 of (x) FCC 11, in each case as the same may be amended from time to (x) 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. (N)

(x) Issued under authority of Special Permission No. 09-008 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.58 Contract Tariff Option 57 (Cont'd) (N)

(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					

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.58 Contract Tariff Option 57 (Cont'd) (N)

(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						

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.58 Contract Tariff Option 57 (Cont'd) (N)

(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			

(N)

21. Contract Tariffs (Cont'd)

21.58 Contract Tariff Option 57 (N)

(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 (30th) 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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.58 Contract Tariff Option 57 (Cont'd) (N)

(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

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.

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.58 Contract Tariff Option 57 (Cont'd) (N)

(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)

(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, FCC 11, and FCC 14. Wire (x) centers for the Phase II MSAs are listed in Section 14.7 preceding of this tariff, Section 15.3 of FCC 11, and Section 19.1 of FCC 14. (x) Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 14.7 preceding of this tariff, Section 15.3 of FCC 11, and Section (x) 19.1 of FCC 14) that occur during the Service Period will apply. No Billing Credits will be provided in the operating territories of FCC 16. (N)(x)

(x) Issued under authority of Special Permission No. 09-008 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.58 Contract Tariff Option 57 (Cont'd) (N)

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.58 Contract Tariff Option 57 (Cont'd) (N)

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

(1) (Cont'd)

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

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.58 Contract Tariff Option 57 (Cont'd) (N)

(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). (N)

21. Contract Tariffs (Cont'd)

21.58 Contract Tariff Option 57 (Cont'd) (N)

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.58 Contract Tariff Option 57 (Cont'd) (N)

(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). (N)

21. Contract Tariffs (Cont'd)

21.58 Contract Tariff Option 57 (Cont'd) (N)

(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, Option 55 of FCC 11, and Option 29 of FCC 14, the customer shall be eligible to receive the following Quarterly Billing Credits: (x)

(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, FCC 11, FCC 14, and FCC 16, 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. (x)

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, Option 55 of FCC 11, and Option 29 of FCC 14 equals $2,834,000 [$25,000,000 - (100,000 x $221.66)]. (x) (N)

(x) Issued under authority of Special Permission No. 09-008 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.58 Contract Tariff Option 57 (Cont'd) (N)

(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, FCC 11, FCC 14, and FCC 16, as applicable, (x) 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, Option 55 of FCC 11, and Option 29 (x)
of FCC 14 equals ($762,740) [$4,000,000 - (3,000 x (x)
$1,587.58)]. (N)

(x) Issued under authority of Special Permission No. 09-008 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.58 Contract Tariff Option 57 (Cont'd) (N)

(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, FCC 11, FCC 14, and FCC 16, as applicable, and the (x) 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, Option 55 of FCC 11, and Option 29 of (x)
FCC 14 equals $264,615 [$4,350,000 - (1,500 x (x)
$2,723.59)]. (N)

(x) Issued under authority of Special Permission No. 09-008 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.58 Contract Tariff Option 57 (Cont'd) (N)

(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 (30^{th}) 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 (30^{th}) 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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.58 Contract Tariff Option 57 (Cont'd) (N)

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.58 Contract Tariff Option 57 (Cont'd) (N)

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

(5) (Cont'd)

(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, Section 2.4.1 of FCC (x)
11, or Section 2.4.1 of FCC 14. (N)(x)

(x) Issued under authority of Special Permission No. 09-008 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.58 Contract Tariff Option 57 (Cont'd) (N)

(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, Option 55 of FCC 11, and Option 29 of FCC 14, the Telephone Company (x) 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, Option 55 of FCC 11, and Option 29 of (x) FCC 14 (i.e., the total One-Time Credit is $750,000 per customer). (x)

(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, Option 55 of FCC 11, and Option (x) 29 of FCC 14. (x)

(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. (N)

(x) Issued under authority of Special Permission No. 09-008 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.58 Contract Tariff Option 57 (Cont'd) (N)

(J) Mergers and Acquisitions of Customer (Cont'd)

(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 55 of FCC 11 and Option (x)
29 of FCC 14. (x)

(K) Sale of Verizon Operating Telephone Company

If some or all of the assets or stock of a Verizon 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 Verizon New York, 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, Verizon New York, Inc. provided 12,000 Billed DS1 Units to the customer.

Based on the above assumptions:

(i) The average Billed DS1 Units for Verizon New York, 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 Verizon New York, Inc. (4,000 x 12) resulting in a revised DS1 Annual Watermark of 321,000 Billed DS1 Units (369,000 - 48,000). (N)

(x) Issued under authority of Special Permission No. 09-008 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.58 Contract Tariff Option 57 (Cont'd) (N)

(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 55 of FCC 11 (x) and Option 29 of FCC 14. (x) The suspensions associated with customer's Existing Plans as set forth in (M) following will be re-activated upon termination of this Option 57, Option 55 of FCC 11, (x) and Option 29 of FCC 14. (x) 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. (N)

(x) Issued under authority of Special Permission No. 09-008 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.58 Contract Tariff Option 57 (Cont'd) (N)

(L) Termination (Cont'd)

(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 55 of FCC 11 and Option 29 of FCC 14. The (x) suspensions associated with customer's Existing Plans as set forth in (M) following will be re-activated upon termination of this Option 57, Option 55 of FCC 11, and Option 29 of FCC 14. (N)(x)

(x) Issued under authority of Special Permission No. 09-008 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.58 Contract Tariff Option 57 (Cont'd) (N)

(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, Option (x)
55 of FCC 11, and Option 29 of FCC 14 through the date of (x)
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 55 of FCC 11 and Option 29 of FCC 14. Additionally, the (x)
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, Option 55 of FCC 11, and Option 29 of FCC 14. (N)(x)

(x) Issued under authority of Special Permission No. 09-008 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.58 Contract Tariff Option 57 (Cont'd) (N)

(L) Termination (Cont'd)

(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 (x) 55 of FCC 11 and to Option 29 of FCC 14. (x) 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, Option (x) 55 of FCC 11, and/or Option 29 of FCC 14. (x) Termination of the customer's subscription to this Option 57 shall be an automatic termination of the customer's subscription to Option (x) 55 of FCC 11 and Option 29 of FCC 14. (x) The suspensions associated with customer's Existing Plans as set forth in (M) following will be re-activated upon termination of this Option 57, Option 55 of FCC 11, and Option 29 of FCC 14. (x) Termination liability as calculated in (L)(3) preceding applies to such termination. (N)

(x) Issued under authority of Special Permission No. 09-008 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.58 Contract Tariff Option 57 (Cont'd) (N)

(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, Option 55 of FCC 11, and Option 29 of FCC 14: (x)

(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 Section 25.1.7 of FCC 11, and any resulting penalties as set forth in Section 25.1.7 preceding of this tariff and Section 25.1.7 of FCC 11; and (x)

(ii) Suspension of the customer's DS1 Term Volume Plan Annual Review as set forth in Section 5.6.14(G) of FCC 14, and any resulting penalties as set forth in Section 5.6.14(I) of FCC 14; and (x)

(iii) Suspension of the customer's DS1 Term Payment Plan Annual Review as set forth in Section 7.2.1(G)(6) of FCC 16, and any resulting penalties as set forth in Section 7.2.1(G)(8) of FCC 16. (x)

(N) Expiration of the Service Period

Upon expiration of the customer's subscription to this Option 57, Option 55 of FCC 11, and Option 29 of FCC 14, 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. (x) (N)

(x) Issued under authority of Special Permission No. 09-008 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.59 Contract Tariff Option 58 (N)

(A) Scope

Contract Tariff Option 58 (**Option 58**) allows a customer who orders Special Access High Capacity 1.544 Mbps (**DS1**) Services and/or Special Access High Capacity 44.736 Mbps (**DS3**) Services during the ninety-two (92) day period that begins August 1, 2009 and ends October 31, 2009, to earn credits that the customer may apply towards payment of the nonrecurring charges (**NRCs**) and monthly recurring charges (**MRCs**) associated with the customer's DS1 Services (**DS1 Credits**) and DS3 Services (**DS3 Credits**) that are installed between January 1, 2010 and June 30, 2010 (**Redeem Period**). Credits are earned and redeemed in accordance with the terms and conditions set forth herein.

(B) Eligibility

(1) The customer must subscribe to this Option 58 in a manner designated by the Telephone Company during the thirty-one (31) day period that begins on August 1, 2009 and ends August 31, 2009 (**Subscription Period**).

(2) At the time of subscription to this Option 58, the customer may not be subscribed to any other contract tariff option in this Section 21 applicable to DS1 Services and/or DS3 Services purchased under this tariff.

(C) Serving Area

The Serving Area of this Option 58 where the customer may redeem credits is 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 14.7 preceding. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 14.7 preceding) that occur during the Subscription Period of this Option 58 will apply.

(D) Earning Period

The period during which the customer can earn credits begins August 1, 2009 and ends October 31, 2009 (**Earning Period**). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.59 Contract Tariff Option 58 (Cont'd) (N)

(E) Qualifying Services

Qualifying services will be comprised of the following:

(1) Special Access 1.544 Mbps Service (**DS1 Service**) as set forth in Section 7.2.9 preceding of this tariff.

(2) Special Access 45.736 Mbps Service (**DS3 Service**) as set forth in Section 7.2.9 preceding of this tariff.

(F) Terms and Conditions

(1) Earning DS1 Credits and DS3 Credits

(a) At the time of subscription to this Option 58, the Telephone Company will calculate the following:

(1) Average Monthly Revenue Per DS1 Service

The customer's average monthly revenue per DS1 Service will be determined by dividing (i) the total MRCs associated with all of the customer's Special Access DS1 Services that were purchased under this tariff and that were included on the customer's June 2009 bill from the Telephone Company by (ii) the number of Special Access DS1 Services provided under this tariff that were included on the customer's June 2009 bill from the Telephone Company (**DS1 Monthly $ Average**). The MRCs used in the above calculation include the MRCs associated with the channel termination, channel mileage, and optional features and functions rate elements. The Telephone Company will include in its acceptance of the customer's subscription to this Option 58, the DS1 Monthly $ Average as calculated in accordance with the provisions of this Option 58.

(2) Average Number of DS1 Installs Per Month

The average number of DS1 installs per month will be determined by dividing (i) the customer's total number of Special Access DS1 Services that were installed between January 1, 2009 and June 30, 2009 by (ii) six (6) (**DS1 Install Average)**. DS1 installs include only newly installed DS1 Services. Rearrangements, coordinated reterminations, and conversions of existing services are excluded. Orders that were placed between January 1, 2009 and June 30, 2009, but cancelled prior to installation of such service, are excluded. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.59 Contract Tariff Option 58 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(1) Earning DS1 Credits and DS3 Credits (Cont'd)

(a) (Cont'd)

(3) Average Monthly Revenue Per DS3 Service

The customer's average monthly revenue per DS3 Service will be determined by dividing (i) the total MRCs associated with all of the customer's Special Access DS3 Services that were purchased under this tariff and that were included on the customer's June 2009 bill from the Telephone Company by (ii) the number of Special Access DS3 Services provided under this tariff that were included on the customer's June 2009 bill from the Telephone Company (**DS3 Monthly $ Average**). The MRCs used in the above calculation include the MRCs associated with the channel termination, channel mileage, and optional features and functions rate elements. The Telephone Company will include in its acceptance of the customer's subscription to this Option 58, the DS3 Monthly $ Average as calculated in accordance with the provisions of this Option 58.

(4) Average Number of DS3 Installs Per Month

The average number of DS3 installs per month will be determined by dividing (i) the customer's total number of Special Access DS3 Services that were installed between January 1, 2009 and June 30, 2009 by (ii) six (6) (**DS3 Install Average**). DS3 Installs include only newly installed DS3 Services. Rearrangements, coordinated reterminations, and conversions of existing services are excluded. Orders that were placed between January 1, 2009 and June 30, 2009, but cancelled prior to installation of such service, are excluded.

(5) The number of DS1 and DS3 Services ordered during the Earning Period will be determined from the Telephone Company's records. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.59 Contract Tariff Option 58 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(1) Earning DS1 Credits and DS3 Credits (Cont'd)

(b) For any new DS1 Service or DS3 Service ordered during the Earning Period, the customer earns DS1 Credits or DS3 Credits, respectively (and collectively **Earned Credits**), for the month in which such DS1 Service or DS3 Service was ordered. Earned Credits will only be awarded on newly installed DS1 Services or newly installed DS3 Services. Rearrangements, coordinated reterminations, and conversions of existing services are not newly installed DS1 Services or DS3 Services and do not earn DS1 Credits or DS3 Credits, as applicable. Orders that are placed between August 1, 2009 and October 31, 2009, but cancelled prior to installation of such service, are excluded. The greater the number of DS1 Services or DS3 Services the customer orders in a particular month, the greater the amount of DS1 Credits or DS3 Credits the customer can earn as further described in the Earning Table set forth in (F)(1)(e) following.

(c) When calculating average monthly revenue under (F)(1)(a) preceding, the Telephone Company will include only those MRC amounts which are paid in full by the customer and shall not include the following (the following list being illustrative only):

(1) All Nonrecurring charges; and
(2) Taxes, or other charges imposed by a federal, state, local, or other governmental entity (e.g. Federal Universal Service Fund); and
(3) Service or administrative fees or charges imposed by Verizon (e.g. Interest penalty, late payment penalty); and
(4) Any other charges which are not applied on a recurring monthly basis; and
(5) Credits or adjustments provided by Verizon that apply to any period other than June 2009 and to any services other than DS1 Services and DS3 Services; and
(6) Any debits or credits for DS1 Services and DS3 Services rendered prior to June 1, 2009 or after June 30, 2009; and
(7) Shortfall or overage charges associated with term plan true-ups; and
(8) Minimum period charges; and
(9) Any disputed charges; and
(10) Termination liabilities; and
(11) Adjustments.

(d) The revenue the Telephone Company uses to calculate the DS1 Monthly $ Average and the DS3 Monthly $ Average in accordance with this Section (F)(1) are not subject to dispute at any time. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.59 Contract Tariff Option 58 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(1) Earning DS1 Credits and DS3 Credits (Cont'd)

(e) Earning Table

Month Ordered	Number of DS1/DS3 Services Ordered	Multiplier	Factor
August	Per DS1 ordered up to and including the DS1 Install Average	1% of DS1 Monthly $ Average	N/A
	Per DS1 ordered in excess of the DS1 Install Average	20% of DS1 Monthly $ Average	4
	Per DS3 ordered up to and including the DS3 Install Average	1% of DS3 Monthly $ Average	N/A
	Per DS3 ordered in excess of the DS3 Install Average	20% of DS3 Monthly $ Average	4
September	Per DS1 ordered up to and including the DS1 Install Average	1% of DS1 Monthly $ Average	N/A
	Per DS1 ordered in excess of the DS1 Install Average	20% of DS1 Monthly $ Average	3
	Per DS3 ordered up to and including the DS3 Install Average	1% of DS3 Monthly $ Average	N/A
	Per DS3 ordered in excess of the DS3 Install Average	20% of DS3 Monthly $ Average	3

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.59 Contract Tariff Option 58 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(1) Earning DS1 Credits and DS3 Credits (Cont'd)

(e) Earning Table (Cont'd)

Month Ordered	Number of DS1/DS3 Services Ordered	Multiplier	Factor
October	Per DS1 ordered up to and including the DS1 Install Average	1% of DS1 Monthly $ Average	N/A
	Per DS1 ordered in excess of the DS1 Install Average	20% of DS1 Monthly $ Average	2
	Per DS3 ordered up to and including the DS3 Install Average	1% of DS3 Monthly $ Average	N/A
	Per DS3 ordered in excess of the DS3 Install Average	20% of DS3 Monthly $ Average	2

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.59 Contract Tariff Option 58 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(1) Earning DS1 Credits and DS3 Credits (Cont'd)

(f) Illustrative Example

Assume the customer's DS1 Install Average is five (5) DS1 Services per month, and the customer's DS3 Install Average is one (1) DS3 Service per month; and

assume the customer's DS1 Monthly $ Average is $200 per month, and the customer's DS3 Monthly $ Average is $2,000 per month; and

assume the customer orders the following DS1 Services and DS3 Services during the Earning Period:

- In the month of August 2009, eight (8) DS1 Services and zero (0) DS3 Services.
- In the month of September 2009, five (5) DS1 Services and two (2) DS3 Services.
- In the month of October 2009, seven (7) DS1 Services and one (1) DS3 Service.

Based on the above assumptions, the customer's DS1 Credits are calculated as:

- For the month of August 2009, the first five (5) DS1 Services ordered are awarded $10.00 DS1 Credits [($200 x 1%) x 5 DS1 Services ordered], and the remaining three (3) DS1 Services ordered are awarded $480.00 DS1 Credits [(($200 x 20%) x 3 DS1 Services ordered) x Factor of 4]. The customer earned a total of $490.00 DS1 Credits in August 2009 ($10.00 + $480.00 = $490.00).

- For the month of September 2009, the first five (5) DS1 Services ordered are awarded $10.00 DS1 Credits [($200 x 1%) x 5 DS1 Services ordered]. The customer earned a total of $10.00 DS1 Credits in September 2009.

- For the month of October 2009, the first five (5) DS1 Services ordered are awarded $10.00 DS1 Credits [($200 x 1%) x 5 DS1 Services ordered], and the remaining two (2) DS1 Services ordered are awarded $160.00 DS1 Credits [(($200 x 20%) x 2 DS1 Services ordered) x Factor of 2]. The customer earned a total of $170.00 DS1 Credits in October 2009 ($10.00 + $160.00 = $170.00).

- For the months of August, September, and October 2009, the customer earned a total of $670.00 DS1 Credits ($490.00 + $10.00 + $170.00 = $670.00). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.59 Contract Tariff Option 58 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(1) Earning DS1 Credits and DS3 Credits (Cont'd)

(f) Illustrative Example (Cont'd)

Based on the above assumptions, the customer's DS3 Credits are calculated as:

- For the month of August 2009, zero (0) DS3 Services ordered earns $0 DS3 Credits.

- For the month of September 2009, the first DS3 Service ordered is awarded $20.00 DS3 Credits [($2,000 x 1%) x 1 DS3 Service ordered], and the remaining one (1) DS3 Service ordered is awarded $1,200.00 DS3 Credits [(($2,000 x 20%) x 1 DS3 Service ordered) x Factor of 3]. The customer earned a total of $1,220.00 DS3 Credits in September 2009 ($20.00 + $1,200.00 = $1,220.00).

- For the month of October 2009, the first DS3 Service ordered is awarded $20.00 DS3 Credits [($2,000 x 1%) x 1 DS3 Service ordered]. The customer earned a total of $20.00 DS3 Credits in October 2009.

- For the months of August, September, and October 2009, the customer earned a total of $1,240.00 DS3 Credits ($0 + $1,220.00 + $20.00 = $1,240.00).

- For this illustrative example, the customer acquired $1,910.00 total DS1 Credits and DS3 Credits (collectively, Earned Credits) ($670.00 DS1 Credits + $1,240.00 DS3 Credits) during the Earning Period which the customer can use as credit towards its Telephone Company provided DS1 Services and DS3 Services that are installed between January 1, 2010 and June 30, 2010. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.59 Contract Tariff Option 58 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(2) Redeeming DS1 Credits and DS3 Credits

(a) The customer can redeem Earned Credits (as calculated in (F)(1) preceding) towards its purchases of Telephone Company provided DS1 Services and DS3 Services which are installed between January 1, 2010 and June 30, 2010.

(b) Within sixty (60) business days of the close of the first quarter of calendar year 2010 (i.e., the period beginning January 1, 2010 and ending March 31, 2010, hereinafter referred to as **Q1 of 2010**), the Telephone Company will apply the customer's Earned Credits in the form of a credit to the customer's bill from the Telephone Company in the following order:

(1) Earned Credits will first be applied as a credit to the NRCs the customer was assessed for installation of DS1 Services and DS3 Services that were installed during Q1 of 2010. In accordance with (f) following, the customer must specify in writing which DS1 Services and/or DS3 Services are to receive such credit.

(2) Earned Credits will next be applied as a credit to the MRCs (i.e., channel termination, channel mileage and optional features and functions rate elements) assessed to the customer's DS1 Services and DS3 Services that were installed during Q1 of 2010, up to a maximum of ten percent (10%) of such MRCs for Q1 of 2010. In accordance with (f) following, the customer must specify in writing which DS1 Services and/or DS3 Services are to receive such credit.

(3) In no case will the amount of credit applied exceed the amount of Earned Credits. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.59 Contract Tariff Option 58 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(2) Redeeming DS1 Credits and DS3 Credits (Cont'd)

(c) If the customer has Earned Credits remaining that were not applied as credit in Q1 of 2010 under (F)(2)(b) preceding, then, within sixty (60) business days of the close of the second quarter of 2010 (i.e., the period beginning April 1, 2010 and ending June 30, 2010, hereinafter referred to as **Q2 of 2010**), the Telephone Company will apply the customer's remaining Earned Credits to the DS1 Services and DS3 Services that were installed during Q2 of 2010 in the form of a credit to the customer's bill and in the same order set forth in (F)(2)(b) preceding until all of the customer's Earned Credits have been applied as a credit. In accordance with (f) following, the customer must specify in writing which DS1 Services and/or DS3 Services are to receive such credits. In no case will the amount of credit applied exceed the amount of Earned Credits.

(d) Earned Credits will only be applied as credit in the MSAs that have achieved Phase I and Phase II pricing flexibility under this tariff.

(e) Earned Credits that are not used prior to June 30, 2010 are no longer eligible to be applied as credit under this Option 58.

(f) The customer must notify the Telephone Company in writing within fifteen (15) business days of the close of each of the months of January, February, March, April, May, and June, 2010 (or within fifteen (15) business days of the close of each of such months until the customer has specified the application of all of the customer's Earned Credits, whichever occurs first) which DS1 Services and/or DS3 Services installed during such month should receive the application of Earned Credits and their order of priority (**Priority List**). If this information is not provided by the customer for any such month, then no credit will be applied under this Option 58 for DS1 and/or DS3 Services installed during such month. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.59 Contract Tariff Option 58 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(3) Length of Time DS1 and DS3 Services Required to be in Service

In order to qualify for the DS1 Credits and DS3 Credits provided under this Option 58, the applicable DS1 Service or DS3 Service for which the customer earned DS1 Credits or DS3 Credits, respectively, must remain in service for at least twelve (12) months. If a DS1 Service or DS3 Service is discontinued prior to the end of the 12-month period, the customer shall forfeit the corresponding Earned Credits for such DS1 Service or DS3 Service. The Earned Credits forfeited will first be those that were earned for installs in excess of the DS1 Install Average and DS3 Install Average. For example, if the customer had some DS1 Credits calculated in a given month using a multiplier of one percent (1%) (i.e., for a DS1 install at or below the DS1 Install Average) and some DS1 Credits calculated during that same month using a multiplier of twenty percent (20%) (i.e., for a DS1 Service install above the DS1 Install Average), the amount of Earned Credits forfeited would first be based on the DS1 Credit calculation using a multiplier of 20% (inclusive of the applicable factor set forth in the Earning Table of (F)(1)(e) preceding). If the customer's Earned Credits have already been applied as a credit under (F)(2) preceding, the Telephone Company will debit the customer's bill for the amount of Earned Credits forfeited.

(4) Except as specified in this Section 21.59, the terms and conditions and rates and charges set forth in other sections of this tariff apply to the DS1 Services and DS3 Services of this Option 58.

(5) At anytime during the Redeem Period specified in (A) preceding or Earning Period specified in (D) preceding, the customer may cancel its subscription to this Option 58, in which case the customer shall forfeit any Earned Credits that have not been redeemed at the time of cancellation.

(6) The customer's subscription to this Option 58 shall be automatically terminated effective with customer's subscription to any other contract tariff option in this Section 21 applicable to DS1 Services and/or DS3 Services purchased under this tariff, in which case the customer shall forfeit any Earned Credits that have not been redeemed at the time of such termination. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (N)

(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. 11 (**FCC11**), Tariff F.C.C. No. 14 (**FCC14**), (x) and Tariff F.C.C. No. 16 (**FCC16**). Option 59 also provides (x) 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 57 of FCC11 and Option 31 of FCC14. (x)

(B) Specific Terms

Unless otherwise defined in this Section 21.60, 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. (N)

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ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(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.

(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 Section 7.1.2(B) of FCC11; and (x)

(b) the Special Transport rate elements (excluding MetroLAN transport), as such rate elements are described more particularly in Section 5.1.1(B) of FCC14; and (x)

(c) the Circuit Mileage rate elements (excluding MetroLAN transport), as such rate elements are described more particularly in Section 7.2.1(B) of FCC16. (x)

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. (N)

(x) Issued under authority of Special Permission No. 09-030 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(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 Section 7.1.2(A) of FCC11; and (x)

(b) the Special Access Line rate elements, as such rate elements are described more particularly in Section 5.1.1(C) of FCC14; and (x)

(c) the Special Access Circuit Termination rate elements, as such rate elements are described more particularly in Section 7.2.1(A) of FCC16. (x)

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. (N)

(x) Issued under authority of Special Permission No. 09-030 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(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) Section 7.2.9(D)(3)(a) for DS3 to DS1, Section 7.2.9(D)(3)(c) and Section 7.2.9(D)(3)(d) for DS1 to Voice in FCC11; and (x)

(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 FCC16; and (x)

(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 FCC14. (x)

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. (N)

(x) Issued under authority of Special Permission No. 09-030 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(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, FCC11, FCC14 and FCC16, (x) 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, FCC11, FCC14 and FCC16. (x)

(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, FCC11, FCC14 and FCC16 during the month of September 2009. (x)

(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. (N)

(x) Issued under authority of Special Permission No. 09-030 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(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, FCC11 and FCC14. (x) Wire centers for the Phase II MSAs are listed in Section 14.7 preceding of this tariff, Section 15.3 of FCC11, and Section 19.1 of FCC14. (x) Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 14.7 preceding of this tariff, Section 15.3 of FCC11, and (x) Section 19.1 of FCC14) that occur during the Service Period of this (x) Option 59 will apply. No Billing Credits will be provided in the operating territories of FCC16. (x)

(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 7.2.9 of FCC11, Section (x) 5.3.6 of FCC14, and Section 7.11.1 of FCC16, as the same (x) 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 FCC14 and FCC16, and Facilities Management (x) Service (FMS) in this tariff and FCC11 are not Qualifying (x) Services. (N)

(x) Issued under authority of Special Permission No. 09-030 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(1) Qualifying Services (Cont'd)

(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	

(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

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(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	

(N)

21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(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, FCC11, FCC14 or FCC16 are amended from time to (x) 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 a Verizon 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. (N)

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21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(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 57 of FCC11 and Option 31 of FCC14; (b) the customer will (x) 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. (N)

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ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(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

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 7.4.4, 7.4.10(C), and 25.1.12 of (x) FCC11, Sections 3.2.4 and 5.6.19(M) of FCC14, and (x) Sections 7.2.2 and 7.2.6(E) of FCC16) based solely on (x) 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 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. (N)

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ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(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)

(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, FCC11, FCC14 and FCC16, 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. (x)

(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);

(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; (N)

(x) Issued under authority of Special Permission No. 09-030 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(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)

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(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 (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, FCC11 and FCC14. In no event will the customer be (x) 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. (N)

(x) Issued under authority of Special Permission No. 09-030 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(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 (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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(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 (Cont'd)

(5) Illustrative Example (Cont'd)

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.

(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

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(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 (Cont'd)

(6) IOF/TBR Credit Tables (Cont'd)

(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

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(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 (Cont'd)

(6) IOF/TBR Credit Tables (Cont'd)

(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

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(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, Option 57 of FCC11 and Option 31 of (x) FCC14, which such subscription shall specify the (x) 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 (N)

(x) Issued under authority of Special Permission No. 09-030 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(3) UNE Conversion Credit (Cont'd)

(a) Conditions Precedent to UNE Conversion Credit (Cont'd)

(1) UNE Conversion Requirements (Cont'd)

(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.

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(3) UNE Conversion Credit (Cont'd)

(b) Calculation of UNE Conversion Credit (Cont'd)

(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.

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(3) UNE Conversion Credit (Cont'd)

(b) Calculation of UNE Conversion Credit (Cont'd)

(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	

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(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 (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(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) (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 (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(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

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(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. (N)

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21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(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 7.4.4, 7.4.10(C), and 25.1.12 of (x) FCC11, Sections 3.2.4 and 5.6.19(M) of FCC14, and (x) Sections 7.2.2 and 7.2.6(E) of FCC16) based solely on (x) 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, FCC11, FCC14 and FCC16, as applicable. In the event (x) 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. (N)

(x) Issued under authority of Special Permission No. 09-030 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(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 Verizon 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. (N)

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21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(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, FCC11, and FCC14. 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. (x) (N)

(x) Issued under authority of Special Permission No. 09-030 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(3) UNE Conversion Credit (Cont'd)

(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, FCC11, FCC14 or FCC16 during the first five (5) Plan Years (x) 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.

(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). (N)

(x) Issued under authority of Special Permission No. 09-030 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(G) Disputes; Releases and Waivers (Cont'd)

(1) (Cont'd)

(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. (N)

21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(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, Section 2.4.1 preceding of FCC11, and Section 2.4.1 preceding of (x)
FCC14. (x)

(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, FCC11, FCC14 and FCC16. (x)

(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. (N)

(x) Issued under authority of Special Permission No. 09-030 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(H) Mergers and Acquisitions of Customer (Cont'd)

(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). (N)

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21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(I) Sale of Verizon Operating Telephone Company

If some or all of the assets or stock of a Verizon Operating Telephone Company of this tariff, FCC11, FCC14 or FCC16 (**Acquired VZ Telco**) are acquired by an unaffiliated third party and Verizon 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, FCC11, FCC14, or FCC16, as applicable. (x)

(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 VZ 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 VZ Telco during the twelve (12) months prior to the time that the Acquired VZ Telco ceases to provide the such Services; (N)

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21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(I) Sale of Verizon Operating Telephone Company (Cont'd)

(2) (Cont'd)

(a) (Cont'd)

(2) calculate the average monthly amount of the TBR for Qualifying Services purchased by the customer from the Acquired VZ 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 VZ 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.

(b) The IOF TBR Acquisition Reduction Amount for the Plan Year in which the Acquired VZ 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 VZ Telco during the twelve (12) months prior to the time that the Acquired VZ 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 VZ 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 VZ 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. (N)

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21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(I) Sale of Verizon Operating Telephone Company (Cont'd)

(2) (Cont'd)

Illustrative Example:

* Assume Verizon sells Verizon Delaware LLC. Sale is finalized with two (2) months remaining in Plan Year 2.
* Customer's TBR for Qualifying Services purchased by the customer from Verizon Delaware LLC during the previous 12 months = $24M
* Average monthly amount of the TBR for Qualifying Services purchased by the customer from Verizon Delaware LLC = $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 Verizon Delaware LLC during the previous 12 months = $12M
* Average monthly amount of the IOF Qualifying Services purchased by the customer From Verizon Delaware LLC = $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. (N)

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21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(I) Sale of Verizon 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 Verizon 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 VZ 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, Option 57 of FCC11 (x) and Option 31 of FCC14, provides the customer with a (x) 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, Option 57 of FCC11 and Option 31 of (x) FCC14 as one deal; (ii) remaining Service Period; and (iii) (x) 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. (N)

(x) Issued under authority of Special Permission No. 09-030 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(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 57 of FCC11 and Option 31 of (x) FCC14. (x) Excluding a termination solely pursuant to (K) following, if the customer terminates its subscription to this Option 59, and/or Option 57 of FCC11 and/or Option 31 of FCC14 (x) 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, FCC11, (x) FCC14 and FCC16, as applicable, with respect to the Qualifying (x) Services shall continue to apply. (N)

(x) Issued under authority of Special Permission No. 09-030 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(J) Termination of Plan (Cont'd)

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.

(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, Option 57 of FCC11 and Option 31 of FCC14 based upon (x) 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, Option 57 of FCC11 and Option 31 of FCC14, (x) 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, Option 57 of FCC11 and Option (x) 31 of FCC14, such party shall provide written notice by not (x) 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**). (N)

(x) Issued under authority of Special Permission No. 09-030 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(K) Changes in Price of Channel Termination and Channel Mileage Rate Elements (Cont'd)

(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.

(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 (N)

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21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(K) Changes in Price of Channel Termination and Channel Mileage Rate Elements (Cont'd)

(4) (Cont'd)

(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. (N)

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21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(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, Option 57 of FCC11 and Option 31 of FCC14, and shall decrease (x) 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, Option 57 of FCC11 and Option 31 of FCC14; provided, however, (x) 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, Option 57 of FCC11 and Option (x) 31 of FCC14, the Price Change Index triggering such right (x) 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, Option 57 of FCC11 and Option 31 of FCC14 (x) consistent with this Section (K), then (i) neither party will have the right to terminate the customer's subscription to this Option 59, Option 57 of FCC11 and Option 31 of FCC14 (x) pursuant to this Section (K) and (ii) the Price Change Index triggering the right to terminate the customer's subscription to this Option 59, Option 57 of FCC11 and Option 31 of FCC14 (x) will remain unchanged. (N)

(x) Issued under authority of Special Permission No. 09-030 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(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. (N)

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21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(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		

(N)

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21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(K) Changes in Price of Channel Termination and Channel Mileage Rate Elements (Cont'd)

Illustrative Example (Cont'd):

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

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 59, Option 57 of FCC11 and Option 31 of FCC14 in (x)
accordance with this Section (K). (N)

(x) Issued under authority of Special Permission No. 09-030 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.60 Contract Tariff Option 59 (Cont'd) (N)

(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 preceding of this tariff and/or Section 25.1 of FCC11) 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): (x)

(a) Subject to any early termination of the customer's subscription to this Option 59, Option 57 of FCC11 and Option 31 of FCC14, 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 59 and Option 57 of FCC11, which collectively shall not be greater than the TISC available under the terms of the Commitment Discount Plan. (x) (x) (x)

(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 FCC14), and subject to any early termination of the customer's subscription to this Option 59, Option 57 of FCC11 and Option 31 of FCC14, 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. (x) (x) (x) (N)

(x) Issued under authority of Special Permission No. 09-030 of the Federal Communications Commission.

21. Contract Tariffs (Cont'd)

21.61 Contract Tariff Option 60 (N)

(A) Scope

Contract Tariff Option 60 (**Option 60**) provides certain discounts and credits on certain Special Access Service rate elements as set forth herein.

(B) Specific Terms

Unless otherwise defined in this Section 21.61, the following terms shall have the meanings set forth following.

(1) **Affiliate** shall mean, as to either Party, any entity that is controlled by, or under common control with, such Party, including (effective as of the date such entity becomes an Affiliate) any entity that becomes an Affiliate after the customer's subscription to this Option 60.

(2) **Alternative Tariff Arrangement** shall mean collectively 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 any Qualifying Services (as defined in (B)(17) following), but shall not include the Commitment Discount Plan (CDP), National Discount Plan (NDP), Service Discount Plan (SDP), or Term Payment Plan (TPP), each as set forth in this tariff and/or Tariff F.C.C. No. 11 (**FCC11**), or their substantial equivalent. (x)

(3) **Annual Bonus Payment** shall mean a lump sum payment of two hundred thousand dollars ($200,000) per year as further described in (G) following. (N)

(x) Issued under authority of Special Permission No. 09-031 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.61 Contract Tariff Option 60 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(4) **Annual Grooms Cap** shall mean one hundred (100) grooms for Special Access High Capacity 1.544 Mbps Service (**DS1**) circuits; and twenty (20) grooms for Special Access High Capacity 44.736 Mbps Special Access Service (**DS3**) circuits.

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

(6) **Benefit One** shall mean the discounted per mile component of the Channel Mileage Rate Element and the Annual Bonus Payment, as further described in (G) following.

(7) **Benefit Two** shall mean the Minimum Annual Revenue Commitment (**MARC**) Credit, as further described in (H) following.

(8) **Channel Mileage Rate Elements** shall mean the per mile component of 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 Section 7.1.2(B) of FCC11. (x)

(9) **Disputed Charges** shall mean any charges (or portions thereof) billed by the Telephone Company during the Service Period, (i) which have not been paid in full (without offset or reduction, and in accordance with the terms of this tariff and FCC11, as applicable) by the customer, as of the (x) thirtieth (30th) calendar day following the end of a Quarter, or (ii) which the customer has alleged not to be due as of the thirtieth (30th) calendar day following the end of a Quarter. The provisions of this Section (B)(9) in no way limit the customer's time period to dispute charges. (N)

(x) Issued under authority of Special Permission No. 09-031 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.61 Contract Tariff Option 60 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(10) **DS1 UNEs** shall mean DS1 capacity loops, dedicated transport, or enhanced extended loops (EELs) provided by the Telephone Company as unbundled network elements.

(11) **DS1 Channel Mileage Rate Elements** shall mean the DS1 per mile component of one of the following Universal Service Order Codes (**USOCs**): 1A5ZS, 1A8ZS, 1J53S, 1J54S, 1L5LS, 1L5XX, and 1T58S. The associated DS1 Service must have a Network Channel (NC) Code of HC.

(12) **Eligible LATAs** shall mean, as of January 1, 2010, the Rhode Island LATA (LATA 130), the New York Metro New York LATA (LATA 132), the Albany New York LATA (LATA 134), the Syracuse New York LATA (LATA 136), the Buffalo New York LATA (LATA 140), and the Philadelphia Pennsylvania LATA (LATA 228).

After January 1, 2010, the customer may in its discretion add one or more additional LATAs within the operating territories of this tariff and/or FCC11 to the Eligible LATAs by providing notice to the Telephone Company not more than ninety (90), and not less than thirty (30), calendar days prior to each subsequent anniversary of January 1, 2010, in which case such LATAs shall become Eligible LATAs commencing with such anniversary. In such event, the MARC shall be revised as set forth in (B)(14) following. (x)

(13) **Groom** shall mean any customer initiated activity that negatively impacts the MRCs of a DS1 or DS3 Service ordered prior to January 1, 2010 (e.g. re-termination of a circuit that reduces mileage units and MRCs), with the exceptions of certain Grooms as specified in (H)(3)(b) following. (N)

(x) Issued under authority of Special Permission No. 09-031 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.61 Contract Tariff Option 60 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(14) **MARC** shall mean the Minimum Annual Revenue Commitment. As of January 1, 2010, the MARC shall be equal to twelve (12) times the amount billed by the Telephone Company to the customer for MRCs associated with Qualifying Services during the month of August, 2009 in the Eligible LATAs, minus nine hundred thousand dollars ($900,000). As an illustrative example, if the amount billed by the Telephone Company to the customer for Qualifying Services during the month of August, 2009 in the Eligible LATAs was one million dollars ($1,000,000), the MARC as of January 1, 2010 would be eleven million one hundred thousand dollars ($11,100,000) [($1,000,000 x 12)-$900,000]. In the event that after January 1, 2010 a new LATA becomes an Eligible LATA in accordance with (B)(12) preceding, the MARC shall be revised by adding to the MARC an amount equal to twelve (12) times the MRCs billed by the Telephone Company to the customer for Qualifying Services in the newly-subscribed LATA during the last month prior to the anniversary date prior to which notice is provided.

(15) **MRCs** shall mean monthly recurring charges.

(16) **Plan Year** shall mean each of the following one (1) year periods during the Service Period.

(a) Plan Year 1 shall commence on January 1, 2010 and end on December 31, 2010;

(b) Plan Year 2 shall commence on January 1, 2011 and end on December 31, 2011;

(c) Plan Year 3 shall commence on January 1, 2012 and end on December 31, 2012;

(d) Plan Year 4 shall commence on January 1, 2013 and end on December 31, 2013;

(e) Plan Year 5 shall commence on January 1, 2014 and end on December 31, 2014. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.61 Contract Tariff Option 60 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(17) **Qualifying Services** shall mean special access DS1 Services within the operating territories of this tariff and FCC11 (x) that have a Network Channel (NC) code of HC and are billing one of the USOCs set forth in (E)(1)(b) following, and special access DS3 Services within the operating territories of this tariff and FCC11 (x) that have a NC code of HF and are billing one of the USOCs set forth in (E)(1)(b) following.

(18) **Qualifying Revenue** shall mean MRCs for Qualifying Services within the operating territories of this tariff and FCC11 (x) which are paid in full by the customer as further described in (E)(2) following.

(19) **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 day 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.

(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 of this Option 60.

(1) A customer must subscribe to Option 60 in a manner designated by the Telephone Company during the thirty (30) day period that begins December 29, 2009 and ends January 27, 2010 (**Subscription Period**). The customer's subscription to this Option 60 shall be an automatic subscription to Option 58 of (x) FCC11. Such subscription must include a list of customer (x) ACNAs and a list of customer point of presence (POP) locations within the Eligible LATAs (a maximum of seven (7) of such POP locations may be included in this Option 60 and Option 58 of FCC11) that will be subject to the provisions (x) set forth in (H)(3)(b)(7) following, which the Telephone Company agrees to, in writing, for inclusion in this Option 60 and Option 58 of FCC11. (N)(x)

(x) Issued under authority of Special Permission No. 09-031 of the Federal Communications Commission.

21. Contract Tariffs (Cont'd)

21.61 Contract Tariff Option 60 (Cont'd) (N)

(C) Eligibility (Cont'd)

(2) During the calendar year 2008, more than ninety five percent (95%) of the customer's special access DS1 and DS3 Services must have been billed pursuant to this tariff and FCC11. (x)

(3) During calendar year 2008, the customer must have been billed more than thirty five million dollars ($35,000,000) for all of the Qualifying Services that it purchases from the Telephone Company under this tariff and FCC11. (x)

(4) The customer may not during the Service Period of this Option 60 concurrently subscribe to an Alternative Tariff Arrangement. If the customer wishes to subscribe to such an Alternative Tariff Arrangement, then the customer shall not receive any discounts and/or billing credits under this Option 60 and Option 58 of FCC11, and such subscription shall (x) be considered a termination by the customer of its subscription to this Option 60 and Option 58 of FCC11, (x) subject to (M) following.

(5) The customer may, during the Service Period of this Option 60, remain subscribed to a CDP, NDP, SDP, or TPP, each as set forth in this tariff and/or FCC11, or their substantial (x) equivalent.

(D) Service Period

The Service Period of this Option 60 shall commence on January 1, 2010, and end at the close of the day on December 31, 2014. (N)

(x) Issued under authority of Special Permission No. 09-031 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.61 Contract Tariff Option 60 (Cont'd) (N)

(E) Services and Rate Elements Subject to This Option 60 and Option 58 of FCC11 (x)

Subject to the terms and conditions of this Option 60 and Option 58 of FCC11, the credits and discounts provided herein shall apply to the following Qualifying Services: (x)

(1) Qualifying Services

Qualifying Services shall include all DS1 and DS3 rate elements meeting the following criteria:

(a) Rate elements must have a Network Channel (NC) code of either HC for DS1 Qualifying Services or HF for DS3 Qualifying Services.

(b) The Qualifying Service must bill one of the following USOCs:

DS1 Service:

1A5ZS	1A8ZS	1J53S	1J54S	1L5LS	1L5XX
1T58S	A1VXZ	MQ1	MQK	MXN12	MXN13
MXN15	MXN17	QMU	TMECS	TNJZX	TNT3X
TNT4X	TNT8X	TZGHX			

DS3 Service:

1A5LX	1L5XX	1U5PS	1YA8S	MKM	MQ3
MXNRX	TUTPX	TYF8S	TYF8X	TYFLS	TYFLX
TYFMS	TYFMX	TYFVS	TYFVX	TYFWS	TYFWX

(N)

(x) Issued under authority of Special Permission No. 09-031 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.61 Contract Tariff Option 60 (Cont'd) (N)

(E) Services and Rate Elements Subject to This Option 60 and Option 58 of FCC11 (Cont'd) (x)

(2) Qualifying Revenue

Qualifying Revenue for purposes of determining whether the customer has exceeded the MARC shall include only MRCs for Qualifying Services 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 the Qualifying Services;

(f) Any debits or credits for Qualifying Services rendered in prior quarters or periods prior to January 1, 2010;

(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 explicitly relating to MRCs. (N)

(x) Issued under authority of Special Permission No. 09-031 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.61 Contract Tariff Option 60 (Cont'd) (N)

(F) Serving Area

The MARC Credit, the Channel Mileage Rate Element Discounted Rate, and the Annual Bonus Payment will be provided only in the Eligible LATAs, and only in the Metropolitan Statistical Areas (**MSAs**) that have achieved Phase I or Phase II pricing flexibility under this tariff and FCC11. Wire centers for the Phase II MSAs are listed in Section 14.7 preceding of this tariff and Section 15.3 of FCC11. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 14.7 preceding of this tariff and Section 15.3 of FCC11) that occur during the Service Period of this Option 60 and Option 58 of FCC11 will apply. (x)

(G) Channel Mileage Discounted Rate and Annual Bonus Payment (Benefit One)

(1) Subject to the terms of this Option 60, the Telephone Company will provide a discounted rate for the per mile component of the Channel Mileage Rate Element of a special access DS1 Service that is ordered by the customer in an Eligible LATA during the Service Period (the **Discounted Mileage Rate).** The Channel Mileage Discounted Rate will be five dollars ($5) per mile for DS1 Channel Mileage Rate Elements. The fixed component of channel mileage will not be discounted and will continue to apply at the rates set forth in other sections of this tariff and FCC11, as applicable, (including such discounts as may be applicable if the customer is also subscribed to a CDP, NDP, SDP or TPP as may be permitted under (B)(2) preceding). The Channel Mileage Discounted Rate will apply for the full life of the circuit, unless terminated in accordance with (M) following. The Channel Mileage Discounted Rate will apply in lieu of the DS1 Channel Mileage per mile rate set forth in other sections of this tariff and FCC11, as applicable, and will not be subject to any further discounts except as allowed herein. (x) (N)

(x) Issued under authority of Special Permission No. 09-031 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.61 Contract Tariff Option 60 (Cont'd) (N)

(G) Channel Mileage Discounted Rate and Bonus Payment (Benefit One) (Cont'd)

(2) Subject to the terms of this Option 60, during the Service Period the Telephone Company will also provide a lump sum payment (the **Annual Bonus Payment**) of two hundred thousand dollars ($200,000) per year, payable in quarterly installments as set forth in (I) following.

(3) To qualify for the Benefit One, and in order to receive the Channel Mileage Discounted Rate and the Annual Bonus Payment, the customer must not order any DS1 UNEs during the Service Period (including conversions of special access circuits to UNEs) within an Eligible LATA. Orders for DS1 UNEs that were ordered prior to January 1, 2010 but completed after January 1, 2010 will not violate this restriction. If the customer inadvertently orders a DS1 UNE but (i) rescinds such order prior to its completion; (ii) converts the resulting DS1 UNE to a special access DS1 Service within sixty (60) calendar days after the date of the first bill from the Telephone Company in which charges for such DS1 UNE first appear and pays an amount to the Telephone Company equal to the difference between the amounts billed for such DS1 UNE and the amounts that would have been billed at the applicable special access rates; or (iii) converts the resulting DS1 UNE to a special access DS1 Service within such time that the Telephone Company, in its sole discretion, may provide, and pays an amount to the Telephone Company equal to the difference between the amounts billed for such DS1 UNE and the amounts that would have been billed at the applicable special access rates; then such order will not be deemed to be a disqualifying DS1 UNE order subject to this Section (G)(3). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.61 Contract Tariff Option 60 (Cont'd) (N)

(H) MARC Credit (Benefit Two)

(1) Subject to the terms of this Option 60, for services rendered during the Service Period, the Telephone Company will apply a credit (the **MARC Credit**) equal to a percentage of the MARC.

(2) The MARC Credit shall be calculated by multiplying the MARC times the percentage applicable to the relevant Plan Year, as set forth in the table below.

Year	% Credit
1	7.00%
2	7.25%
3	7.50%
4	7.75%
5	8.00%

(3) In order to receive the MARC Credit, the customer must comply with each of the following conditions:

(a) During the relevant Plan Year, the customer must have paid to the Telephone Company MRCs for Qualifying Services equal to or greater than the MARC.

(b) During the relevant Plan Year, the number of Grooms the customer ordered must be no more than the Annual Grooms Cap as defined in (B)(4) preceding.

The following are not considered Grooms:

(1) Grooms of circuits that are installed as new after December 31, 2009.

(2) Grooms initiated by the Telephone Company.

(3) Grooms associated with non Qualifying Services (e.g. DS0s). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.61 Contract Tariff Option 60 (Cont'd) (N)

(H) MARC Credit (Benefit Two) (Cont'd)

(3) (Cont'd)

(b) (Cont'd)

(4) 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 Groom Cap. 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.

(5) Force Majeure Grooms

Grooms that are necessitated by acts of God, fire, flood, lack of or delay in transportation; acts of war or terrorism, civil disorder, strikes, or labor disputes.

(6) Circuits disconnected in their entirety.

(7) Point of Presence (POP) Closure Grooms

Grooms that are the result of the customer migrating circuits from a POP (i.e., a POP on the list of POP locations provided with customer's subscription in accordance with (C)(1) preceding) that is closing to another POP (each a **POP Closure Groom**) will not count toward the Annual Grooms Cap when each of the following conditions are met:

(i) The circuit is migrated from a POP that is closed by the customer in its entirety, to another POP at a different street address, and under a different roof, within the same LATA. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.61 Contract Tariff Option 60 (Cont'd) (N)

(H) MARC Credit (Benefit Two) (Cont'd)

(3) (Cont'd)

(b) (Cont'd)

(7) Point of Presence (POP) Closure Grooms (Cont'd)

(ii) The POP being closed is one of the POP locations submitted with the customer's subscription under (C)(1) preceding.

(iii) The Telephone Company receives notice of the POP closure and migration not later than ninety (90) calendar days after its occurrence, in which the customer makes reference to this provision and specifies the following:

- Closed POP location
- Impacted circuits
- Circuit MRCs pre migration
- Circuit MRCs post migration.

If the total decrease in MRCs resulting from POP Closure Grooms in a single Plan Year exceeds 2.5% of the MARC, all such Grooms in excess of two and one-half percent (2.5%) of the MARC shall not be treated as POP Closure Grooms, but instead shall be subject to the Annual Grooms Cap. For example, assume the customer closes a POP location and migrates one hundred sixty-seven (167) DS1 Services to a different POP in accordance with this Section (H)(3)(b)(7). Further assume that the annual decrease in MRCs resulting from such POP Closure Grooms is $300,000 and the annual MRC reduction per DS1 is $1,796.40 ($300,000 / 167). Finally assume the MARC is $11,100,000. The total decrease resulting from POP Closure Grooms is 2.70% (300,000/11,100,000) of the MARC. Since the decrease in MRCs is greater than 2.5% of the MARC [2.5% of the MARC is $277,500 (11,100,000 x 0.025)], the Grooms in excess of 2.5% of the MARC count towards the Annual Grooms Cap [($300,000 - $277,500) / 1,796.40 = 13 POP Closure Grooms that count towards the Annual Grooms Cap]. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.61 Contract Tariff Option 60 (Cont'd) (N)

(I) Quarterly True-Up Process

On a quarterly basis, the Telephone Company will (i) calculate the credits due under (1) and (2) following, if any, to the customer; (ii) inform the customer of the credit amount; and (iii) issue the credit(s) due to the customer.

(1) Benefit One Quarterly Credits

The Telephone Company shall calculate the quarterly credits (if any) due for Benefit One as follows:

Step 1 The Telephone Company will determine whether the customer has complied with all the conditions set forth herein to receive Benefit One, and will proceed with the following steps only if the customer has so complied.

Step 2 In the event that, during any part of the applicable Quarter, the Telephone Company billed any DS1 Channel Mileage Rate Elements that were eligible for the Channel Mileage Discounted Rate at any rate other than the Channel Mileage Discounted Rate, the Telephone Company shall calculate as credits (or debits) the difference between the Telephone Company's actual billings, and what would have been billed at the Channel Mileage Discounted Rate.

Step 3 If the customer is eligible for the Annual Bonus Payment, the quarterly credit due to the customer for the Annual Bonus Payment shall be Fifty Thousand Dollars ($50,000). (N)

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21. Contract Tariffs (Cont'd)

21.61 Contract Tariff Option 60 (Cont'd) (N)

(I) Quarterly True-Up Process (Cont'd)

(1) Benefit One Quarterly Credits (Cont'd)

Step 4 For Quarter 1 of Plan Year 1, the Telephone Company will add together the credits and/or debits calculated pursuant to Step 2 and Step 3 above, and apply the sum to the customer's bill not more than thirty (30) calendar days after the start of the Service Period.

For Quarter 1 of each remaining Plan Year during the Service Period, the Telephone Company will add together the credits and/or debits calculated pursuant to Step 2 and Step 3 above, and shall apply the sum to the customer's bill not more than thirty (30) calendar days after the end of the Quarter.

For Quarter 2, Quarter 3, and Quarter 4 of each Plan Year during the Service Period, the Telephone Company shall apply the calculated credit to the customer's bill not more than ninety (90) calendar days after the end of the Quarter. (N)

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Vice President, Federal Regulatory
1300 I Street, NW, Washington, D.C. 20005

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21. Contract Tariffs (Cont'd)

21.61 Contract Tariff Option 60 (Cont'd) (N)

(I) Quarterly True-Up Process (Cont'd)

(2) Benefit Two Quarterly Credits

The Telephone Company shall calculate the quarterly credits (if any) due for Benefit Two as follows:

Step 1 The Telephone Company will calculate the sum of all Grooms performed during the applicable Plan Year, through and including the preceding Quarter. Only if the total Grooms do not exceed the Annual Grooms Cap, the Telephone Company will proceed with Step 2 following.

Step 2 The Telephone Company will calculate the sum of all MRCs that are not Disputed Charges billed by the Telephone Company to the customer for Qualifying Services during the applicable Plan Year, through and including the applicable Quarter. If, and only if, such sum is greater than the Cumulative Quarterly Minimum, as set forth below, the Telephone Company will proceed to calculate and apply the quarterly credits as set forth in Steps 3 and 4 below.

(i) For the first Quarter in a Plan Year, there shall be no Cumulative Quarterly Minimum.

(ii) For the second Quarter in a Plan Year, the Cumulative Quarterly Minimum shall be equal to fifty percent (50%) of the MARC.

(iii) For the third Quarter in a Plan Year, the Cumulative Quarterly Minimum shall be equal to seventy-five percent (75%) of the MARC.

(iv) For the fourth Quarter in a Plan Year, the Cumulative Quarterly Minimum shall be equal to one hundred percent (100%) of the MARC.

Step 3 The Telephone Company will calculate the quarterly MARC credit by multiplying twenty-five percent (25%) of the MARC times the applicable percentage set forth in {H)(2) preceding. (N)

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21. Contract Tariffs (Cont'd)

21.61 Contract Tariff Option 60 (Cont'd) (N)

(I) Quarterly True-Up Process (Cont'd)

(2) Benefit Two Quarterly Credits (Cont'd)

Step 4 For Quarter 1 of Plan Year 1, the Telephone Company will apply the quarterly MARC credit calculated in Step 3 preceding to the customer's bill not more than thirty (30) calendar days after the start of the Service Period.

For Quarter 1 of each remaining Plan Year during the Service Period, the Telephone Company will apply the quarterly MARC credit calculated in Step 3 preceding to the customer's bill not more than thirty (30) calendar days after the end of the Quarter.

For Quarter 2, Quarter 3, and Quarter 4 of each Plan Year during the Service Period, the Telephone Company will apply the quarterly MARC credit calculated in Step 3 preceding to the customer's bill not more than ninety (90) calendar days after the end of the Quarter. (N)

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21. Contract Tariffs (Cont'd)

21.61 Contract Tariff Option 60 (Cont'd) (N)

(J) Annual True-Up Process

Not later than sixty (60) calendar days after the end of each Plan Year, the Telephone Company will calculate a reconciliation of the credits due hereunder on an annual basis for such Plan Year, against the credits actually paid to the customer during the Plan Year. Not later than ninety (90) calendar days after the end of such Plan Year, the Telephone Company will apply such credits or debits as may be due to the customer's bill. The Telephone Company may, in its discretion, combine the calculation and/or application of the annual true-up with the quarterly true-up for the final Quarter for such Plan Year.

(1) For Benefit One, the Telephone Company will determine whether the customer has complied with all the conditions set forth herein to receive Benefit One for the Plan Year, and if the customer has not so complied, the Telephone Company will proceed in accordance with a Termination for Cause as set forth in (M)(1) following.

(2) For Benefit Two, if the customer is not in compliance with the Annual Grooms Cap, the Telephone Company will proceed in accordance with a Termination for Cause as set forth in (M)(1) following. If the customer is in compliance with the Annual Grooms Cap, the Telephone Company will calculate the sum of all MRCs that are not Disputed Charges billed by the Telephone Company to the customer for Qualifying Services during the applicable Plan Year. If such sum is greater than the MARC, the Telephone Company shall calculate true-up credits equal to the annual MARC Credit (i.e., the product of the MARC times the applicable percentage set forth in (H)(2) preceding) minus the amount of MARC Credits actually earned for such Plan Year. If such sum is less than the MARC, the Telephone Company shall calculate true-up debits equal to the sum of MARC Credits actually earned for such Plan Year.

(3) The Telephone Company shall apply the annual true-up credit or debits, if any, no later than ninety (90) calendar days after the end of the Plan Year. (N)

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21. Contract Tariffs (Cont'd)

21.61 Contract Tariff Option 60 (Cont'd) (N)

(K) Mergers and Acquisitions of the Customer

In the event that after the customer's subscription to this Option 60, the customer becomes an Affiliate of another company, or acquires a portion of the business of another company, or is acquired in whole or in part by another company (collectively, an **Acquisition**), the following terms and conditions will apply in addition to any other terms and conditions set forth in this tariff and FCC11. (x)

(1) The customer shall provide notice to the Telephone Company of any Acquisition not later than fifteen (15) calendar days after its effectiveness.

(2) Not later than one hundred eighty (180) calendar days after the effectiveness of any Acquisition, the customer shall notify the Telephone Company whether the subject of the Acquisition (the **Acquired Business**) will, in its entirety, become subject to this Option 60 in accordance with the following provisions.

(a) If the Acquired Business is not subject to an Alternative Tariff Arrangement, the customer may, upon thirty (30) calendar days notice to the Telephone Company, elect to include the Acquired Business in its entirety in this Option 60, in which case the MARC and Annual Grooms Cap shall be modified as follows:

(1) The MARC shall be revised by adding to the prior MARC a number equal to twelve (12) times the total MRCs for Qualifying Services billed by the Telephone Company to the Acquired Business in the month immediately preceding notification. If the Acquired Business is added to this Option 60 and Option 58 of FCC11 partway through a Plan Year, the additional MARC for that Plan Year shall be reduced, pro rata, based on the number of months that had elapsed during the Plan Year prior to the addition of the Acquired Business. (x) (N)

(x) Issued under authority of Special Permission No. 09-031 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.61 Contract Tariff Option 60 (Cont'd) (N)

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

(2) (Cont'd)

(a) (Cont'd)

(2) The Annual Grooms Cap shall be revised as follows:

(i) To revise the Annual Grooms Cap for DS1s and DS3s for the current Plan Year:

Step 1 Divide the current Annual Grooms Cap by twelve (12).

Step 2 Divide the MRCs for Qualifying Services billed by the Telephone Company to the Acquired Business by the MRCs for Qualifying Services billed by the Telephone Company to the customer in the month prior to the effectiveness of the Acquisition.

Step 3 Multiply the output from Step 1 by the output from Step 2.

Step 4 Multiply the output from Step 3 by the number of months remaining in the current Plan Year.

Step 5 Add the output from Step 4 to the current Annual Grooms Cap.

(ii) To revise the Annual Grooms Cap for DS1 and DS3 Services for all future Plan Years:

Step 1 Divide the current Annual Grooms Cap by twelve (12).

Step 2 Divide the MRCs for Qualifying Services billed by the Telephone Company to the Acquired Business by the MRCs for Qualifying Services billed by the Telephone Company to the customer in the month prior to the effectiveness of the Acquisition.

Step 3 Multiply the output from Step 1 by the output from Step 2.

Step 4 Multiply the output from Step 3 by twelve (12).

Step 5 Add the output from Step 4 to the current Annual Grooms Cap. (N)

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21. Contract Tariffs (Cont'd)

21.61 Contract Tariff Option 60 (Cont'd) (N)

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

(2) (Cont'd)

(b) In the event that the customer does not elect to include the Acquired Business in this Option 60 in accordance with subsection (a) preceding, the following terms shall apply.

(1) The customer may not combine or include any DS1 or DS3 Rate Elements from the Acquired Business in determining whether, or what level of, Billing Credits may be due under this Option 60.

(2) Any and all Billing Credits shall be calculated based on the customer's business and revenue with the Telephone Company using the customer ACNAs included with the customer's subscription under (C)(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) The Telephone Company reserves the right to terminate the customer's subscription to this Option 60 for breach if the customer does not adhere to the provisions of this Section (K)(2)(b). Termination of the customer's subscription to this Option 60 is an automatic termination of the customer's subscription to Option 58 of FCC11. (N)(x)

(x) Issued under authority of Special Permission No. 09-031 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.61 Contract Tariff Option 60 (Cont'd) (N)

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

(2) (Cont'd)

(b) (Cont'd)

(4) The customer shall not use the acquired/merged ACNAs/ DS1 Services to circumvent the Benefit One provision that restricts the customer from converting special access DS1 Qualifying Services to DS1 UNEs or ordering New DS1 UNEs under the customer ACNAs included in this Option 60 and Option 58 of FCC11. The customer will be deemed to have circumvented such Benefit One restriction if both of the following conditions are met: (x)

(i) the average number of monthly DS1 UNE orders for the acquired/merged ACNAs/CFAs during any rolling three (3) month period exceeds by eight percent (8%) or more the Acquired Entity's average monthly UNE DS1 orders for the twelve (12) months immediately preceding the Acquisition merger); and

(ii) the average number of monthly special access DS1 orders for the customer ACNAs during the same three (3) month period decreases by eight percent (8%) or more from the customer's average number of monthly special access DS1 orders during the twelve (12) months immediately preceding the Acquisition. (N)

(x) Issued under authority of Special Permission No. 09-031 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.61 Contract Tariff Option 60 (Cont'd) (N)

(L) Sale of Verizon Operating Telephone Company

If some or all of the assets or stock of a Verizon Operating Telephone Company of this tariff or FCC11 that provides Qualifying (x) Services under this Option 60 or Option 58 of FCC11 are acquired (x) by an unaffiliated third party during the Service Period, effective with the closing of such transaction, the Telephone Company will proportionally adjust the MARC as may be necessary to reflect such transaction.

(M) Termination of Benefits

(1) Termination for Cause

(a) The Telephone Company may terminate Benefit One or Benefit Two, or both, if the customer orders any DS1 UNEs during the Service Period of this Option 60. If the customer inadvertently orders a DS1 UNE but (i) rescinds such order prior to its completion; (ii) converts the resulting DS1 UNE to a special access DS1 circuit within sixty (60) calendar days after the date of the first bill for the DS1 UNE from the Telephone Company in which charges for such DS1 UNE first appear, and pays an amount to the Telephone Company equal to the difference between the amounts billed for such DS1 UNE and the amounts that would have been billed at the applicable special access DS1 rates; or (iii) converts the resulting DS1 UNE to a special access DS1 circuit within such time that the Telephone Company, in its sole discretion, may provide, and pays an amount to the Telephone Company equal to the difference between the amounts billed for such DS1 UNE and the amounts that would have been billed at the applicable special access DS1 rates; then such order will not be deemed to be a DS1 UNE order that permits termination in accordance with this Section (M)(1)(a). (N)

(x) Issued under authority of Special Permission No. 09-031 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.61 Contract Tariff Option 60 (Cont'd) (N)

(M) Termination of Benefits (Cont'd)

(1) Termination for Cause (Cont'd)

(b) The Telephone Company may terminate Benefit Two if the customer fails to meet the MARC during a full Plan Year, and fails to exercise the Buy Up Option in accordance with (N) following; or if the customer exceeds the Annual Grooms Cap during a full Plan Year, and fails within ninety (90) calendar days after the date the Telephone Company notifies the customer that it has exceeded the Annual Grooms Cap, or after the end of the Plan Year, whichever is earlier, to cause all Groomed circuits in excess of the Annual Grooms Cap to revert to a state whereby such circuit would no longer constitute a Groom as defined herein.

(c) If Benefit One is terminated with cause pursuant to (a) preceding, or by the customer for convenience pursuant to (M)(2)(a) following, the Telephone Company will bill, and the customer will pay, an amount equal to the difference between the total amount actually paid by the customer (including all discounts and credits) for Qualifying Services rendered during the preceding Plan Year immediately preceding such termination, and the total amount that the customer would have paid for the same service at the rates applicable to the Commitment Discount Plan (if any) to which the customer is subscribed to on December 31, 2009, the Channel Mileage Discounted Rate shall cease to apply to subsequent billings.

(d) If Benefit Two is terminated with cause pursuant to (b) preceding, or by the customer for convenience pursuant to (M)(2)(a) following, the Telephone Company will bill, and the customer will pay, an amount equal to all MARC Credits actually applied for services rendered during the Plan Year immediately preceding such termination, and the customer shall no longer be eligible to receive any future MARC Credits. (N)

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21. Contract Tariffs (Cont'd)

21.61 Contract Tariff Option 60 (Cont'd) (N)

(M) Termination of Benefits (Cont'd)

(2) Termination for Convenience

(a) At the end of any Plan Year, before the issuance by the Telephone Company of any credits due for the preceding Quarter under (I) preceding, the customer may, by notice to the Telephone Company, terminate Benefit Two, or both Benefits One and Two, thirty (30) calendar days after the delivery of such notice. In the event of such termination by the customer for convenience, the provisions of (M)(1)(c) and (M)(1)(d) preceding shall apply, except that the Discounted Mileage Rate shall continue to apply to the same extent as it applies upon expiration of the Service Period as described in (M)(3) following.

(b) At the end of any Plan Year, after the issuance by the Telephone Company of all credits due for such Plan Year under (I) preceding, the Telephone Company may, by (i) notice to the customer, and (ii) payment to the customer of five hundred thousand dollars ($500,000) for each Benefit so terminated (i.e., $1,000,000 for both), terminate Benefit One, or Benefit Two, or both.

(1) In the event that Benefit One is so terminated for convenience, any circuit that was established prior to, and is eligible for the Discounted Mileage Rate, shall, upon expiration of the Service Period, continue to receive the Channel Mileage Discounted Rate so long as that circuit remains in service.

(2) In the event that the Telephone Company terminates one, but not both, benefits, the customer may cause the other benefit to be terminated without penalty, and in such event the Channel Mileage Discounted Rate on established circuits will continue in accordance with (1) preceding.

(3) Termination Upon Expiration

Upon expiration of the Service Period, all benefits provided under this Option 60 shall cease to apply, except that any circuit that was established prior to, and is eligible for the Channel Mileage Discounted Rate, shall, upon expiration of the Service Period, continue to receive the Channel Mileage Discounted Rate so long as that circuit remains in service, and so long as such circuit is not subject to an Alternative Tariff Arrangement. (N)

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21. Contract Tariffs (Cont'd)

21.61 Contract Tariff Option 60 (Cont'd) (N)

(N) Benefit Two Buy-Up

(1) In the event that the customer's Qualifying Revenue during any Plan Year falls short of the MARC, the customer may, subject to the limitation set forth in (2) following, pay a fee equal to the amount by which its Qualifying Revenue fell short of the MARC (the **Shortfall Payment**). In the event that the customer makes a Shortfall Payment not less than ninety (90) calendar days after the close of such Plan Year, it will be deemed to have met the MARC for such Plan Year.

(2) The customer shall not be entitled to make a Shortfall Payment if the amount of the Shortfall Payment would exceed the following levels:

(a) in the first Plan Year, 7.00% of the MARC;

(b) in the second Plan Year, 7.25% of the MARC;

(c) in the third Plan Year, 7.50% of the MARC;

(d) in the fourth Plan Year, 7.75% of the MARC;

(e) in the fifth Plan Year, 8.00% of the MARC.

(O) Extension of Discount Plan

If, on the first day of the Service Period, the customer is subscribed to a Commitment Discount Plan (CDP), National Discount Plan (NDP), Service Discount Plan (SDP), or Term Payment Plan (TPP), each as set forth in this tariff and/or FCC11 (such plan an **Existing Plan**), the customer may elect to extend the termination date of such Existing Plan, in accordance with the terms of this paragraph, to make the expiration date of the Existing Plan coterminous with the expiration date of the Service Period for this Option 60 and Option 58 of FCC11. If the Existing Plan would expire during the Service Period for this Option 60 and Option 58 of FCC11, then the customer may, upon notice to the Telephone Company delivered not later than thirty (30) calendar days prior to the scheduled expiration of the Existing Plan, extend the termination date of the Existing Plan to coincide with the expiration date of the Service Period for this Option 60 and Option 58 of FCC11. (N)(x)

(x) Issued under authority of Special Permission No. 09-031 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.62 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 either (i) this Option 61 as set forth herein; or (ii) under this Option 61 and Option 59 of Tariff F.C.C. No. 11 (**FCC 11**). 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 and Section 7.2.14(D) of FCC 11; or

(2) Special Access full-time Serial Component Video Services (**SCVS**) as set forth in Section 7.2.5(E) preceding and Section 7.2.14(C) of FCC 11; or

(3) Special Access full-time Basic Video Service as set forth in Section 7.2.5(A) preceding and Broadcast Video Service (collectively, **BVS**) as set forth in Section 7.2.5(A)(1) of FCC 11.

(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, 2012 (C)
(**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 and, when applicable, Option 59 of FCC 11. 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.

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21. Contract Tariffs (Cont'd)

21.62 Contract Tariff Option 61 (Cont'd) (N)

(B) Eligibility (Cont'd)

(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 concurrently subscribe to Option 59 of FCC 11 in order to include the revenue for Hi-Def DVTS, SCVS and BVS that the customer subscribes to within the operating territories of FCC 11 in its aggregate revenue commitment. 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. (x)

(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 61 and, when applicable, Option 59 of FCC 11. (x)

(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 or, when applicable, Option 59 of FCC 11. The customer may extend the Service Period of this Option 61 and, when applicable, Option 59 of FCC 11 in accordance with (E)(8)(c) following. (x) (N)

(x) Issued under authority of Special Permission 10-004 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.62 Contract Tariff Option 61 (Cont'd) (N)

(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 and FCC 11. Wire centers for (x) the Phase II MSAs are listed in Section 14.7 preceding of this tariff and Section 15.3 of FCC 11. Any additions of, or changes (x) to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 14.7 preceding of this tariff and Section 15.3 of FCC 11) that occur during the Service (x) Period of this Option 61 and Option 59 of FCC 11 will apply. (x)

(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.

(d) SCVS which are installed as new during the Service Period or Extended Service Period of this Option 61. (N)

(x) Issued under authority of Special Permission 10-004 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.62 Contract Tariff Option 61 (Cont'd) (N)

(B) Terms and Conditions (Cont'd)

(1) Included Services (Cont'd)

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.62 Contract Tariff Option 61 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(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:

(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 (N)

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21. Contract Tariffs (Cont'd)

21.62 Contract Tariff Option 61 (Cont'd) (N)

(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 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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.62 Contract Tariff Option 61 (Cont'd) (N)

(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 and, when applicable, of this tariff and FCC 11 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): (x)

(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. (N)

(x) Issued under authority of Special Permission 10-004 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.62 Contract Tariff Option 61 (Cont'd) (N)

(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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.62 Contract Tariff Option 61 (Cont'd) (N)

(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 and, when applicable, under FCC 11. (N)(x)

(x) Issued under authority of Special Permission 10-004 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.62 Contract Tariff Option 61 (Cont'd) (N)

(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 14.7 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 14.7 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 14.7 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 14.7 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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.62 Contract Tariff Option 61 (Cont'd) (N)

(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 14.7 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 14.7 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 (N)
SCVS	$500.00

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.62 Contract Tariff Option 61 (Cont'd) (N)

(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. An extension to the Service Period of this Option 61 is an automatic extension of the Service Period for Option 59 of FCC 11; and (x)

(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 (N)

(x) Issued under authority of Special Permission 10-004 of the Federal Communication Commission.

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21. Contract Tariffs (Cont'd)

21.62 Contract Tariff Option 61 (Cont'd) (N)

(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. An extension of the Service Period of this Option 61 is an automatic extension of the Service Period of Option 59 of FCC 11. (N)(x)

(x) Issued under authority of Special Permission 10-004 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.62 Contract Tariff Option 61 (Cont'd) (N)

(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. If the customer also subscribes to Option 59 of FCC 11, only (x) one such cancellation charge applies to cancel the customer's subscription to both this Option 61 and Option 59 of FCC 11. (N)(x)

(x) Issued under authority of Special Permission 10-004 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.62 Contract Tariff Option 61 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(9) Cancellation of Subscription (Cont'd)

(a) (Cont'd)

(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 14.7 preceding.

(b) Cancellation of the customer's subscription to this Option 61 is an automatic cancellation of the customer's subscription to Option 59 of FCC 11. (N)(x)

(x) Issued under authority of Special Permission 10-004 of the Federal Communication Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.62 Contract Tariff Option 61 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(10) Sale or Transfer of Verizon Company Operating Telephone Company

If the Telephone Company sells or transfers all or a portion of the assets of a Verizon Issuing Carrier for an operating territory of this tariff as set forth in Section 14 preceding or for an operating territory set forth in Section 15 of FCC (x) 11 (each a **Verizon Operating Company**) to an unaffiliated (x) third party, or transfers all or a portion of the stock of a Verizon 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 or FCC 11, and such (x) 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 and/or Option 59 of FCC 11, (x) 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 or FCC 11, as applicable. (x)

(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 Verizon Operating 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]. (N)

(x) Issued under authority of Special Permission 10-004 of the Federal Communication Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.62 Contract Tariff Option 61 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(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 59 by filing a revision to (B)(1) preceding that changes the expiration date of the Subscription Period from December 31, 2011 to the date that the Telephone Company will no longer allow new subscriptions to this Option 59. Customers who are already subscribed to this Option 59 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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.62 Contract Tariff Option 61 (Cont'd) (N)

(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 (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.62 Contract Tariff Option 61 (Cont'd) (N)

(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

(2) Optional Features and Functions — Rates and charges are set forth in Sections 7.5.5(C) preceding (N)

21. Contract Tariffs (Cont'd)

21.63 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 either (i) this Option 62 as set forth herein; or (ii) under this Option 62 and Option 60 of Tariff F.C.C. No. 11 (**FCC 11**). 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 and Section 7.2.14(D) of FCC 11; or

(2) Special Access full-time Serial Component Video Services (**SCVS**) as set forth in Section 7.2.5(E) preceding and Section 7.2.14(C) of FCC 11; or

(3) Special Access full-time Basic Video Service as set forth in Section 7.2.5(A) preceding and Broadcast Video Service (collectively, **BVS**) as set forth in Section 7.2.5(A)(1) of FCC 11.

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 to this Option 62 and, when applicable, Option 60 of FCC 11. The Customer may add Affiliates to, or remove Affiliates from its subscription to this Option 62 and, when applicable, Option 60 of FCC 11 at any time during the Service period, the Extended Service (T)
Period, or the Second Extended Service Period as further (N)
described in (E)(12) following.

21. Contract Tariffs (Cont'd)

21.63 Contract Tariff Option 62 (Cont'd)

(B) Eligibility (Cont'd)

(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 21.62(E)(9) preceding; or (ii) Early Termination charges as set forth in Option 61, Section 21.62(E)(7) preceding.

(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 concurrently subscribe to Option 60 of FCC 11 in order to include the revenue for Hi-Def DVTS, SCVS and BVS that the Customer subscribes to within the operating territories of FCC 11 in its aggregate revenue commitment. 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, the Extended Service (T)
Period, or the Second Extended Service Period of this Option (N)
62 and, when applicable, Option 60 of FCC 11.

(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 or, when applicable, Option 60 of FCC 11. The Customer may extend the Service Period of this Option 62 and, when applicable, Option 60 of FCC 11 in accordance with (E)(8)(d) and (f) following. (N)

21. Contract Tariffs (Cont'd)

21.63 Contract Tariff Option 62 (Cont'd)

(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 and FCC 11. Wire centers for the Phase II MSAs are listed in Section 14.7 preceding of this tariff and Section 15.3 of FCC 11. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 14.7 preceding of this tariff and Section 15.3 of FCC 11) that occur during the Service Period of this Option 62 and Option 60 of FCC 11 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, the Extended Service Period, or the Second (N)
Extended Service Period of this Option 62. (N)

(b) Hi-Def DVTS which are installed as new during the Service Period, the Extended Service Period, or the Second (N)
Extended Service Period of this Option 62 in order to (N)
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.

(c) Existing Hi-Def DVTS which are migrated from their current term plan to this Option 62 or from Option 61 preceding. Early Termination Charges as set forth in Section 7.2.5(F)(4)(e) or Option 61, Section 21.62(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, the Extended Service Period, or the Second Extended (N)
Service Period of this Option 62. (N)

21. Contract Tariffs (Cont'd)

21.63 Contract Tariff Option 62 (Cont'd)

(E) Terms and Conditions (Cont'd)

(1) Included Services (Cont'd)

(e) SCVS which are installed as new during the Service Period, the Extended Service Period, or the Second Extended Service Period of this Option 62 in order to replace existing BVS, MVS, SVS, Hi-Def DVTS, 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, Hi-Def DVTS, or 45 Mbps DVTS to new SCVS under this Option 62. (N) (N)

(f) Existing SCVS which are migrated from their current term plan to this Option 62 or from Option 61 preceding. Early termination charges and/or termination liability as set forth in Section 7.2.5(E)(4)(e) or Option 61, Section 21.62(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 or Second Extended Service Period (N) 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 or Second Extended (N) Service Period of this Option 62. (N)

21. Contract Tariffs (Cont'd)
21.63 Contract Tariff Option 62 (Cont'd)
(E) Terms and Conditions (Cont'd)
(2) Commitment Levels

(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 and the entire three (3) year Second (N)
Extended Service Period with an annual review occurring in |
months 48, 60 and 72 of the Extended Service Period and in |
months 84, 96 and 108 of the Second Extended Service |
Period. The selected Commitment Level also determines the (N)
rates applicable to Hi-Def DVTS and SCVS during the Service Period and, when applicable, during the Extended Service Period and Second Extended Service Period. The (N)
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

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21. Contract Tariffs (Cont'd)

21.63 Contract Tariff Option 62 (Cont'd) (N)

(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.

(c) The Customer may change to a lower Commitment Level at the time it requests to extend the Service Period under (E)(8)(d) preceding. The lower Commitment Level and associated rates shall commence on the first day of the Extended Service Period. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.63 Contract Tariff Option 62 (Cont'd) (N)

(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 and, when applicable, of this tariff and FCC 11 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): (x)

(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 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. (N)

(x) Issued under authority of Special Permission 10-006 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.63 Contract Tariff Option 62 (Cont'd) (N)

(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)(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)(d) 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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.63 Contract Tariff Option 62 (Cont'd) (N)

(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 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)(d) following) under this tariff and, when applicable, under FCC 11. (N)(x)

(x) Issued under authority of Special Permission 10-006 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.63 Contract Tariff Option 62 (Cont'd) (N)

(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 14.7 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 14.7 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 14.7 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 14.7 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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.63 Contract Tariff Option 62 (Cont'd) (N)

(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 14.7 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 14.7 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

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.63 Contract Tariff Option 62 (Cont'd) (N)

(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 (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.63 Contract Tariff Option 62 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(8) Expiration of Service Period (Cont'd)

(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. An extension to the Service Period of this Option 62 is an automatic extension of the Service Period for Option 60 of FCC 11; and (x)

(2) the monthly recurring rates set forth in (F) following 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 (N)

(x) Issued under authority of Special Permission 10-006 of the Federal Communication Commission.

21. Contract Tariffs (Cont'd)

21.63 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; (ii) select any then offered term plan or contract tariff option in accordance with (E)(8)(b) preceding; (iii) extend the (N)
expiration date of the Extended Service Period of |
this Option 62 by thirty-six (36) months (Second |
Extended Service Period) in accordance with (E)(8)(f) |
following; or continue with the services in (N)
accordance with (E)(8)(c) preceding. In the event that the Customer does not make an election of
(E)(8)(a) through (c) preceding or (E)(8)(f) (N)
following, the Customer's subscription to Option 62 (N)
is terminated and service will continue in accordance with (E)(8)(c) preceding.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.63 Contract Tariff Option 62 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(8) Expiration of Service Period (Cont'd)

(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. An extension of the Service Period of this Option 62 is an automatic extension of the Service Period of Option 60 of FCC 11. (N)(x)

(x) Issued under authority of Special Permission 10-006 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.63 Contract Tariff Option 62 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(8) Expiration of Service Period (Cont'd)

(f) Extend the expiration date of the Extended Service Period of this Option 62 by thirty-six (36) months (**Second Extended Service Period**) in which case the following applies during the period of the second extension:

(1) The Customer must provide the Telephone Company with written notice of its election to extend the Extended Service Period. An extension to the Extended Service Period of this Option 62 is an automatic extension of the Extended Service Period for Option 60 of FCC 11; and (x)

(2) the monthly recurring rates set forth in (F) following apply for during the Second 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 Extended Service Period or to elect a different Commitment Level. For example, if Commitment Level 3 was in effect at expiration of the Extended Service Period, the Customer may elect Commitment Level 3, Commitment Level 2 or Commitment Level 1 during the Second Extended Service Period; and (N)

(x) Issued under authority of Special Permission No. 17-02 of the Federal Communication Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.63 Contract Tariff Option 62 (Cont'd)

(E) Terms and Conditions (Cont'd)

(8) Expiration of Service Period (Cont'd)

(f) (Cont'd)

(4) the Commitment Levels that apply during the Second Extended Service Period are as follows: (N)

(a) Level 1 Commitment
($26,460 during the Service Period)

Ramp Up Schedule:

Expected Revenue in month 84	$ 26,460
Expected Revenue in month 96	$ 26,460
Expected Revenue in month 108	$ 26,460

(b) Level 2 Commitment
($117,600 during the Service Period)

Ramp Up Schedule:

Expected Revenue in month 84	$117,600
Expected Revenue in month 96	$117,600
Expected Revenue in month 108	$117,600

(c) Level 3 Commitment
($205,800 during the Service Period)

Ramp Up Schedule:

Expected Revenue in month 84	$205,800
Expected Revenue in month 96	$205,800
Expected Revenue in month 108	$205,800

(5) Upon expiration of the Second 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 62 is terminated, and service will be converted to a Month-to-Month term and rated at the then prevailing rate for Month-to-Month service. (N)

21. Contract Tariffs (Cont'd)

21.63 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, Extended Service Period, or Second Extended Service Period, the following applies: (C)

(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. If the Customer also subscribes to Option 60 of FCC 11, only one such cancellation charge applies to cancel the Customer's subscription to both this Option 62 and Option 60 of FCC 11.

21. Contract Tariffs (Cont'd)

21.63 Contract Tariff Option 62 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(9) Cancellation of Subscription (Cont'd)

(a) (Cont'd)

(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 14.7 preceding.

(b) Cancellation of the Customer's subscription to this Option 62 is an automatic cancellation of the Customer's subscription to Option 60 of FCC 11. (x)

(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). (N)

(x) Issued under authority of Special Permission 10-006 of the Federal Communication Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.63 Contract Tariff Option 62 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(10) Sale or Transfer of Verizon Company Operating Telephone Company

If the Telephone Company sells or transfers all or a portion of the assets of a Verizon Issuing Carrier for an operating territory of this tariff as set forth in Section 14 preceding or for an operating territory set forth in Section 15 of FCC (x) 11 (each a **Verizon Operating Company**) to an unaffiliated (x) third party, or transfers all or a portion of the stock of a Verizon 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 or FCC 11, and such (x) 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 and/or Option 60 of FCC 11, (x) 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 or FCC 11, as applicable. (x)

(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)(d)(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 Verizon Operating Company no longer provides to the Customer as a result of such Transfer.

(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]. (N)

(x) Issued under authority of Special Permission 10-006 of the Federal Communication Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.63 Contract Tariff Option 62 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(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 62 by filing a revision to (B)(1) preceding that changes the expiration date of the Subscription Period from December 31, 2011 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.

(12) 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 and, when applicable, Option 60 of FCC 11. (x)

(b) The Customer may include an additional Affiliate(s) in it's subscription to this Option 62 and, when applicable, Option 60 of FCC 11 at any time during the Service Period (x) 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, when applicable, Option 60 of FCC 11; and (x)

(2) all of the Affiliate's Hi-Def DVTS and SCVS will be included in this Option 62 and, when applicable, Option 60 of FCC 11, (x) except for those Hi-Def DVTS and SCVS which the customer specifies, by circuit identification number, are to be excluded from this Option 62 and, when applicable, Option 60 of FCC 11. (x) The services which can be included are set forth in (E)(1) preceding.

(2) all of the Affiliates Hi-Def DVTS and SCVS that the Customer subscribes to this Option 62 and, when applicable, Option 60 of FCC 11, and all of the (x) Affiliates BVS purchased under this tariff and FCC 11 (x) 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. (N)

(x) Issued under authority of Special Permission No. 10-006 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.63 Contract Tariff Option 62 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(12) Customer Affiliates (Cont'd)

(c) The Customer may remove (disconnect or unsubscribe) an Affiliate(s) Hi-Def DVTS and SCVS that is subscribed to under this Option 62 and, when applicable, Option 60 of FCC 11 at any time during the Service Period or Extended Service Period subject to the following: (x)

(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, when applicable, Option 60 of FCC 11; and (x)

(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 or, when applicable, Option 60 of FCC 11 for six (6) months; and (x)

(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, or Section 30.7.16 and 31.7.16 of FCC 11, respectively. (N)(x)

(x) Issued under authority of Special Permission No. 10-006 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.63 Contract Tariff Option 62 (Cont'd) (N)

(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

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.63 Contract Tariff Option 62 (Cont'd) (N)

(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

(2) Optional Features and Functions — Rates and charges are set forth in Sections 7.5.5(C) preceding (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.64 Contract Tariff Option 63 (N)

(A) Scope

Contract Tariff Option 63 (**Option 63**) provides Billing Credits on certain Special Access Services. 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 Section 21.64, the following terms are used in this Option 63:

(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 63.

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

(3) **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 Section 21.64(B)(10) following), was billed to the customer for that month as an MRC at a rate set forth in a tariff listed in Section 21.64(E) following.

(4) **Billed DS3 Unit** shall mean, with respect to each month during the Service Period, a DS3 Unit for which a DS3 Channel Termination, a DS3 Special Access Line, or a DS3 Circuit Termination (each as defined in Section 21.64(B)(11) following) was billed to the customer for that month as an MRC at a rate set forth in a tariff listed in Section 21.64(E) following.

(5) **Billed FMS Revenue** shall mean the MRC amounts that were paid in full by the customer for Special Access Facilities Management Service (**FMS**) as set forth in Section 7.2.13 preceding and in Tariff FCC No. 11, Section 7.2.16. (x)

(6) **Billed Qualifying DS1 Service Revenue** shall mean the MRC amounts for the DS1 Qualifying Services for the applicable Quarter that were paid in full by the customer and as more fully described in Section 21.64(F) following. (N)

(x) Issued under authority of Special Permission No. 12-035 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.64 Contract Tariff Option 63 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(7) **Billed Qualifying DS3 Service Revenue** shall mean the MRC amounts for the DS3 Qualifying Services for the applicable Quarter that were paid in full by the customer and as more fully described in Section 21.64(F) following.

(8) **Billed Qualifying Service Revenue** shall mean each of the Billed Qualifying DS1 Service Revenue, Billed Qualifying DS3 Service Revenue, and Billed FMS Revenue.

(9) **Billing Credit** shall mean the Billing Credit provided to customer quarterly on its monthly bill after the end of each Quarter during each Plan Year of the Service Period. Calculation of the applicable Billing Credits is described in Section 21.64(G)(2) following.

(10) **DS1 Unit** shall mean DS1 capacity (i.e., 1.544 Mbps) Qualifying Services 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 Channel Termination as defined in Tariff FCC No. 11, Section 7.1.2(A), (iii) a DS1 Special Access Line as (x) defined in Tariff FCC No. 14, Section 5.1.1(C), and (iv) a DS1 Circuit Termination as defined in Tariff FCC No. 16, Section 7.2.1(A). (x) Where the calculation of DS1 Units results in a fraction of a DS1 Unit, such fractions are not counted as a DS1 Unit.

(11) **DS3 Unit** shall mean DS3 capacity (i.e., 44.736 Mbps) Qualifying Services that meets one of the following definitions: (i) a DS3 Channel Termination as defined in Section 7.1.2(A) preceding of this tariff, (ii) a DS3 Channel Termination as defined in Tariff FCC No. 11, Section 7.1.2(A), (iii) a DS3 Special Access Line as (x) defined in Tariff FCC No. 14, Section 5.1.1(C), and (iv) a DS3 Circuit Termination as defined in Tariff FCC No. 16, Section 7.2.1(A). (x) Where the calculation of DS3 Units results in a fraction of a DS3 Unit, such fractions are not counted as a DS3 Unit.

(12) **Minimum Billed DS1 Units** shall have the meaning set forth in Section 21.64(G)(1) following.

(13) **Minimum Billed DS3 Units** shall have the meaning set forth in Section 21.64(G)(1) following.

(14) **Plan Year** shall mean each of the following periods during the Service Period: (1) Plan Year 1 shall commence on December 1, 20122 and end on November 30, 2013; (2) Plan Year 2 shall commence on December 1, 20123 and end on November 30, 2014; and (3) Plan Year 3 shall commence on December 1, 20124 and end on November 30, 2015. (N)

(x) Issued under authority of Special Permission No. 12-035 of the Federal Communications Commission.

21. Contract Tariffs (Cont'd) (N)

21.64 Contract Tariff Option 63 (Cont'd)

(B) Specific Terms (Cont'd)

(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 day 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 day occurs (i.e., approximately ninety (90) days thereafter), except for the first Quarter of Plan Year 1 which shall commence on December 1, 20122 and end on February 28, 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 calendar day of the month two (2) months after the month in which the first day occurs (i.e., approximately ninety (90) days thereafter).

(C) Eligibility

The customer must meet all of the following criteria in order to be eligible to receive the Billing Credit as set forth in Section 21.64(G) following and other benefits of this Option 63.

(1) During the twelve (12) month period ending on July 31, 2012, the customer must have achieved a minimum of Two Hundred Fifty Million Dollars ($250M) in Billed Qualifying Service Revenue (as defined in Section 21.64(F) following) purchased by the customer from the Telephone Company.

(2) During the twelve (12) month period ending on July 31, 2012, the customer must have been continuously subscribed to Telephone Company Facilities Management Service.

(3) As of the Effective Date, the customer must have at least Twenty-Five Thousand (25,000) Billed DS1 Units at locations other than Commercial Mobile Radio Service (**CMRS**) cell sites.

(4) Other than tariff arrangements that are in effect and subscribed to by the customer as of the Effective Date, the customer may not concurrently subscribe to any new Alternative Tariff Arrangement which provides discounts, credits, or other reductions in rates or terms based upon achievement of revenue or volume targets/levels for the Qualifying Services. If the customer wishes to subscribe to a new Alternative Tariff Arrangement, then the customer shall not receive any Billing Credits under this Option 63, and such subscription shall be considered a termination by the customer of this Option 63, subject to Section (K) following. For clarification purposes, this Section (C)(4) shall not apply and this Option 63 shall not be terminated under the following conditions: (i) the customer renews expiring Commitment Discount Plan, Term Payment Plan, or Term Volume Plan on the exact same terms and conditions as the expiring plan; or (ii) the customer replaces an existing Commitment Discount Plan, Term Pricing Plan, or Term Volume Plan with a similar plan or with a similar service from the Telephone Company on terms and conditions (including rates) as agreed to by the parties. By way of example, both parties would need to agree to the replacement of an expiring plan if different service terms under the expiring plan are selected by the customer; and/or (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.64 Contract Tariff Option 63 (Cont'd)

(C) Eligibility (Cont'd) (N)

(4) (Cont'd)

(iii) The customer replaces its existing Special Access Facilities Management Service with a similar service from the Telephone Company on terms and conditions (including rates) as agreed to by the parties.

(5) The customer must subscribe to this Option 63 in a manner designated by the Telephone Company during the thirty (30) day period beginning December 1, 20122 and ending December 31, 2012. 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 63. Subscription to this Option 63 shall be an automatic subscription to Option 62 of Tariff FCC No. 11 and Option 32 of Tariff FCC No. 14. (x)

(6) The customer must subscribe to this Contract Tariff Option 63 for a period beginning on December 1, 20122 and ending on November 30, 2015.

(D) Serving Area

The serving area of Contract Tariff Option 63 is comprised of the Phase I and Phase II MSAs under this tariff and of those specified in the Telephone Company's Tariff FCC No. 11 and Tariff FCC No. 14. (x) Wire centers for the Phase II MSAs specified in this tariff are listed in Section 14.7 preceding. Any additions of, or changes to, Telephone Company MSAs (including changes to wire centers or Level1/Level 2 pricing status as described in Section 14.7 preceding of this tariff) that occur during the Service Period of this Option 63 will apply. No Billing Credits will be provided in the operating territories of Tariff FCC No. 16. (x)

(E) Qualifying Services

(1) Qualifying Services will be comprised of the following services purchased by the customer during the Service Period:

- Special Access DS1 and DS3 Services set forth in this tariff (Sections 7.2.9, 7.5.9, and 25), the Telephone Company's Tariff FCC No. 11 (Sections 7.2.9, 25, 30.7.9 and 31.7.9), the Telephone Company's Tariff FCC No. 14 (Sections 5.3.6, 5.6.14, 5.6.19, 5.7.18 and 5.7.22), and the Telephone Company's Tariff FCC No. 16 (Section 7.2.1(G) and 7.11.1) (x)

- Special Access Facilities Management Service DS1 (only bandwidth of 1.544 Mbps) and DS3 (only bandwidth of 44.736 Mbps) set forth in this tariff (Sections 7.2.13 and 7.5.18) and the Telephone Company's Tariff FCC No. 11 (Sections 7.2.16, 30.7.18 and 31.7.18) (x)

(2) Rate elements for MetroLAN services (as set forth in Tariff FCC No. 14 and Tariff FCC No. 16) will not be included. (N)(x)

(x) Issued under authority of Special Permission No. 12-035 of the Federal Communications Commission.

21. Contract Tariffs (Cont'd)

21.64 Contract Tariff Option 63 (Cont'd) (N)

(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 Option 63.

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

(1) The customer's Billed Qualifying Service Revenues shall include **only** the MRC amounts that are paid in full by the customer.

(a) For purposes of this Option 63, **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, and excluding Disputed Charges; provided however, that certain minimum period charges and early termination charges (as specifically described in Sections 7.2.13(F), 7.4.13(D), 25.1.9, and 25.1.10 in this tariff; Sections 7.2.16(G)(3), 7.4.10(C), (x) 25.1.11 and 25.1.12 in Tariff FCC No. 11; Sections 3.2.4, (x) 5.6.14(O), 5.6.19(K) and 5.6.19(M) in Tariff FCC No. 14; and (x) Sections 7.2.2 and 7.2.6(E) in Tariff FCC No. 16 based solely on (x) 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.

(b) For purposes of this Option 63, **Disputed Charges** shall mean MRCs for the Qualifying Services billed during the Service Period, which amounts have been disputed by the customer and have been paid in full by the customer, as of the bill due date in accordance with Section 21.64(H) following. Amounts that have not been paid in full, as of the bill due date (regardless of whether or not such amounts are under dispute by the customer), shall not be included in Billed Qualifying Service Revenues.

(c) For purposes of this Option 63, "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 (x) of this tariff, Tariff FCC No. 11, Tariff FCC No. 14 or Tariff (x) FCC No. 16, as applicable. For avoidance of doubt, 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 (N) Option 63.

(x) Issued under authority of Special Permission No. 12-035 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.64 Contract Tariff Option 63 (Cont'd) (N)

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

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

Billed Qualifying Service Revenues 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:

(a) non-recurring charges;
(b) surcharges;
(c) taxes, or other charges imposed by a federal, state, local, or other governmental entity (e.g. Federal Universal Service Fund);
(d) service or administrative fees or charges imposed by the Telephone Company (e.g. Interest penalty, late payment penalty);
(e) except for minimum period or early termination charges as specified in Section (F)(1)(a) preceding, any other charges which are not applied on a monthly recurring basis;
(f) 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;
(g) any debits or credits for Qualifying Services rendered in prior Quarters or periods prior to the Effective Date;
(h) fractional debit or credit amounts;
(i) shortfall or overage charges associated with term plan true-ups;
(j) minimum period charges other than as set forth in Section (F)(1)(a) preceding;
(k) any Disputed Charges;
(l) termination liabilities other than as set forth in Section (F)(1)(a) preceding; or
(m) Billing Credits/adjustments.

As an example of inclusion of minimum period and termination liability as an MRC, if a Qualifying Service with a three (3) year term commitment commencing on the Effective Date 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 Billed Qualifying Service Revenues, and provided such amounts are billed and paid, $200 shall be included as an MRC in respect of month twelve (12) of Plan Year 1 and $50 shall be included as an MRC for each of the months for Plan Years 2 and 3 as if paid in such months. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.64 Contract Tariff Option 63 (Cont'd) (N)

(G) Billing Credit

(1) Conditions Precedent to Billing Credit

In order to receive the applicable Billing Credit (as set forth in Section (G)(2) following) in any given month of the Service Period, the customer must meet the following criteria:

(a) Customer must maintain Minimum Billed DS1 Units of at least 14,000; and
(b) Customer must maintain Minimum Billed DS3 Units of at least 400; and
(c) Customer must maintain Billed Qualifying Service Revenues of at least $4M.

(2) Calculation of Billing Credit

Subject to the terms of this Option 63, including the requirement to maintain the Minimum Billed DS1 Units, Minimum Billed DS3 Units, and Billed Qualifying Service Revenues as set forth in Section (G)(1) preceding, the Telephone Company will provide a monthly Billing Credit of $669,000. If the customer fails to meet any of the requirements in Section (G)(1) preceding for any given month of the Service Period, the Billing Credit for that month shall be $0.

(3) Payment of Billing Credit

If the customer is eligible for a Billing Credit as set forth in this Option 63, then no later than the sixtieth (60^{th}) calendar day following the end of each Quarter during each Plan Year during the Service Period, the Telephone Company shall calculate the aggregate Billing Credit earned for the previous Quarter and, subject to the terms of this Option 63, credit the customer's BANs 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, such credit shall be applied in the following billing cycle. The Billing Credit will be provided only in the MSAs that have achieved Phase I or Phase II pricing flexibility under the Telephone Company's tariffs in accordance with applicable law. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.64 Contract Tariff Option 63 (Cont'd) (N)

(H) Disputes, Releases and Waivers

(1) For the purpose of calculating the Billed Qualifying Service Revenues, the Telephone Company shall not include in MRCs any credits or debits for Services provided during any periods prior to the Effective Date (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).

(2) With respect to any dispute for Billed Qualifying Service Revenues, 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.

(3) 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 Billed Qualifying Service Revenues, 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.

(4) Upon resolution of any Disputed Charges, or disputes raised after the issuance of the Billing Credit in respect of amounts included in the Billed Qualifying Service Revenues, 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 Credit or the Billed Qualifying Service Revenues calculated preceding, and the same shall apply regardless of the outcome of any Disputed Charges.

(5) There will not be any adjustment to the Billing Credit or the Billed Qualifying Service Revenues if the Telephone Company bills amounts after the determination of the Billing Credit that would have otherwise been included in the Billed Qualifying Service Revenues calculated preceding.

(6) The Billing Credit (as determined by the Telephone Company and agreed to by the customer) is not subject to dispute, except that the customer may dispute the Billing Credit only if the Billing Credit applied by the Telephone Company does not conform with the Billing Credits set forth in Section (G).

(7) The amount of the Billing Credits shall not be subject to any late payment interest or penalty as set forth in Section 2. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.64 Contract Tariff Option 63 (Cont'd) (N)

(I) Mergers and Acquisitions of the Customer

In the event that after the date of subscription to this Option 63, 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, in Tariff FCC No. 11 and in Tariff FCC No. 14. (x)

(1) The customer may not combine or include any DS1 units, DS3 units, or revenues from the merged, acquiring, or acquired company, or assets of such merged, acquiring, or acquired company in the calculation of Minimum Billed DS1 Units, Minimum Billed DS3 Units, or Billed Qualifying Service Revenues, respectively.

(2) The customer's Billed Qualifying Service Revenues 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 63 under Section 21.64(C)(6) 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 applicable, the customer agrees to reimburse the Telephone Company for any Billing Credits received by the customer for any month in which a violation of the provisions of this Section (I) occurred. Further, if the customer intentionally and willfully violates the provisions of this Section (I), the Telephone Company reserves the right to not provide any Billing Credits for a period not to exceed three (3) months following the month in which the customer is no longer violating the provisions of this Section (I).

(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 63. 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 (I)(1) and (I)(2) of this Section (I) for purposes of determining the Minimum Billed DS1 Units, Minimum Billed DS3 Units, and Billed Qualifying Service Revenues 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 (N)

(x) Issued under authority of Special Permission No. 12-035 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.64 Contract Tariff Option 63 (Cont'd) (N)

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

(4) (Cont'd)

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 63 to include one or more of the ACNAs and related revenue attributable to expansion of the customer's purchase of 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 (I) shall apply in all respects and the customer shall use commercially reasonable efforts to provide the Telephone Company the necessary information to calculate the Minimum Billed DS1 Units, Minimum Billed DS3 Units, and Billed Qualifying Service Revenues consistent with this Section (I).

(J) Sale of Verizon Operating Telephone Company

If some or all of the assets or stock of a Verizon Operating Telephone Company of this tariff, Tariff FCC No. 11, Tariff FCC (x)
No. 14, or Tariff FCC No. 16 (**Acquired VZ Telco**) are acquired by (x)
an unaffiliated third party during the Service Period, effective with the closing of such transaction, the Telephone Company will proportionally adjust the Minimum Billed DS1 Units, Minimum Billed DS3 Units, Billed Qualifying Service Revenues, and the related Billing Credits.

As an illustrative example, assume that Verizon New York Inc. is sold. Further assume that the customer's Billed Qualifying Service Revenues in the Verizon New York Inc. operating territory are $1M and that the customer's overall total Billed Qualifying Service Revenues are $10M.

To determine the percentage by which the Telephone Company will proportionally adjust the Minimum Billed DS1 Units, Minimum Billed DS3 Units, Billed Qualifying Service Revenues, and the related Billing Credits, divide the Verizon New York Inc. Billed Qualifying Service Revenues by the overall total Billed Qualifying Service Revenues. The result in this example is 10%. (N)

(x) Issued under authority of Special Permission No. 12-035 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.64 Contract Tariff Option 63 (Cont'd) (N)

(J) Sale of Verizon Operating Telephone Company (Cont'd)

Based on the previous assumptions:

	Minimum Billed DS1 Units	**Minimum Billed DS3 Units**	**Billed Qualifying Service Revenues**	**Monthly Billing Credits**
1. Ratio of Verizon NY to Total VZ Billed Qualifying Service Revenues	10%	10%	10%	10%
2. Minimum Units/Revenues/ Credit Before Sale of Verizon NY	14,000	400	$4M	$669,000
3. Adjustment Factor (100% - Line 1)	90%	90%	90%	90%
4. Minimum Units/Revenues/ Credit After Sale of Verizon NY (Line 3 * Line 2)	12,600	360	$3.6M	$602,100

(K) Termination of Plan

Subject to the terms set forth in this Section (K), the customer may terminate its subscription to this Option 63 at any time during the Service Period. The customer must provide written (x) notice of termination at least ninety (90) calendar days prior to (x) the requested date of termination of its subscription to this (x) Option 63. (x) Termination of this Option 63 shall be deemed to be an automatic termination of Option 62 of Tariff FCC No. 11 and Option 32 of Tariff FCC No. 14. If the customer terminates its subscription to this Option 63, and/or Option 62 of Tariff FCC No. 11 and/or Option 32 of Tariff FCC No. 14 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.

(N)

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.

(x) Issued under authority of Special Permission No. 12-035 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.64 Contract Tariff Option 63 (Cont'd) (N)

(L) Termination for Cause

The Telephone Company shall be entitled to terminate this Option 63, Option 62 of Tariff FCC No. 11 and Option 32 of Tariff FCC No. 14 should the customer fail to achieve any of the Minimum Billed DS1 Units, the Minimum Billed DS3 Units, or the Billed Qualifying Service Revenues (as defined in Section 21.64(G)(1) preceding) for six (6) consecutive months. For avoidance of doubt, failure to achieve all of the criteria described in Section 21.64(G)(1) preceding for six (6) consecutive months, regardless of which specific criteria is missed in each of the six (6) consecutive months, shall trigger the provisions of this Section (L). The Telephone Company shall provide notice of its termination of Option 63, Option 62 of Tariff FCC No. 11 and Option 32 of Tariff FCC No. 14 by no later than ninety (90) days after the end of the 6 consecutive month period. If the Telephone Company terminates Option 63, Option 62 of Tariff FCC No. 11 and Option 32 of Tariff FCC No. 14 as a result of the customer's failure to achieve any of the criteria in any Plan Year, the customer shall be entitled to all applicable Billing Credits up to the date of termination, but will not be eligible for any additional Billing Credits. (N)

(x) Issued under authority of Special Permission No. 12-035 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.65 Contract Tariff Option 64 (N)

(A) Scope

Contract Tariff Option 64 (**Option 64**) provides Billing Credits on certain services.

(B) Specific Terms

Unless otherwise defined in this Section 21.65, the following terms are used in this Option 64:

(1) **Affiliate** shall mean an individual, partnership, association, joint-stock company, trust, or corporation that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, Customer. For purposes of this paragraph, the term "own" means to own an equity interest (or the equivalent thereof) of more than 10 percent.

(2) **Baseline DS1 Average Mileage** shall mean DS1 Average Mileage of 4.8 miles.

(3) **Baseline DS1 Billed Units** shall mean (i) for the first Quarter of the Service Period, DS1 Billed Units in a minimum total amount of forty-eight thousand four hundred (48,400), and (ii) for all other Quarters during the Service Period, DS1 Billed Units in a minimum total amount of one hundred forty-one thousand five hundred (141,500).

(4) **Billing Credits** shall mean, collectively, the Price Flex Base Credit, the SPA DS1 Flat Rate Credit, the TDM Shortfall Credit, and the One-Time DS1 Performance Credit.

(5) **Disputed Charges** 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.

(6) **DS1 Average Mileage** shall mean the total DS1 Mileage billed to Customer for a given time period divided by the DS1 Billed Units with charges for DS1 Mileage for that same time period.

(7) **DS1 Billed Revenues** shall mean Qualifying Monthly Recurring Charges billed to Customer, under the ACNAs included with the Customer's subscription to this Option 64 for Special Access DS1 Services of 1.544 Mbps bandwidth as described in Section 7.2.9 of this tariff, Section 7.2.9 of Telephone Company FCC Tariff No. 11 (x)
(**FCC 11**), Section 5.3.6 of Telephone Company FCC Tariff No. 14 (x)
(**FCC 14**), and Section 7.11.1 of Telephone Company FCC Tariff No. (x)
16 (**FCC 16**) with respect to a particular time period for purposes (x)
of determining whether Customer qualified for a Price Flex Base Credit and calculating any such credit earned and for purposes of calculating any SPA DS1 Flat Rate Credit that Customer may earn. (N)

(x) Issued under authority of Special Permission No. 13-002 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.65 Contract Tariff Option 64 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(8) **DS1 Billed Unit** shall mean, with respect to each month during the Service Period, a DS1 Unit for which the Telephone Company billed Qualifying Monthly Recurring Charges to Customer under the ACNAs included with the Customer's subscription to this Option 64 for that month.

(9) **DS1 Mileage** shall mean the channel mileage for DS1 Services (as described in Section 7.1.2(B) of this tariff and Section 7.1.2(B) of FCC 11), special transport for DS1 Services (as described in Section 5.1.1(B) of FCC 14), and circuit mileage for DS1 Services (as described in Section 7.2.1(B) of FCC 16). (x)

(10) **DS1 Unit** shall mean Special Access DS1 Services that meet the following definitions: (i) a DS1 "Channel Termination" as defined in Section 7.1.2(A) of this tariff, (ii) a DS1 "Channel Termination" as defined in FCC 11, Section 7.1.2(A), (iii) a DS1 "Special Access Line" as defined in FCC 14, Section 5.1.1(C), (iv) a DS1 "Circuit Termination" as defined in FCC 16, Section 7.2.1(A), (v) a DS1 to Voice "Central Office Multiplexing" as defined in Section 7.2.9(D)(3)(c) of this tariff, (vi) a DS1 to Voice "Central Office Multiplexing BSE" as defined in FCC 11, Section 7.2.9(D)(3)(c) and (d), (vii) a DS1 to Voice "Multiplexing Arrangement" as defined in FCC 14, Section 5.5(D), and (viii) a DS1 to Voice "Central Office Multiplexing" as defined in FCC 16, Section 7.11.4(3)(e). (x)

(11) **Effective Date** and the start of the Service Period shall be the first day of the calendar month following February 28, 2013.

(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 June 30, 2013; (2) Plan Year 2 shall commence on July 1, 2013 and end on June 30, 2014; (3) Plan Year 3 shall commence on July 1, 2014 and end on June 30, 2015; (4) Plan Year 4 shall commence on July 1, 2015 and end on June 30, 2016; and (5) Plan Year 5 shall begin on July 1, 2016 and end on June 30, 2017.

(13) **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 90 days thereafter), except for Quarter 1 of Plan Year 1 which shall commence on the Effective Date and 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 calendar day of the second month after the month in which the first day occurs. (N)

(x) Issued under authority of Special Permission No. 13-002 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.65 Contract Tariff Option 64 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(14) **Qualifying TDM Base Credit Revenues** shall mean Qualifying Monthly Recurring Charges, as defined in Section (F) following, billed to Customer under the ACNAs provided to the Telephone Company under Section (C) following, for Qualifying TDM Base Credit Services under this tariff and FCC 11, FCC 14 and FCC 16, with respect to (x) a particular time period for purposes of determining whether Customer qualifies for the Price Flex Base Credit and calculating any such credit earned.

(15) **Qualifying TDM Base Credit Services** shall mean Special Access Voice Grade Services, Special Access DDS Services, Special Access DS1 Services, Special Access DS3 Services, and SwA Direct Trunked Transport Services.

(16) **Service Period** shall have the meaning set forth in Section (D) following.

(17) **Special Access Voice Grade Services** shall mean Voice Grade Services as described in Section 7.2.3 of this tariff, Section 7.2.3 of FCC 11, Section 5.2.1 of FCC 14 and Section 7.5 of FCC (x) 16. (x)

(18) **Special Access DDS Services** shall mean Digital Data Services as described in Section 7.2.8 of this tariff, Sections 7.2.8 and (x) 7.2.11 of FCC 11, Section 5.2.9 of FCC 14, and Section 7.10 of (x) FCC 16. (x)

(19) **Special Access DS1 Services** shall mean DS1 Services of 1.544 Mbps bandwidth, as described in Section 7.2.9 of this tariff, Section 7.2.9 of FCC 11, Section 5.3.6 of FCC 14, and Section 7.11.1 of (x) FCC 16. (x)

(20) **Special Access DS3 Services** shall mean DS3 Services of 44.736 Mbps bandwidth, as described in Section 7.2.9 of this tariff, Section 7.2.9 of FCC 11, Section 5.3.6 of FCC 14, and Section (x) 7.11.1 of FCC 16. (x)

(21) **SwA Direct Trunked Transport Services** shall mean transport services as described in Section 6.1.2(A)(2) of this tariff, Section 6.1.3(A) of FCC 11, Section 4.2.3(C) of FCC 14, and (x) Section 6.5.2(C) of FCC 16. (N)(x)

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ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.65 Contract Tariff Option 64 (Cont'd) (N)

(C) Eligibility for Benefits

Customer must meet all of the following criteria in order to be eligible for Option 64. In this Option 64, 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).

(1) For the full calendar month prior to the Effective Date, Customer must have achieved a minimum of $10M in aggregate monthly billed recurring charges for Special Access Voice Grade Services, Special Access DDS Services, Special Access DS1 Services, and Special Access DS3 Services purchased by Customer from Telephone Company (**Eligibility Minimum Monthly Revenue**).

(2) The percentage of revenues included in Eligibility Minimum Monthly Revenue billed to a subsidiary or Affiliate of Customer that is a provider of mobile wireless telecommunications services must be no more than fifty percent (50%).

(3) Customer must be concurrently subscribed as of the Effective Date to one or more of, and must remain concurrently subscribed during the Service Period, to one or more of, the following plans or their equivalents if these plans cease to be offered under the applicable tariffs: the Commitment Discount Plan (**CDP**) (Section 25.1 of this tariff and FCC 11); the National (x)
Discount Plan (**NDP**) (Section 25.3 of this tariff, Section 25.2 (x)
of FCC 11, Section 23.1 of FCC 14, and Section 22.1 of FCC 16); (x)
Term Pricing Plan (**TPP**) (Section 7.4.17 of this tariff and (x)
Section 7.2.1(G) of FCC 16); and Term Volume Plan (**TVP**) (Section (x)
5.6.14 of FCC 14)(**Existing Plans**). (x) For the avoidance of any doubt, at any time during the Service Period, Customer may elect to terminate its subscription to any of the Existing Plans and subscribe to a different Existing Plan.

(4) Customer may not be subscribed, either immediately prior to the Effective Date or any time during the Service Period, to any other Contract Tariff Option contained in this tariff or in FCC 11 or FCC 14. (x)

(5) During the Service Period, in order to receive any Price Flex Base Credits, SPA DS1 Flat Rate Credits, or TDM Shortfall Credits, Customer must achieve the required amounts of Qualifying TDM Base Credit Revenues and DS1 Billed Units as defined in Section (B) preceding. (N)

(x) Issued under authority of Special Permission No. 13-002 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.65 Contract Tariff Option 64 (Cont'd) (N)

(C) Eligibility for Benefits (Cont'd)

(6) The customer must subscribe to Option 64 in a manner designated by the Telephone Company during the thirty (30) day period beginning March 1, 2013 and ending March 30, 2013. 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 64. Subscription to Option 64 shall be an automatic subscription to Option 63 of FCC 11 and Option 33 of FCC 14. (x)

(D) Service Period

The Service Period of Option 64 shall be the period commencing on the Effective Date and ending on June 30, 2017.

(E) Serving Area

The Billing Credits (to the extent any are earned by Customer) 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 14.7 of this tariff, Section 15.3 of FCC 11, and Section 19.1 of FCC 14. (x) 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 64 will automatically apply. For the avoidance of doubt, no Billing Credits will be provided in the operating territories of FCC 16. (x)

(F) Qualifying Monthly Recurring Charges

Subject to the exclusions set forth following, as well as other terms of this Option 64 (including Section (L), Disputes, following), **Qualifying Monthly Recurring Charges** include total monthly recurring charges (**MRCs**) billed to Customer 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 being illustrative only):

(1) Any NRCs, surcharges, taxes, late payment charges, credits, fractional debit/credit amounts, adjustments, minimum period charges, termination liabilities, and 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;

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

(3) Service or administrative fees or charges imposed by the Telephone Company (e.g., interest charges, late payment charges); (N)

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ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.65 Contract Tariff Option 64 (Cont'd) (N)

(F) Qualifying Monthly Recurring Charges (Cont'd)

(4) Any amount that appears in the "Other Charges and Credits" section of the Telephone Company's invoice (other than a backbilled MRC of greater than $50,000 on a particular invoice) for which the billed charges would have been Qualifying Monthly Recurring Charges had the charges been billed in the appropriate billing period within the Service Period. For the purposes of this Section (F)(4), the term "invoice" shall mean the aggregate of all billing in invoices issued by the Telephone Company to Customer for Qualifying TDM Base Credit Services under the ACNAs included with Customer's subscription to this Option 64 in any calendar month;

(5) Any amount for which payment is being withheld by Customer or that is otherwise a Disputed Charge; 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 credited to Customer as a result of such resolution shall be included in Qualifying Monthly Recurring Charges in the Quarter in which the Telephone Company issues such credit; and

(6) Shortfall or overage charges associated with term plan true-ups (e.g., for failure to satisfy commitment levels).

(G) Price Flex Base Credit

Provided that Customer has satisfied all applicable eligibility requirements and subject to all other terms set forth in this Option 64, at the end of each Quarter of the Service Period, the Telephone Company will determine whether Customer qualifies to receive a Price Flex Base Credit based on Steps 1 through 3 set forth following. If Customer satisfies all applicable requirements to receive the Price Flex Base Credit for a particular Quarter, then the Telephone Company will apply such credit to one or more of Customer's applicable special access billing accounts within ninety (90) days after the end of the applicable Quarter. All calculations under this Section (G) shall take account of any adjustments resulting from Section (L)(3) (Treatment of Remedial Billing Credits) following.

(**Step 1**) The Telephone Company will calculate the Qualifying TDM Base Credit Revenues for the Quarter.

(**Step 2**) Using the Price Flex Base Credit Table 1 following for Quarter 1 of Plan Year 1, or the Price Flex Base Credit Table 2 following for all subsequent Quarters (i.e., Quarters 2 through 18 of the Service Period), the Telephone Company will determine which TDM Base Credit Percentage corresponds to the Qualifying TDM Base Credit Revenues that Customer achieved for that Quarter. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.65 Contract Tariff Option 64 (Cont'd) (N)

(G) Price Flex Base Credit (Cont'd)

Price Flex Base Credit Table 1

Minimum Qualifying TDM Base Credit Revenue	Maximum Qualifying TDM Base Credit Revenue	TDM Base Credit Percentage
$0	$10.99M	0.0%
$11.00M	$11.29M	3.00%
$11.30M	$11.59M	6.00%
$11.60M	$11.79M	9.00%
$11.80M	$11.99M	11.10%
$12.00M	$12.19M	13.20%
$12.20M	$12.39M	15.30%
$12.40M	+	17.40%

Price Flex Base Credit Table 2

Minimum Qualifying TDM Base Credit Revenue	Maximum Qualifying TDM Base Credit Revenue	TDM Base Credit Percentage
$0	$32.99M	0.0%
$33.00M	$33.89M	1.0%
$33.90M	$34.79M	2.0%
$34.80M	$35.39M	3.0%
$35.40M	$35.99M	3.7%
$36.00M	$36.59M	4.4%
$36.60M	$37.19M	5.1%
$37.20M	+	5.8%

(**Step 3**) The Price Flex Base Credit shall be equal to the Qualifying TDM Base Credit Percentage identified in Step 2 times the TDM Base Credit Revenues for the applicable Quarter.

(H) DS1 Volume Discount Rates and Associated SPA DS1 Flat Rate Credit

Provided that Customer has satisfied all applicable eligibility requirements and subject to all other terms set forth in this Option 64, at the end of each Quarter of the Service Period, the Telephone Company will determine whether Customer qualifies to receive a volume discount, applied using the SPA DS1 Flat Rate Credit, based on the following provisions, subject to the annual true-up described following. For the avoidance of any doubt, before reaching a determination of whether Customer qualifies for the SPA DS1 Flat Rate Credit under Sections (H)(1), (H)(2) and (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.65 Contract Tariff Option 64 (Cont'd) (N)

(H) DS1 Volume Discount Rates and Associated SPA DS1 Flat Rate Credit (Cont'd)

(H)(3) following, Customer must first satisfy the threshold requirements set forth in Section (H)(4) following. All calculations under Section (H) shall take account of any adjustments resulting from Section (L)(3) (Treatment of Remedial Billing Credits) following.

(1) After each Quarter, the Telephone Company shall determine the DS1 Billed Revenue and DS1 Billed Units that Customer achieved for that Quarter. The SPA DS1 Flat Rate Credit will be in an amount equal to the applicable DS1 Billed Revenues for the applicable Quarter minus the applicable flat rate revenue (i.e., "applicable flat rate revenue" means the applicable DS1 Billed Units multiplied by the applicable flat rate for the Plan Year from Table 3 following for Quarter 1 of Plan Year 1, or Table 4 following for all subsequent Quarters (i.e., Quarters 2 through 18 of the Service Period)). If Customer satisfies all applicable requirements to receive the SPA DS1 Flat Rate Credit for a particular Quarter, the Telephone Company shall apply such credit to one or more of Customer's applicable special access billing accounts within ninety (90) days after the end of the applicable Quarter.

Table 3

Credit Tier	Plan Year 1 SPA DS1 Flat Rate
Tier 1	$173.00
Tier 2	$146.00

Table 4

Credit Tier	Plan Year 1 SPA DS1 Flat Rate	Plan Year 2 SPA DS1 Flat Rate	Plan Year 3 SPA DS1 Flat Rate	Plan Year 4 SPA DS1 Flat Rate	Plan Year 5 SPA DS1 Flat Rate
Tier 1	$173.00	$173.00	$173.00	$173.00	$173.00
Tier 2	$164.00	$163.00	$162.00	$161.00	$160.00

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.65 Contract Tariff Option 64 (Cont'd) (N)

(H) DS1 Volume Discount Rates and Associated SPA DS1 Flat Rate Credit (Cont'd)

(2) Eligibility for Tier 1

If the total volume of DS1 Billed Units that Customer achieved for the Quarter is equal to, or up to 1,200 more than, the volume of DS1 Billed Units that Customer achieved for the immediate prior Quarter (or, in the case of the first Quarter of the Service Period, is equal to, or up to 400 more than, the Baseline DS1 Billed Units), then Customer will qualify (subject to meeting all other eligibility requirements) for the DS1 flat rates for Tier 1 in Tables 3 and 4 preceding.

(3) Eligibility for Tier 2

If the total volume of DS1 Billed Units that Customer achieved for the Quarter exceeds the DS1 Billed Units for the immediate prior Quarter by more than 1,200 DS1 Billed Units (or, in the case of the first Quarter of the Service Period, exceeds the Baseline DS1 Billed Units by more than 400 DS1 Billed Units), then Customer will qualify for the DS1 flat rates for Tier 2 in Tables 3 and 4 preceding.

(4) In order to qualify for any SPA DS1 Flat Rate Credit in any Quarter under the preceding provisions, Customer must satisfy all of the following conditions (as well as all other eligibility requirements set forth in this Option 64):

(a) Customer must qualify for a discount (i.e., greater than 0%) for the Price Flex Base Credit for that same Quarter; and

(b) As of the end of that same Quarter, Customer must have had DS1 Billed Units in volumes equal to or greater than the Baseline DS1 Billed Units.

(5) Annual True-up

After the end of each Plan Year, the Telephone Company will perform a true-up to determine whether Customer qualified for any Tier 2 credits Customer received for that just-completed Plan Year based on Customer's overall annual performance under Option 64.

(a) Plan Year 1. For Plan Year 1, if Customer's total annual DS1 Billed Units at the end of Plan Year 1 are not at least 1,600 greater than the Baseline DS1 Billed Units for the first Quarter of the Service Period, then the Telephone Company will issue to Customer's applicable account(s) a debit equal to (i) the aggregate amount of any credits Customer received to apply the Tier 2 rates in Tables 3 and 4 for Plan Year 1 minus (ii) the aggregate amount of credits that Customer would have received if the Tier 1 rates in Tables 3 and 4 were applied for all Quarters of Plan Year 1. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.65 Contract Tariff Option 64 (Cont'd) (N)

(H) DS1 Volume Discount Rates and Associated SPA DS1 Flat Rate Credit (Cont'd)

(5) Annual True-up (Cont'd)

(b) Plan Years 2-5. For Plan Years 2-5, if Customer's total annual DS1 Billed Units at the end of each Plan Year are not at least 4,800 greater than the DS1 Billed Units as of the end of the month immediately preceding the just-completed Plan Year being reviewed, then the Telephone Company will issue to Customer's applicable account(s) a debit equal to (i) the aggregate amount of any credits Customer received to apply the Tier 2 rates in Table 4 for that just-completed Plan Year minus (ii) the aggregate amount of credits that Customer would have received if the Tier 1 rates in Table 4 were applied for all Quarters of that just-completed Plan Year.

(I) TDM Shortfall Credit

Provided that Customer has satisfied all applicable eligibility requirements and subject to all other terms set forth in this Option 64, at the end of each Plan Year of the Service Period, Customer may 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 Customer's total annual DS1 Billed Units are (i) for Plan Year 1, at least 1,600 greater than the Baseline DS1 Billed Units for the first Quarter of the Service Period and (ii) for Plan Years 2-5, at least 4,800 greater than the Baseline DS1 Billed Units (the **TDM Shortfall Credit Thresholds**).

(2) If, for a given Plan Year, Customer has met the applicable TDM Shortfall Credit Threshold set forth in Section (I)(1) preceding, 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 Services under Customer's Existing Plans for CDP, NDP and TVP pursuant to Sections 25.1 and 25.3 of this tariff, Sections 25.1 and 25.2 of FCC 11, and Sections 5.6.14 (x)
and 23.1 of FCC 14 (the **Total Annual Shortfall Payment**). The (x)
Telephone Company will issue a credit (**TDM Shortfall Credit**) in an amount equal to the lesser of: (i) the Total Annual Shortfall Payment and (ii) Two Million and 00/100 U.S. Dollars ($2,000,000). The TDM Shortfall Credit is a single credit provided for Customer's collective subscription to this Option 64, Option 63 of FCC 11, and Option 33 of FCC 14 (i.e., Customer (x)
may not receive a TDM Shortfall Credit under more than one of the three Options). (N)

(x) Issued under authority of Special Permission No. 13-002 of the Federal Communications Commission.

21. Contract Tariffs (Cont'd)

21.65 Contract Tariff Option 64 (Cont'd) (N)

(I) TDM Shortfall Credit (Cont'd)

(3) If Customer did not meet the applicable TDM Shortfall Credit Threshold for a given Plan Year, or did not pay any CDP, NDP or TVP 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. 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.

(J) One-Time DS1 Performance Credit

If, as of the Effective Date, Customer has achieved a total of forty-seven thousand, four hundred (47,400) DS1 Billed Units, then the Telephone Company, no later than sixty (60) days after the Effective Date, will provide Customer with a one-time billing credit equal to Two Million Five Hundred Thousand and 00/100 U.S. Dollars ($2,500,000) (**One-Time DS1 Performance Credit**). Customer will determine and communicate to the Telephone Company within fifteen (15) days after the Effective Date the special access billing account on which Customer wishes the credit to appear. The One-Time DS1 Performance Credit is a single credit provided for Customer's collective subscription to this Option 64, Option 63 of (x) FCC 11, and Option 33 of FCC 14 (i.e., Customer may not receive a (x) One-Time DS1 Performance Credit under more than one of the three Options).

(K) Excessive DS1 Mileage Surcharge

At the end of each Quarter of the Service Period, the Telephone Company will follow the steps set forth below to calculate the **Excessive DS1 Mileage Surcharge** that Customer will owe for that Quarter:

(**Step 1**) The Telephone Company will calculate the DS1 Average Mileage as defined in Section (B) preceding.

(**Step 2**) Divide the DS1 Average Mileage from Step 1 by the Baseline DS1 Average Mileage to determine the ratio of DS1 Average Mileage to the Baseline DS1 Average Mileage (**Baseline DS1 Mileage Ratio**).

(**Step 3**) Using Table 5 following, the Telephone Company will determine what DS1 Mileage Surcharge Percent applies based on the Baseline DS1 Mileage Ratio calculated in Step 2. (N)

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ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.65 Contract Tariff Option 64 (Cont'd) (N)

(K) Excessive DS1 Mileage Surcharge (Cont'd)

Table 5 DS1 Mileage Surcharge Table

Minimum Baseline DS1 Mileage Ratio	Maximum Baseline DS1 Mileage Ratio	DS1 Mileage Surcharge Percent
0	1.39	0.00%
1.40	1.59	10.00%
1.60	1.79	15.00%
1.80	1.99	20.00%
2.00	+	25.00%

(**Step 4**) The Excessive DS1 Mileage Surcharge for the Quarter shall be calculated by multiplying (i) the SPA DS1 Flat Rate Credit earned during that Quarter under Section (H) preceding (without taking account of any annual true-up under Section (H)(5)) times (ii) the DS1 Mileage Surcharge Percent identified in Step 3.

(**Step 5**) If the Excessive DS1 Mileage Surcharge is greater than $0, the Telephone Company, within ninety (90) days after the Quarter for which the Excessive DS1 Mileage Surcharge is owed, will apply the Excessive DS1 Mileage Surcharge by issuing a debit(s) (**Excessive DS1 Mileage Surcharge Debits**) to one or more of Customer's applicable special access billing accounts.

Example 1: Assume that Customer's DS1 Average Mileage achieved for Quarter 2 of Plan Year 1 is 4.9 miles and the SPA DS1 Flat Rate Credit achieved for that same Quarter is $1.30M. The Baseline DS1 Mileage Ratio is 1.02. The Excessive DS1 Mileage Surcharge is $0 ($1.3M x 0.00% = $0).

Example 2: Assume that Customer's DS1 Average Mileage achieved for Quarter 3 of Plan Year 4 is 7.0 miles and the SPA DS1 Flat Rate Credit achieved for that same Quarter is $1.60M. The Baseline DS1 Mileage Ratio is 1.46. The Excessive DS1 Mileage Surcharge is $0.16M ($1.6M x 10.00% = $0.16M). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.65 Contract Tariff Option 64 (Cont'd) (N)

(L) Disputes

Notwithstanding any other provision of this Option 64, the Telephone Company's calculation of the Billing Credits and Excessive DS1 Mileage Surcharges under this Option 64 shall be subject to the following additional requirements (as well as all other terms of this Option 64):

(1) For the purposes of calculating the Price Flex Base Credit and the SPA DS1 Flat Rate Credit, the Telephone Company shall not include any credits or debits for Services provided during any periods prior to the Effective Date (regardless of whether such credits or debits were the result of a valid dispute by Customer or were the result of a billing error by the Telephone Company).

(2) Customer agrees to undertake a good faith effort to review, within forty-five (45) calendar days of receipt, each bill from the Telephone Company that includes amounts to be included in Qualifying Monthly Recurring Charges and, at such time that Customer determines there is a dispute, to promptly raise the dispute with the Telephone Company. For the avoidance of any doubt, Customer is not obligated or required to raise billing disputes within forty-five (45) calendar days of receipt of a bill.

(3) Treatment of Remedial Billing Credits

(a) In the event that (i) Customer disputes charges that it believes were improperly billed for Services billed in prior Quarters, (ii) any such disputed charges were included as Qualifying Monthly Recurring Charges for purposes of calculating any Price Flex Base Credits or SPA DS1 Flat Rate Credits under this Option 64, and (iii) the Telephone Company honors all or a portion of the dispute in favor of Customer, then any billing credit issued by the Telephone Company to remedy the dispute (**Remedial Billing Credit**) shall be included as an offset to Qualifying Monthly Recurring Charges for the purpose of calculating the Price Flex Base Credits and SPA DS1 Flat Rate Credits for the Quarter in which such Remedial Billing Credit is issued by the Telephone Company. For the avoidance of any doubt, if a Remedial Billing Credit results in Customer falling below the Minimum Qualifying TDM Base Credit Revenue necessary to qualify for a Price Flex Base Credit, but for which Customer would have otherwise qualified for a Price Flex Base Credit for each Quarter to which the underlying dispute is attributable, Customer will still qualify for the SPA DS1 Flat Rate Credit if all other requirements have been met to do so for the Quarter in which the Remedial Billing Credit is offset against Qualifying Monthly Recurring Charges; provided, however that any (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.65 Contract Tariff Option 64 (Cont'd) (N)

(L) Disputes (Cont'd)

(3) Treatment of Remedial Billing Credits (Cont'd)

(a) (Cont'd)

Remedial Billing Credit relating to DS1 Billed Revenues will be included as an offset to DS1 Billed Revenue for purposes of calculating the SPA DS1 Flat Rate Credit (and thus could cause Customer to be ineligible for the SPA DS1 Flat Rate Credit). For the avoidance of any doubt, if the Telephone Company offsets a Remedial Billing Credit against Billed DS1 Revenue set forth above, such offsetting shall not result in any adjustment to any Excessive DS1 Mileage Surcharge assessed with respect to any previous Quarter, but such offsetting will affect the Excessive DS1 Mileage Surcharge for the then current Quarter insofar as the Excessive DS1 Mileage Surcharge calculation is, as set forth in Section (K) above, based in part on the amount of the SPA DS1 Flat Rate credit (which in turn is based in part on DS1 Billed Revenues) for the then current Quarter.

(b) The provisions set forth in Section (L)(3)(a) preceding apply in cases where Customer disputes charges up to six (6) months after the end of the Service Period. In the event of any such disputes, any Remedial Billing Credit that the Telephone Company issues shall be included as an offset to Qualifying Monthly Recurring Charges for the last Quarter of the Service Period for the purpose of calculating the Price Flex Base Credits and SPA DS1 Flat Rate Credits for the last Quarter of the Service Period. To the extent the inclusion of the Remedial Billing Credit produces a lower Price Flex Base Credit or SPA Flat Rate Credit (or disqualifies Customer from either or both of such credits) for the last Quarter of the Service Period, the Telephone Company will issue a debit in an amount equal to (i) the Price Flex Base Credit and SPA DS1 Flat Rate Credit actually provided by the Telephone Company for the last Quarter of the Service Period minus (ii) the Price Flex Base Credit and SPA DS1 Flat Rate Credit (if any, in either case) due to Customer once the Remedial Billing Credit is included as an offset to the Qualifying Monthly Recurring Charges for the last Quarter of the Service Period. If the Telephone Company adjusts Qualifying Monthly Recurring Charges as set forth above and, at the time of such adjustment the Telephone Company has already billed Customer an Excessive DS1 Mileage Surcharge for the last Quarter of the Service Period, the Telephone Company shall not be required to recalculate the Excessive DS1 Mileage Surcharge already billed to Customer and Customer shall pay the amount of the Excessive DS1 Mileage Surcharge already billed. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.65 Contract Tariff Option 64 (Cont'd) (N)

(L) Disputes (Cont'd)

(4) The Price Flex Base Credits and SPA DS1 Flat Rate Credits, as determined by the Telephone Company and agreed to by Customer, and the Excessive DS1 Mileage Surcharge are not subject to dispute after being issued by the Telephone Company, regardless of the outcome of any Disputed Charges; provided, however, that the foregoing prohibition against disputes shall not be deemed (i) to preclude any debit issued pursuant to an annual true-up under Section (H)(5) preceding, (ii) to preclude any adjustment pursuant to Section (L)(3) preceding; or (iii) to apply in a situation where the Telephone Company applies a Price Flex Base Credit or SPA DS1 Flat Rate Credit that does not match the mutually agreed upon credit amount. For the avoidance of any doubt, the Telephone Company will not issue any Price Flex Base Credits or SPA DS1 Flat Rate Credits until the applicable credit amount is agreed to by Customer.

(5) In no event shall the Telephone Company be subject to any late payment, interest or penalty with respect to any Billing Credits.

(M) Termination and Termination Liability

(1) Subject to the terms set forth in this Section (M), Customer may terminate this Option 64 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. Termination of less than all of the Contract Tariff options (i.e., terminations of Option 64 of this tariff, or Option 63 of FCC 11, or Option 33 of FCC 14) shall be deemed to be an (x) automatic termination of all contract tariff options. All obligations under the tariffs with respect to the Services shall continue to apply.

(2) In the event of a termination by Customer under Section (M)(1) preceding, or a termination by the Telephone Company under Section (N)(2) following, Customer shall be liable for payment of termination liability to be calculated as follows:

(a) Termination During Plan Years 1 or 2:

(i) Customer shall receive no further Billing Credits for the Plan Year in which termination occurs;
(ii) Customer must return one hundred percent (100%) of all Billing Credits (which, for the avoidance of any doubt includes the One-Time DS1 Performance Credit) previously received at any time under Option 64;
(iii) Customer shall not receive any refunds or credits with respect to any Excessive DS1 Mileage Surcharges owed for any previous Quarters, but Customer shall not be responsible for any Excessive DS1 Mileage Surcharge with respect to the Quarter in which termination occurs. (N)

(x) Issued under authority of Special Permission No. 13-002 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.65 Contract Tariff Option 64 (Cont'd) (N)

(M) Termination and Termination Liability (Cont'd)

(2) (Cont'd)

(b) Termination During Plan Years 3 or 4:

(i) Customer shall receive Price Flex Base Credits and SPA DS1 Flat Rate Credits of zero dollars ($0) for the Plan Year in which termination occurs (including, by way of example, that Customer must repay to the Telephone Company any Price Flex Base Credits and SPA DS1 Flat Rate Credits already received in that Plan Year);

(ii) Customer must return sixty percent (60%) of any Price Flex Base Credits and SPA DS1 Flat Rate Credits received for Plan Year 2 if the termination occurs in Plan Year 3;

(iii) Customer must return forty percent (40%) of any Price Flex Base Credits and SPA DS1 Flat Rate Credits received for Plan Year 3 if the termination occurs in Plan Year 4; and

(iv) Customer shall not receive any refunds or credits with respect to any Excessive DS1 Mileage Surcharges owed for any previous Quarters, but Customer shall not be responsible for any Excessive DS1 Mileage Surcharge with respect to the Quarter in which termination occurs.

(c) Termination During Plan Year 5:

(i) Customer shall receive Price Flex Base Credits and SPA DS1 Flat Rate Credits of zero dollars ($0) for Plan Year 5 (including, by way of example, that Customer must repay to the Telephone Company any Price Flex Base Credits and SPA DS1 Flat Rate Credits already received in Plan Year 5);

(ii) Customer must return fifty percent (50%) of any Price Flex Base Credits and SPA DS1 Flat Rate Credits received for Plan Year 4; and

(iii) Customer shall not receive any refunds or credits with respect to any Excessive DS1 Mileage Surcharges owed for any previous Quarters, but Customer shall not be responsible for any Excessive DS1 Mileage Surcharge with respect to the Quarter in which termination occurs.

Any termination liability payment owed by Customer under any of the preceding provisions shall be due and payable by Customer to the Telephone Company no later than sixty (60) days after the termination date. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.65 Contract Tariff Option 64 (Cont'd)

(M) Termination and Termination Liability (Cont'd) (N)

(3) The Customer and the Telephone Company, by mutual written agreement in their sole discretion, may terminate this Option 64. Except as otherwise mutually agreed in writing by Customer and the Telephone Company: (i) any termination under this Section (M)(3) in Plan Year 1 shall be effective as of the Effective Date, and Customer shall not be eligible for any Billing Credits, including the One-Time DS1 Performance Credit, for Plan Year 1; (ii) if the termination under this Section (M)(3) is in Plan Years 2 through 5, such termination shall be effective as of the end of the Plan Year preceding the termination, and the Customer shall be entitled to all Billing Credits earned for the Plan Year preceding the termination, but shall not be eligible for any Billing Credits for any period of time after the end of such Plan Year; and (iii) regardless of the Plan Year in which the termination occurs, Customer shall not receive any refunds or credits with respect to any Excessive DS1 Mileage Surcharges owed for any previous Quarters, but Customer shall not be responsible for any Excessive DS1 Mileage Surcharge with respect to the Quarter in which termination occurs.

(N) Mergers and Acquisitions of Customer

(1) In the event that after the Effective Date, Customer or its direct or indirect parent company 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 64), becomes an Affiliate of another company, or is acquired in whole or in part by another company, the terms and conditions set forth in this Section (N) will apply in addition to all other terms and conditions set forth in this Option 64. Customer may not combine or include any DS1 Billed Revenues, DS1 Billed Units, DS1 Units, DS1 Mileage, Qualifying TDM Base Credit Revenues, or Qualifying Monthly Recurring Charges or Baseline DS1 Billed Units from the merged, acquiring, or acquired company, or from the assets of such merged, acquiring, or acquired company, for any purposes hereunder.

(2) Except where the Customer and the Telephone Company elect otherwise pursuant to Section (N)(3) following, Customer's DS1 Billed Revenues, DS1 Billed Units, DS1 Mileage, DS1 Units, Qualifying TDM Base Credit Revenues, and Qualifying Monthly Recurring Charges shall be calculated based on Customer's business and revenue with the Telephone Company using the ACNAs submitted with Customer's subscription to this Option 64, without adding any revenues, units, DS1 Mileage, and/or ACNAs attributable to expansion of Customer's purchase of any services from the Telephone Company through merger, transfer, assignment, or acquisition. If Customer violates the provisions of this Section (N)(2), then the Telephone Company may terminate Option 64 without liability upon written notice to Customer. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.65 Contract Tariff Option 64 (Cont'd) (N)

(N) Mergers and Acquisitions of Customer (Cont'd)

(3) In lieu of excluding the acquired business, revenue, DS1 Mileage, units, and the like as described in Section (N)(2) preceding, the Customer and the Telephone Company, in order to reflect the impact of mergers, acquisitions, divestitures or other transactions described in Section (N)(1) preceding, may mutually agree in writing to make proportionate adjustments to Customer's Baseline DS1 Billed Units, Baseline DS1 Average Mileage, the amounts and/or percentages set forth in Tables 1 and 2 (Price Flex Base Credit Tables) in Section (G) preceding, and/or the volume of DS1 Billed Units required for Customer to receive the Tier 1 or Tier 2 rates set forth in Tables 3 and 4 (SPA DS1 Flat Rate Tables) of Section (H) preceding. For the avoidance of any doubt, no revenue, units or DS1 Mileage of the acquired business shall be included in the calculation of the Price Flex Base Credit or SPA DS1 Flat Rate Credit for any period prior to the effective date to which the parties mutually agree in writing.

(4) Customer shall provide the Telephone Company written notice no later than twenty (20) business days after filing any request with the FCC for approval of a transaction that is the subject of Section (N)(1) and, to the extent provided in writing publicly by the date of such notice, shall include a good faith estimate of the expected close date so that Customer and the Telephone Company can assess and implement their associated rights and obligations under this Option 64. Once the transaction closes, Customer shall further notify the Telephone Company of such closing within thirty (30) days after such closing occurs. Under no circumstance shall this Section (N) require Customer to provide the Telephone Company written notice of mergers solely between Customer entities holding, as of the Effective Date, the ACNAs submitted with Customer's subscription to this Option 64, such as Customer's internal merging of legal entities. For the avoidance of any doubt, the above reference to notice following an FCC filing affects only the notice that Customer is required to provide under this Section (N)(4), and does not alter application of the substantive provisions set forth in Sections (N)(1) through (N)(3) (e.g., prohibition against including acquired business, revenue, units and the like as described in Sections (N)(1) and (N)(2)) to transactions that are not subject to an FCC filing. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.65 Contract Tariff Option 64 (Cont'd) (N)

(O) Sale of Telephone Company Telephone Operating Company

(1) If some or all of the assets or stock of a Telephone Company Operating Telephone Company that provides DS1 Units are acquired by an unaffiliated third party during the Service Period, then effective with the closing of such transaction, the Customer and the Telephone Company will mutually agree in writing to make proportionate adjustments to Customer's DS1 Billed Revenues, DS1 Billed Units, Baseline DS1 Average Mileage, DS1 Units, Qualifying TDM Base Credit Revenues, Qualifying Monthly Recurring Charges, or Baseline DS1 Billed Units, the amounts and/or percentages set forth in Tables 1 and 2 (Price Flex Base Credit Tables) in Section (G) preceding, and/or the volume of DS1 Billed Units required for Customer to receive the Tier 1 or Tier 2 rates set forth in Tables 3 and 4 (SPA DS1 Flat Rate Tables) of Section (H) preceding. For the avoidance of any doubt, no such adjustments shall apply to any period prior to the effective date to which the Customer and the Telephone Company mutually agree in writing.

(2) If the Telephone Company acquires another company (or portion thereof) that provides any services similar to DS1 Units, the Customer and the Telephone Company may mutually agree in writing to adjust any of the items described in Section (O)(1) preceding and DS1 Mileage on a proportionate basis to account for Customer's purchases from the acquired company (or portion thereof). For the avoidance of any doubt, no Customer purchases from the acquired company (or portion thereof) shall be included in DS1 Billed Revenues, DS1 Billed Units, DS1 Mileage, or Qualifying TDM Base Credit Revenues for any period prior to the effective date for such inclusion to which the Customer and the Telephone Company mutually agree in writing. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.65 Contract Tariff Option 64 (Cont'd) (N)

(P) Orders for Unbundled Network Elements

(1) Customer, as a material condition of the Telephone Company's offering the Billing Credits described in this Option 64, agrees that during the Service Period it may not submit orders for any of the following unbundled network elements (UNEs) that the Telephone Company offers: (i) UNE DS1 loops; (ii) UNE DS1 dedicated transport; (iii) any combination of any of the foregoing UNEs (which combinations are sometimes referred to as **Enhanced Extended Loops** or **EELs** or (iv) any of the foregoing UNEs commingled with special access services or other services ((i), (ii), (iii) and (iv), collectively **Prohibited UNEs**). The foregoing prohibition includes both orders for new Prohibited UNEs as well as orders for the conversion of special access services to Prohibited UNEs (collectively, **Prohibited UNE Orders**).

(2) Accordingly, the Telephone Company and Customer agree that if either the Telephone Company or Customer discovers any Prohibited UNE Orders submitted during the Service Period, then such discovering party shall notify the other party and Customer, no later than sixty (60) days after either the Telephone Company's or Customer's provision of such notice, shall promptly request conversion of such Prohibited UNEs to a Special Access service. The Telephone Company shall reasonably assist in this effort. The rates applicable to the Special Access service to which a Prohibited UNE is converted shall apply retroactively for the full period during which the Prohibited UNE was billed at UNE rates. For the avoidance of any doubt, no Billing Credits or Excessive DS1 Mileage Surcharge for any past Quarters or Plan Years shall be recalculated as a result of any such conversions of Prohibited UNEs to Special Access services. If Customer fails to submit an order to convert a Prohibited UNE to a Special Access service (**Conversion Order**) within sixty (60) days after notifying the Telephone Company of a Prohibited UNE Order (or, in cases where the Telephone Company discovers a Prohibited UNE Order and notifies Customer, within sixty (60) days after the date on which the Telephone Company provides such notice), then, without limiting Customer's continuing obligation to submit such Conversion Order, the Telephone Company shall have the right (but not the obligation) to submit such Conversion Order on Customer's behalf and take such other steps as necessary to complete the conversion. For the avoidance of any doubt, Customer shall bear the sole responsibility for monitoring its internal ordering processes to ensure that no Prohibited UNE Orders are submitted during the Service Period. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.66 Contract Tariff Option 65 (N)

(A) Scope

Contract Tariff Option 65 (**Option 65**) provides a customer with certain aggregate discounts and Billing Credits (as defined following) on certain services offered by the Telephone Company when the customer satisfies the criteria as set forth in this Option 65.

(B) Specific Terms

Unless otherwise defined in this Section 21.66, the following terms are used in this Option 65:

(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 65.

(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 Service Revenue** shall mean, with respect to each month during the Service Period, the Qualifying Monthly Recurring Charges (as defined in (F) following) billed under one of the Customer ACNAs provided under (C)(3) following and which were paid in full by the customer for DS1 Qualifying Services for the applicable Quarter.

(4) **Billed DS1 Unit with Mileage** shall mean, with respect to each month during the Service Period, a DS1 Unit for which the Telephone Company billed Qualifying Monthly Recurring Charges (as defined in (F) following) under one of the Customer ACNAs provided under (C)(3) following for that month and for which a portion of the Qualifying Monthly Recurring Charges includes Billed DS1 Mileage Charges.

(5) **Billed DS1 Unit without Mileage** shall mean, with respect to each month during the Service Period, a DS1 Unit for which the Telephone Company billed Qualifying Monthly Recurring Charges (as defined in (F) following) under one of the Customer ACNAs provided under (C)(3) following for that month and for which none of the Qualifying Monthly Recurring Charges includes Billed DS1 Mileage Charges. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.66 Contract Tariff Option 65 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(6) **Billed DS1 Mileage Charges** shall mean, with respect to each month during the Service Period, the Qualifying Monthly Recurring Charges for DS1 Mileage billed under one of the Customer ACNAs provided under (C)(3) following.

(7) **Billed DS3 CLF Service Revenues** shall mean, with respect to each month during the Service Period, the Qualifying Monthly Recurring Charges billed under one of the Customer ACNAs provided under (C)(3) following and which are paid in full by the Customer for Special Access DS3 CLF Services for the applicable Quarter.

(8) **Billed DS3 CLS Service Revenues** shall mean, with respect to each month during the Service Period, the Qualifying Monthly Recurring Charges billed under one of the Customer ACNAs provided under (C)(3) following and which are paid in full by the Customer for Special Access DS3 CLS Services for the applicable Quarter.

(9) **Billed DS3 CLF Unit** shall mean, with respect to each month during the Service Period, a DS3 CLF Unit for which the Telephone Company billed Qualifying Monthly Recurring Charges (as defined in (F) following) under one of the Customer ACNAs provided under (C)(3) following for that month.

(10) **Billed DS3 CLS Unit** shall mean, with respect to each month during the Service Period, a DS3 CLS Unit for which the Telephone Company billed Qualifying Monthly Recurring Charges (as defined in (F) following) under one of the Customer ACNAs provided under (C)(3) following for that month.

(11) **Billed Facilities Management Services (FMS) Revenue** shall mean, with respect to each month during the Service Period, the Qualifying Monthly Recurring Charges billed under one of the Customer ACNAs provided under (C)(3) following and which were paid in full by the Customer for Special Access Facilities Management Services. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.66 Contract Tariff Option 65 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(12) **Billed Qualifying Service Revenue** shall mean each of Billed DS1 Service Revenue, Billed DS3 CLF Service Revenue, Billed DS3 CLS Service Revenue, and Billed FMS Revenue.

(13) **Billed Qualifying Service Units** shall mean Billed DS1 Units with Mileage, Billed DS1 Units without Mileage, Billed DS3 CLF Units, and Billed DS3 CLS Units.

(14) **Billing Credits** shall mean, collectively, the Quarterly DS1 Flat Rate Credit, the Quarterly DS3 CLF Flat Rate Credit, and the Quarterly DS3 CLS Flat Rate Credit offered to Customer pursuant to this Option 65. Calculation of applicable Billing Credits is described in (G) following.

(15) **Disputed Charges** 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.

(16) **DS1 Mileage** shall mean the channel mileage for DS1 Services (as described in Section 7.1.2(B) of this tariff and Section 7.1.2(B) of FCC Tariff No. 11 (**FCC 11**), special transport for DS1 Services (x) (as described in Section 5.1.1(B) of FCC Tariff No. 14 (**FCC 14**), (x) and circuit mileage for DS1 Services (as described in Section 7.2.1(B) of FCC Tariff No. 16 (**FCC 16**). (x)

(17) **DS1 Average Mileage** shall mean the total DS1 Mileage billed to Customer for a given time period divided by the Billed DS1 Units with Mileage for that same time period.

(18) **DS1 Unit** shall mean Special Access DS1 Services that meet the following definitions: (i) a DS1 "Channel Termination" as defined in Section 7.1.2(A) of this tariff, (ii) a DS1 "Channel Termination" as defined in FCC 11, Section 7.1.2(A), (iii) a DS1 (x) "Special Access Line" as defined in FCC 14, Section 5.1.1(C), and (x) (iv) a DS1 "Circuit Termination" as defined in FCC 16, Section (x) 7.2.1(A). Fractions of a "DS1 Unit" are not counted as a "DS1 (x) Unit". (N)

(x) Issued under authority of Special Permission No. 14-003 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.66 Contract Tariff Option 65 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(19) **DS3 CLF Unit** shall mean an individual Special Access DS3 Services circuit that 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).

(20) **DS3 CLS Unit** shall mean an individual Special Access DS3 Services circuit that 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).

(21) **Flat Rate** shall mean the flat rate monthly recurring charge that applies per Billed Qualifying Service Unit, per service type (i.e., DS1 with mileage, DS1 without mileage, DS3 CLF, and DS3 CLS), for a given Plan Year, each such charge being the charge that the Parties agree results from the application of the rate calculation methodology set forth in (G)(1)(a) following.

(22) **Plan Year** shall mean each of the following periods during the Service Period: (1) Plan Year 1 shall commence on March 1, 2014 and end on February 28, 2015; (2) Plan Year 2 shall commence on March 1, 2015 and end on February 29, 2016; (3) Plan Year 3 shall commence on March 1, 2016 and end on February 28, 2017.

(23) **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.

(24) **Special Access DS1 Services** shall mean DS1 Services of 1.544 Mbps bandwidth, as described in Section 7.2.9 of this tariff, FCC 11 (Section 7.2.9), FCC 14 (Section 5.3.6) and FCC 16 (Section 7.11.1). (N)(x)

(x) Issued under authority of Special Permission No. 14-003 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.66 Contract Tariff Option 65 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(25) **Special Access DS3 CLF Services** shall mean DS3 Services of 44.736 Mbps bandwidth, as described in Section 7.2.9 of this tariff, FCC 11 (Section 7.2.9), FCC 14 (Section 5.3.6) 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). (x)

(26) **Special Access DS3 CLS Services** shall mean DS3 Services of 44.736 Mbps bandwidth, as described in Section 7.2.9 of this tariff, FCC 11 (Section 7.2.9), FCC 14 (Section 5.3.6) 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). (x)

(27) **Special Access Facilities Management Services** shall mean FMS Services as described in Section 7.2.13 of this tariff and Section 7.2.16 of FCC 11. (x)

(28) **TDM Annual Revenue Commitment** shall mean the annual minimum required Billed Qualifying Service Revenues and shall be equal to $84,000,000.

(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 65. 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).

(1) As of March 1, 2014, the customer must:

(a) have billed a minimum of $10M of Billed Qualifying Service Revenue for the thirty (30) days immediately prior to March 1, 2014 and between Twenty-Five Thousand (25,000) and Sixty Thousand (60,000) Billed DS1 Units;

(b) be subscribed to the Commitment Discount Plan (Section 25.1 of this tariff and FCC 11, Section 25.1), and the DS1 Term Volume Plan (FCC 14, Section 5.6.14(G)) (**Existing Plans**); (x)

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

(d) have been subscribed to Option 57 of this tariff, Option 55 of FCC 11, and Option 29 of FCC 14 immediately prior to execution of this Option 65. (x) (N)

(x) Issued under authority of Special Permission No. 14-003 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.66 Contract Tariff Option 65 (Cont'd) (N)

(C) Eligibility (Cont'd)

(2) Except for Existing Plans, 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 receive any Discounts and Billing Credits under this Option 65, and such subscription shall be considered a termination by Customer of this Option 65, subject to (L) following.

(3) The customer must subscribe to this Option 65 in a manner designated by the Telephone Company during the thirty (30) day period beginning March 1, 2014 and ending March 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 65. Subscription to this Option 65 shall be an automatic subscription to Option 65 of FCC 11 and Option 34 of FCC 14. (x)

(D) Service Period

The Service Period of this Option 65 shall commence on March 1, 2014 and end on February 28, 2017.

(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, FCC 11, and FCC 14. Wire (x) centers for the Phase II MSAs are listed in Section 14.7 preceding of this tariff, Section 15.3 of FCC 11, and Section 19.1 of FCC 14. (x) Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 14.7 preceding of this tariff, Section 15.3 of FCC 11, and (x) Section 19.1 of FCC 14) that occur during the Service Period will (x) apply. No Billing Credits will be provided in the operating territories of FCC 16. (N)(x)

(x) Issued under authority of Special Permission No. 14-003 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.66 Contract Tariff Option 65 (Cont'd) (N)

(F) Qualifying Monthly Recurring Charges

Subject to the exclusions set forth following as well as all other terms of this Option 65 (includes Disputes following), Qualifying Monthly Recurring Charges include total monthly recurring charges (**MRCs**) billed to Customer 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 by way of example only):

(1) Nonrecurring charges, surcharges, 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 Quarter of the Service Period.

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

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

(4) Any amount that appears in the "Other Charges and Credits" section of the Telephone Company's invoice;

(5) Any other billed amount for which payment is being withheld or under dispute by the Customer or that is otherwise a Disputed Charge; 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 Customer, then the amount credited to Customer as a result of such resolution shall be included in Qualifying Monthly Recurring Charges in the Quarter in which the Telephone Company issues such credit; and

(6) Shortfall or overage charges associated with term plan true-ups (e.g., charges assessed for failure to satisfy commitment levels). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.66 Contract Tariff Option 65 (Cont'd) (N)

(G) Quarterly Review; Calculation and Payment of Billing Credits

(1) The Flat Rate pricing for the Services set forth in Tables 1 and 2 following is achieved by providing a DS1 Flat Rate Credit, a DS3 CLF Flat Rate Credit, and a DS3 CLS Flat Rate Credit.

(a) Calculation of Flat Rates

The DS1 Flat Rates without Mileage and the DS3 CLS Flat Rates for each Plan Year will be equal to a fixed percentage of the benchmark (as specified in (G)(1)(c) following) average revenue per DS1 Unit (**DS1 ARPU**) and DS3 CLS Unit (**DS3 CLS ARPU**), respectively. The DS3 CLF Flat Rates will be equal to a fixed percentage of the applicable DS3 CLS Flat Rate. The DS1 Flat Rates with Mileage will be equal to a fixed percentage of the DS1 Flat Rate without Mileage and will be based upon DS1 Average Mileage tiers. A more detailed description of the calculation of the DS1 Flat Rates without Mileage is provided in Table 2 following.

(b) Calculation of Quarterly Billing Credits

The dollar amount of the quarterly Billing Credits shall be determined as follows:

(i) The Telephone Company shall determine on a Quarterly basis the Billed Qualifying Service Revenue and Billed Qualifying Service Units for each Service, and the Average DS1 Mileage for Billed DS1 Units with Mileage.

(ii) The DS3 CLF Flat Rate Credit and the DS3 CLS Flat Rate Credit will be in an amount equal to the applicable Billed Qualifying Service Revenue (i.e., Billed Qualifying DS3 CLF Service Revenue and Billed Qualifying DS3 CLS Service Revenue) for the applicable Quarter **minus** the applicable flat rate revenue (i.e., applicable Billed Qualifying Service Units (i.e., Billed DS3 CLF Units and Billed DS3 CLS Units) **multiplied by** the applicable flat rate for the Plan Year from Table 1). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.66 Contract Tariff Option 65 (Cont'd)
(G) Quarterly Review; Calculation and Payment of Billing Credits (Cont'd) (N)

(1) (Cont'd)

(b) Calculation of Quarterly Billing Credits (Cont'd)

Table 1: Flat Rates

Qualifying Service	Plan Year 1 Flat Rate	Plan Year 2 Flat Rate	Plan Year 3 Flat Rate
DS1 Units without Mileage	61.06% of DS1 ARPU	60.25% of DS1 ARPU	59.43% of DS1 ARPU
DS3 CLF Units	60.61% of DS3 CLS Plan Year 1 Flat Rate	60.67% of DS3 CLS Plan Year 2 Flat Rate	61.11% of DS3 CLS Plan Year 3 Flat Rate
DS3 CLS Units	54.00% of DS3 CLS ARPU	53.67% of DS3 CLS ARPU	53.02% of DS3 CLS ARPU

(iii) The DS1 Flat Rate Credit will be an amount equal to the Billed Qualifying DS1 Service Revenue for the applicable Quarter minus the sum of the Billed DS1 Units without Mileage for the applicable Quarter multiplied by the applicable flat rate for the Plan Year from Table 1 plus the Billed DS1 Units with Mileage for the applicable Quarter multiplied by the applicable flat rate for the Average DS1 Mileage for the applicable Quarter from Table 2.

Table 2: Flat Rates (DS1 Units with Mileage)
Applicable to All Plan Years

Minimum Average DS1 Mileage	Maximum Average DS1 Mileage	Flat Rate MRC
0	7.24	107.33% of DS1 Units without Mileage Plan Year 1 Flat Rate
7.25	8.99	108.00% of DS1 Units without Mileage Plan Year 1 Flat Rate
9.00	10.74	108.67% of DS1 Units without Mileage Plan Year 1 Flat Rate
10.75	12.49	110.67% of DS1 Units without Mileage Plan Year 1 Flat Rate
12.50	14.24	112.67% of DS1 Units without Mileage Plan Year 1 Flat Rate
14.25	15.99	114.67% of DS1 Units without Mileage Plan Year 1 Flat Rate
16.00	17.74	116.00% of DS1 Units without Mileage Plan Year 1 Flat Rate
17.75	+	117.33% of DS1 Units without Mileage Plan Year 1 Flat Rate

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.66 Contract Tariff Option 65 (Cont'd)

(G) Quarterly Review; Calculation and Payment of Billing Credits (Cont'd) (N)

(1) (Cont'd)

(c) Calculation of Benchmark Average Revenues

The benchmark average revenues per unit will be established at the time of subscription to Option 65 and will be calculated as follows:

(i) **DS1 ARPU** shall be calculated as follows:

Step 1 Sum the Billed DS1 Service Revenue for October 2013, November 2013, and December 2013.

Step 2 Sum the Billed FMS Revenue for October 2013, November 2013, and December 2013.

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

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

Step 5 Sum the Billed DS1 Units with Mileage and Billed DS1 Units without Mileage for October 2013, November 2013, and December 2013.

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

(ii) **DS3 CLS ARPU** shall be calculated as follows:

Step 1 Sum the Billed DS3 CLS Service Revenue exclusive of amounts included in the definition of Billed FMS Revenues for October 2013, November 2013, and December 2013.

Step 2 Sum the Billed FMS Revenue for October 2013, November 2013, and December 2013.

Step 3 Multiply the total calculated in Step 2 by the percentage of Billed FMS Revenue that is attributable to DS3 CLS transport and channel terminations.

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

Step 5 Sum the Billed DS3 CLS Units for October 2013, November 2013, and December 2013.

Step 6 Divide the amount calculated in Step 4 by the amount calculated in Step 5. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.66 Contract Tariff Option 65 (Cont'd) (N)

(G) Quarterly Review; Calculation and Payment of Billing Credits (Cont'd)

(1) (Cont'd)

(c) Calculation of Benchmark Average Revenues (Cont'd)

(iii) Illustrative Example:

Assume the following information for all scenarios in this Section 21.66(G)(1)(c)(iii):

	DS1 ARPU	**DS3 CLS ARPU**
Billed Qualifying Service Revenue	$5,000,000; $5,000,000; and $5,000,000	$2,000,000; $2,000,000; and $2,000,000
Billed Qualifying DS3 CLS Revenue from FMS USOCs	N/A	$10,000; $10,000; and $10,000
Billed FMS Revenue	$5,000,000; $5,000,000; and $5,000.000	
Billed FMS Revenue Allocation Percentage	34.21%	36.08%
Billed Qualifying Service Units (includes both Billed DS1 Units with Mileage and Billed DS1 Units without Mileage)	25,000; 25,000; and 25,000	1,100; 1,100; and 1,100

Scenario 1: DS1 ARPU would be calculated as follows:

Step 1: Total Billed Qualifying DS1 Service Revenue is $15,000,000 ($5,000,000 * 3).

Step 2: Billed FMS Revenue is $15,000,000 ($5,000,000 * 3).

Step 3: Billed FMS Revenue allocated to DS1 transport and multiplexing is $5,131,500 ($15,000,000 * 34.21%).

Step 4: Total DS1 Revenue is $20,131,500 ($15,000,000 + $5,131,500).

Step 5: DS1 Billed Units are 75,000 (25,000 * 3). (N)

Step 6: DS1 ARPU is $268.42 ($20,131,500/75,000).

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.66 Contract Tariff Option 65 (Cont'd) (N)

(G) Quarterly Review; Calculation and Payment of Billing Credits (Cont'd)

(1) (Cont'd)

(c) Calculation of Benchmark Average Revenues (Cont'd)

(iii) (Cont'd)

Scenario 2: DS3 CLS ARPU would be calculated as follows:

Step 1: Total Billed Qualifying DS3 CLS Service Revenue exclusive of amounts billed to FMS USOCs is $5,970,000 (($2,000,000 * 3) - $10,000 * 3).

Step 2: Billed FMS Revenue is $15,000,000 ($5,000,000 * 3).

Step 3: Billed FMS Revenue allocated to DS3 CLS transport and channel terminations is $5,412,000 ($15,000,000 * 36.08%).

Step 4: Total DS3 CLS Revenue is $11,382,000 ($5,970,000 + $5,412,000).

Step 5: DSL CLS Billed Units are 3,300 (1,100 * 3).

Step 6: DS3 CLS ARPU is $3,449.09 ($11,382,000 / 3,300).

(d) Calculation of Quarterly DS1 Flat Rate Credit

Customer will receive the applicable discounted flat rate pricing for all Billed DS1 Units with Mileage and all Billed DS1 Units without Mileage during each Quarter of each Plan Year of the Service Period. The Billed DS1 Units with Mileage and Billed DS1 Units without Mileage shall be billed on a monthly basis at the applicable tariff rates, and the Telephone Company shall provide the Quarterly DS1 Flat Rate Credit equal to the difference between the tariff rates and the pricing set forth herein: (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.66 Contract Tariff Option 65 (Cont'd) (N)

(G) Quarterly Review; Calculation and Payment of Billing Credits (Cont'd)

(1) (Cont'd)

(d) Calculation of Quarterly DS1 Flat Rate Credit (Cont'd)

(i) Example of Calculation of Quarterly DS1 Flat Rate Credit:

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

	Quarter 1 of Plan Year 3
DS1 ARPU	$268.42
Billed DS1 Units with Miles	18,000; 18,000; and 19,000
Average DS1 Mileage	15.00
Billed DS1 Units without Miles	7,000; 7,000; and 6,000
Total Billed Qualifying DS1 Service Revenue	$15,000,000

Based on the above assumptions:

Step 1: The Plan Year 3 flat rate for DS1 Units with Miles is $152.14 ($268.42 * 49.43% * 114.67%).

Step 2: The Plan Year 3 flat rate for DS1 Units without Miles is $132.68 ($268.42 * 49.43%).

Step 3: The total Billed DS1 Units with Miles for the Quarter are 55,000 (18,000 + 18,000 + 19,000).

Step 4: The total Billed DS1 Units without Miles for the Quarter are 20,000 (7,000 + 7,000 + 6,000).

Step 5: The Quarterly DS1 Flat Rate Credit due under this Option 65 equals $3,978,700 ($15,000,000 – ((20,000 * $132.68) + (55,000 * $152.14))). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.66 Contract Tariff Option 65 (Cont'd) (N)

(G) Quarterly Review; Calculation and Payment of Billing Credits (Cont'd)

(1) (Cont'd)

(e) Calculation of Quarterly DS3 CLF Flat Rate Credit

Customer will receive the applicable discounted flat rate pricing set forth in this Option 65 for all Billed DS3 CLF Units during each Quarter of each Plan Year of the Service Period. The Billed DS3 CLF Units shall be billed on a monthly basis at the applicable tariff rates, and the Telephone Company shall provide the Quarterly DS3 CLF Flat Rate Credit, which shall be a contra credit (i.e., debit) equal to the positive difference between the tariff rates and the pricing set forth herein.

(i) Example of Calculation of Quarterly DS3 CLF Billing Credit:

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

	Quarter 1 of Plan Year 3
DS3 CLS ARPU	$3,449.09
Billed DS3 CLF Units	1,000; 1,000; and 1,000
Total Billed Qualifying DS3 CLF Service Revenue	$3,000,000

Based on the above assumptions:

Step 1: The Plan Year 3 flat rate for DS3 CLF Units is $1,117.52 ($3,449.09 * 53.02% * 61.11%).

Step 2: The total Billed DS3 CLF Units for the Quarter are 3,000 (1,000 + 1,000 + 1,000).

Step 3: The Quarterly DS3 CLF Flat Rate Credit due under Option 65 equals ($352,560)($3,000,000 -(3,000 * $1,117.52)). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.66 Contract Tariff Option 65 (Cont'd) (N)

(G) Quarterly Review; Calculation and Payment of Billing Credits (Cont'd)

(1) (Cont'd)

(f) Calculation of Quarterly DS3 CLS Flat Rate Credit

Customer will receive the applicable discounted flat rate pricing set forth in this Option 65 for all Billed DS3 CLS Units during each Quarter of each Plan Year of the Service Period. The Billed DS3 CLS Units shall be billed on a monthly basis at the applicable tariff rates, and the Telephone Company shall provide the Quarterly DS3 CLS Flat Rate Credit, equal to the difference between the tariff rates and the pricing set forth herein.

(i) Example of Calculation of Quarterly DS3 CLS Billing Credit:

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

	Quarter 1 of Plan Year 3
DS3 CLS ARPU	$3,449.09
Billed DS3 CLS Units	400; 500; and 600
Total Billed Qualifying DS3 CLS Service Revenue	$4,350,000

Based on the above assumptions:

Step 1: The Plan Year 3 flat rate for DS3 CLS Units is $1,828.71 ($3,449.09 * 53.02%).

Step 2: The total Billed DS3 CLS Units for the Quarter are 1,500 (400 + 500 + 600).

Step 3: The Quarterly DS3 CLS Flat Rate Credit due under Option 65 equals $1,606,935 ($4,350,000 – (1,500 * $1,828.71)).

(g) Application of Billing Credits to CABS Bill

The Telephone Company shall provide the net Billing Credit for each Quarter on Customer's CABS billing by no later than sixty (60) days following the end of the applicable Quarter. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.66 Contract Tariff Option 65 (Cont'd) (N)

(G) Quarterly Review; Calculation and Payment of Billing Credits (Cont'd)

(1) (Cont'd)

(g) Application of Billing Credits to CABS Bill (Cont'd)

(i) Continuing the Examples Preceding in Calculating the net Billing Credit for Quarter 1 of Plan Year 3:

Based upon a Quarterly DS1 Flat Rate Credit of $3,978,700, a Quarterly DS3 CLF Flat Rate Credit of ($352,560), and a Quarterly DS3 CLS Flat Rate Credit of $1,606,935, in each case for Quarter 1 of Plan Year 3, the net Billing Credit for Quarter 1 of Plan Year 3 equals $5,233,075 ($3,978,700 - $352,560 + $1,606,935).

(h) Annual True Up

After the end of each Plan Year, the Telephone Company will perform a true-up to determine whether Customer qualified for any Billing Credits Customer received for that just-completed Plan Year based on Customer's overall annual performance under Option 65. If Customer's Billed Qualifying Service Revenues for the Plan Year just completed are less than the TDM Annual Revenue Commitment, then the Telephone Company will issue to Customer's applicable account(s) a debit equal to (i) the TDM Annual Revenue Commitment minus (ii) the aggregate Billed Qualifying Service Revenues for the just-completed Plan Year.

(H) Disputes

Notwithstanding any other provisions of this Option 65, the Telephone Company's calculation of the Billing Credits shall be subject to the following additional requirements (as well as other terms of this Option 65):

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

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.66 Contract Tariff Option 65 (Cont'd) (N)

(H) Disputes (Cont'd)

(2) 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 prior periods (regardless of whether such credits or debits were the result of a valid dispute by 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. For avoidance of doubt and as an illustrative example, assume that Customer had MRCs for DS1 Services which were billed in Quarter 1 of $4,000,000. Assume further that Customer disputed and did not pay $300,000 of such billed MRCs. Hence, in calculating the Quarterly DS1 Flat Rate Credit, the MRCs would be calculated as $3,700,000 ($4,000,000 - $300,000). Assume further that in Quarter 2, the Telephone Company and Customer agree that such billing was partially in error and that Customer should have received a credit of $200,000 for DS1 Services. Then, in Quarter 2, the Telephone Company shall not include such credit adjustment of $200,000 nor the subsequent debit of $100,000 for purposes of calculating Customer's Quarterly DS1 Flat Rate Credit in Quarter 2.

(3) To the extent that Customer has any disputes, then Customer must submit such disputes to the Telephone Company no later than the thirtieth (30th) 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 and amount under dispute the following: "Dispute Associated with 2014 Contract Tariff".

(4) 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.

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

(6) The Billing Credits as determined by the Telephone Company are not subject to dispute; provided, however, that the foregoing prohibition against disputes shall not be deemed (i) to preclude any debit issued pursuant to an annual true-up under (G)(1)(h) preceding, or (ii) to apply in a situation where the Telephone Company applies a Billing Credit that does not match the mutually agreed upon credit amount. For the avoidance of any doubt, the Telephone Company will not issue any Billing Credits until the applicable credit amount is agreed to by Customer.

(7) 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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.66 Contract Tariff Option 65 (Cont'd) (N)

(I) Access Planning Tools

Customer agrees to use commercially reasonable efforts to implement into its network access planning tools the flat rates for Service circuits provided under this Option 65. If such flat rates for such Services are not available to Customer, then Customer may remove such discounted pricing from its network access planning tools.

(J) Mergers and Acquisitions

In the event that after the effective date of Option 65, the Customer merges with another company, acquires a company or a portion of the business of another company which 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 Customer shall notify the Telephone Company prior to the closing of the Acquisition (the **Acquisition Closing Date**) and the Parties shall determine whether such Customer Acquired Properties shall be included in or excluded from Option 65 in accordance with (J)(1)-(6) following.

(1) For an Acquisition where the Acquired Customer DS1 Unit Percentage (as defined in (J)(3) following) is no more than two percent (2%), the Parties shall automatically include the Customer Acquired Properties in this Option 65 in accordance with (J)(5) 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 this Option 65 in accordance with (J)(5)(a) following.

(3) Determination of Acquired Customer DS1 Unit Percentage

Upon the Telephone Company's receipt of the Acquisition notice, the Telephone Company and the Customer will work cooperatively to determine whether the number of DS1 Units generated by the Customer Acquired Properties is less than or greater than two percent (2%) of the Existing Customer DS1 Unit Quantity (as defined in Step 1 following) using the steps shown following:

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

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.66 Contract Tariff Option 65 (Cont'd)

(N)

(J) Mergers and Acquisitions of Customer (Cont'd)

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

Step 2: Determine the total volume of DS1 Units (purchased from the Telephone Company) that the Customer Acquired Properties generated during the three (3) full calendar months prior to the Acquisition Closing Date. 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 preceding by the Existing Customer DS1 Unit Quantity determined in Step 1 preceding. The resulting percentage is the **Acquired Customer DS1 Unit Percentage.**

(4) Inclusion or Exclusion of Customer Acquired Properties

(a) If the Acquired Customer DS1 Unit Percentage is determined to be less than or equal to two percent (2%), then the Telephone Company shall make a pro-rata increase to Customer's TDM Annual Revenue Commitment and such increase, and application of the applicable Flat Rates, will be effective as of the later of (a) the Acquisition Closing Date if such Date occurs on the first (1st) day of a calendar month (or the first day of the calendar month following the Acquisition Closing Date if such Date occurs on a day other than the first (1st) day of a calendar month) and (b) the date specified by the Telephone Company, which shall be no later than the first (1st) day of the third (3rd) calendar month after the Acquisition Closing Date. The Telephone Company shall calculate such increase in the TDM Annual Revenue Commitment using the steps set forth in Section (J)(5) following.

(b) If the Acquired Customer DS1 Unit Percentage is greater than two percent (2%), Customer may notify the Telephone Company in writing if, in its sole discretion, it seeks to include the Customer Acquired Properties in this Option 65. The Telephone Company may, in its sole discretion, agree in writing to such inclusion based upon a number of interrelated factors, including by way of example (a) the amount by which the Acquired Customer DS1 Unit Percentage exceeds two percent (2%); (b) the amount of additional Billing Credits that would result from such inclusion; and (c) the impact on the TDM Annual Revenue Commitment. If the Telephone Company agrees in writing to such inclusion, then the Telephone Company shall increase Customer's applicable TDM Annual Revenue Commitment and such increase will be effective as of a mutually-agreed date no earlier than the first (1st) day of the first full month after the Acquisition Closing Date. Effective as of the Acquisition Closing Date, the Telephone Company will also apply the applicable Flat Rates. The Telephone Company shall calculate such increase in the TDM Annual Revenue Commitment using the steps set forth in Section (J)(5) following. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.66 Contract Tariff Option 65 (Cont'd) (N)

(J) Mergers and Acquisitions of Customer (Cont'd)

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

(c) The effective date upon which the Telephone Company is to adjust the TDM Annual Revenue Commitment and implement the Flat Rates for an Acquisition where the Acquired Customer DS1 Unit Percentage is less than or equal to two percent (2%) as described in (J)(4)(a) preceding, or for an Acquisition where the Acquired Customer DS1 Unit Percentage is greater than two percent (2%) as described in Section (J)(4)(b) preceding, and the Parties have agreed in writing to include the Customer Acquired Properties in this Option 65, shall be referred to herein as the **Property Adjustment Date.**

(d) 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 this Option 65 as described in Section (J)(4)(b) preceding, the following shall apply:

(i) The TDM Annual Revenue Commitment 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 65.

(iii) Customer may not combine or include any Qualifying Services (or revenues associated therewith) from the Customer's Acquired Properties for the purposes of this Option 65.

(iv) Customer's Billed Qualifying Service Units and Billed Qualifying Service Revenue shall be determined using Customer's business with Verizon using the Customer ACNAs provided under (C)(3) preceding, without adding the services and/or ACNAs attributable to expansion of Customer's purchase of services from the Telephone Company through the Acquisition.

(v) Without limiting any other right of the Telephone Company to terminate Option 65, if the Telephone Company determines that Customer has failed to comply with any of the provisions of this Section (J)(4)(d), the Telephone Company, pursuant to mutually agreed dispute resolution provisions, may pursue all remedies available to it at law, in equity, or otherwise, including, but not limited to, termination of this Option 65. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.66 Contract Tariff Option 65 (Cont'd) (N)

(J) Mergers and Acquisitions of Customer (Cont'd)

(5) Contract Tariff TDM Annual Revenue Commitment Adjustment

In the event the Customer Acquired Properties are included in this Option 65 pursuant to (J)(4) preceding, the Telephone Company shall adjust the TDM Annual Revenue Commitment set forth in Section (B)(28) preceding as follows.

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

Step 1A: Determine the Billed Qualifying Service Revenues generated by the Customer Acquired Properties during the three (3) full calendar months prior to the Acquisition Closing Date.

Step 2A: Divide the amount determined in Step 1A by three (3) to arrive at an average monthly revenue.

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

Step 4A: Add the amount resulting from Step 3A to the TDM Annual Revenue Commitment for the subject Plan Year to arrive at an adjusted TDM Annual Revenue Commitment for that Plan Year.

(b) For subsequent Plan Years:

Step 1B: Multiply the quarterly volume determined in Step 1A by four (4) to arrive at an annualized amount.

Step 2B: Add the amount resulting from Step 1B to the TDM Annual Revenue Commitment. The result of such addition is the adjusted TDM Annual Revenue Commitment for all Plan Years after the Plan Year in which the Property Adjustment Date occurred.

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 (J), and neither Party shall unreasonably withhold from the other Party any data that is necessary or reasonably required to achieve such intent. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.66 Contract Tariff Option 65 (Cont'd) (N)

(K) Sale of Verizon Operating Telephone Company

If some or all of the assets or stock of a Verizon Operating Telephone Company that provides 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 the TDM Annual Revenue Commitment.

Illustrative Example:

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

(1) The TDM Annual Revenue Commitment is $125,000,000.

(2) The Telephone Company sells Verizon New York to a third party at the end of month 8 of Plan Year 2.

(3) During the three month period prior to the sale, Verizon New York accounted for $6,000,000 in Billed Qualifying Service Revenue.

Based on the above assumptions:

(1) The average monthly Billed Qualifying Service Revenue for Verizon New York is $2,000,000 ($6,000,000 / 3).

(2) There are four (4) months remaining in Plan Year 2 (12 months – 8 months).

(3) The Plan Year 2 TDM Annual Revenue Commitment would be reduced by $8,000,000 ($2,000,000 * 4).

(4) The TDM Annual Revenue Commitment for the remaining Plan Year will be reduced by the $24,000,000 annualized Billed Qualifying Service Revenue in Verizon New York ($2,000,000 * 12) resulting in a revised TDM Annual Revenue Commitment of $101,000,000 ($125,000,000 - $24,000,000). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.66 Contract Tariff Option 65 (Cont'd) (N)

(L) Termination of Plan

The customer may terminate its subscription to this Option 65 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. Termination of the customer's subscription to this Option 65 shall be an automatic termination of the customer's subscription to Option 65 of FCC 11 (x) and Option 34 of FCC 14. (x)

If the Customer terminates or cancels its subscription to this Option 65 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, 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 65, Option 65 of FCC 11, and Option 34 of FCC 14 through (x) the date of termination.

Month of Termination/ Non-Compliance	Termination Percentage
1-12	100%
13-24	60%
25-36	40%

Additionally, the Customer will not receive any Billing Credits after receipt of notice of termination.

(M) Suspension of True-Ups During Service Period

During the Service Period of Option 65, the Parties agree to suspend the true-up requirements for the Services provided under this tariff, FCC 11 and FCC 14, including any shortfall payments or (x) 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, (x) Section 5.6.14(G)-(I)). Upon termination of Option 65 for any (x) reason, the true-up process will be re-activated for the underlying Existing Plans. (N)

(x) Issued under authority of Special Permission No. 14-003 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.67 Contract Tariff Option 66 (N)

(A) Scope

Contract Tariff Option 66 (**Option 66**) provides a customer with certain Billing Credits (as defined following) on certain services offered by the Telephone Company when the customer satisfies the criteria as set forth in this Option 66.

(B) Specific Terms

Unless otherwise defined in this Section 21.67, the following terms are used in this Option 66:

(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. 11 (FCC (x) 11), Tariff FCC No. 14 (FCC 14), and Tariff FCC No. 16 (FCC 16) (x) with respect to any of the services covered by this Option 66.

(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 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 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) **Delayed Billing Grace Period** shall mean the sixty (60) day period immediately following the end of each Plan Year. (N)

(x) Issued under authority of Special Permission No. 14-009 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.67 Contract Tariff Option 66 (Cont'd)
(B) Specific Terms (Cont'd)

(9) **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. (N)

(10) **Delayed Billing Preceding Plan Year** shall mean the Plan Year immediately preceding the Delayed Billing Grace Period.

(11) **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.

(12) **Plan Year** shall mean each of the following periods during the Service Period: (1) Plan Year 1 shall commence on August 1, 2014 and end on July 31, 2015; (2) Plan Year 2 shall commence on August 1, 2015 and end on July 31, 2016; (3) Plan Year 3 shall commence on August 1, 2016 and end on July 31, 2017.

(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.

(15) **Qualifying TDM Services Annual Revenue Commitment** shall mean the annual minimum required Billed Qualifying TDM Service Revenue and shall be equal to $19.0M.

(16) **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 66, 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 66.

(17) **Regulatory Termination** shall mean the termination or withdrawal of this Option 66, Option 66 of FCC 11 and Option 35 of FCC 14 as a result of a Regulatory Change as defined in Section (B)(17) preceding. (x)
(N)

(x) Issued under authority of Special Permission No. 14-009 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.67 Contract Tariff Option 66 (Cont'd)
(B) Specific Terms (Cont'd)

(18) **Service Period** shall have the meaning set forth in Section (D) following. (N)

(19) **Special Access DS1 Services** shall mean DS1 Service of 1.544 Mbps bandwidth, as described in Section 7.2.9 of this tariff, FCC 11 (Section 7.2.9), FCC 14 (Section 5.3.6) and FCC 16 (Section 7.11.1), but shall not include MetroLAN service. (x)

(20) **Special Access DS3 CLF Services** shall mean DS3 Service of 44.736 Mbps bandwidth, as described in Section 7.2.9 of this tariff, FCC 11 (Section 7.2.9), FCC 14 (Section 5.3.6) 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). (x)

(21) **Special Access DS3 CLS Services** shall mean DS3 Service of 44.736 Mbps bandwidth, as described in Section 7.2.9 of this tariff, FCC 11 (Section 7.2.9), FCC 14 (Section 5.3.6) 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. (x) (N)

(x) Issued under authority of Special Permission No. 14-009 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.67 Contract Tariff Option 66 (Cont'd)

(C) Eligibility (N)

The customer must meet all of the following criteria in order to be eligible to receive the rates, terms, and other benefits of this Option 66. 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), 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) As of August 1, 2014, the customer must:

(a) have billed a minimum of $24.0M of Billed Qualifying TDM Service Revenue for the twelve (12) months immediately prior to August 1, 2014; and

(b) be subscribed to the Commitment Discount Plan (Section 25.1 of this tariff and FCC 11, Section 25.1), and the DS1 Term Volume (x)
Plan (FCC 14, Section 5.6.14(G)) (collectively, **Existing Plans**) (x)
and the Term Payment Plan (TPP) (FCC 16, Section 7.2.1(G)); and (x)

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

(2) Except for Existing Plans and the TPP, customer may not concurrently subscribe to, or within three (3) years prior to August 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 66, and such subscription shall be considered a termination by customer of this Option 66, subject to Section (L) following.

(3) The customer must subscribe to this Option 66 in a manner designated by the Telephone Company during the thirty (30) day period beginning August 1, 2014 and ending August 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 66. Subscription to this Option 66 shall be an automatic subscription
to Option 66 of FCC 11 and Option 35 of FCC 14. (x)

(D) Service Period

The Service Period of this Option 66 shall commence on August 1, 2014 and end on July 31, 2017, unless this Option 66 is earlier terminated. (N)

(x) Issued under authority of Special Permission No. 14-009 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.67 Contract Tariff Option 66 (Cont'd)

(E) Serving Area (N)

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, FCC 11, or FCC 14. (x) Wire centers for the Phase II MSAs are listed in Section 14.7 preceding of this tariff, Section 15.3 of FCC 11, and Section 19.1 of FCC 14. (x) Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 14.7 preceding of this tariff, Section 15.3 of FCC 11, and (x) Section 19.1 of FCC 14) (x) that occur during the Service Period will apply. No Billing Credits will be provided in the operating territories of FCC 16. (x)

(F) Qualifying Monthly Recurring Charges

Subject to the exclusions set forth following as well as all other terms of this Option 66 (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 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 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, 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; (N)

(x) Issued under authority of Special Permission No. 14-009 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.67 Contract Tariff Option 66 (Cont'd)
(F) Qualifying Monthly Recurring Charges (Cont'd) (N)

(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.

(G) Annual Review; Billing Credits

The Telephone Company shall determine Billing Credits as follows:

(1) Plan Year 1

(a) By October 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 $19.7M, the Telephone Company shall apply a Billing Credit of $200K to customer's CABS billing by no later than ninety (90) days following the end of Plan Year 1.

(c) If the customer's Billed Qualifying TDM Service Revenue is less than $19.0M for Plan Year 1, Option 66 shall immediately terminate, and the true-up process will be re-activated for Existing Plans.

(2) Plan Year 2

(a) By October 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 $19.7M, the Telephone Company shall apply a Billing Credit of $200K to customer's CABS billing by no later than ninety (90) days following the end of Plan Year 2.

(c) If the customer's Billed Qualifying TDM Service Revenue is less than $19.0M for Plan Year 2, Option 66 shall immediately terminate, and the true-up process will be re-activated for Existing Plans.

(3) Plan Year 3

(a) By October 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 $19.7M, the Telephone Company shall apply a Billing Credit of $200K to customer's CABS billing by no later than ninety (90) days following the end of Plan Year 3. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.67 Contract Tariff Option 66 (Cont'd)
(G) Annual Review; Billing Credits (Cont'd) (N)
(3) Plan Year 3 (Cont'd)

(c) If the customer's Billed Qualifying TDM Service Revenue is equal to or greater than $19.0M, 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 this tariff and FCC11) and the (x) Term Volume Plan (Section 5.6.14(F) of FCC14). (x)

(H) Disputes

Notwithstanding any other provisions of this Option 66 and except as otherwise provided in FCC 16, the Telephone Company's (x) 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 66):

(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 66 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 66 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. (N)

(x) Issued under authority of Special Permission No. 14-009 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.67 Contract Tariff Option 66 (Cont'd) (N)

(I) Delayed Billing

(1) If, during a period of sixty (60) days after the end of an applicable Plan Year (**Delayed Billing Grace Period**), customer identifies amounts billed during that 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 (**Delayed Billing Preceding Plan Year**) of the Service Period, then customer, no later than the end of the Delayed Billing Grace Period, may request in writing that the Telephone Company treat such amounts as Billed Qualifying TDM Service Revenue for the Delayed Billing Preceding Plan Year. For the avoidance of doubt, an amount may qualify for treatment as Delayed Billing Revenue as described in this Section (I)(1) only if the amount would have qualified as Billed Qualifying TDM Service Revenue if it had been billed on a timely basis.

(2) The Telephone Company will verify customer's request and include in the Plan Year calculation of the Billed Qualifying TDM Service Revenue for the Delayed Billing Preceding Plan Year any amounts verified as meeting the definition of Delayed Billing Revenue. Any Delayed Billing Revenue used for purposes of calculating the Billed Qualifying TDM Service Revenue for Plan Year shall not be used for purposes of calculating the Plan Year Billed Qualifying TDM Service Revenue for any subsequent Plan Year, nor may it be used to reopen the Billing Credit calculation for any Plan Year prior to the Delayed Billing Preceding Plan Year.

(3) If customer wishes to have any Delayed Billing Revenue used for purposes of the Billed Qualifying TDM Service Revenue calculation under Section (G) preceding, customer must, within the Delayed Billing Grace Period during which the Delayed Billing Revenue was billed, submit a written request for inclusion of the Delayed Billing Revenue in the calculation of the Billed Qualifying TDM Service Revenue for the Delayed Billing Preceding Plan Year. Subject to Section (I)(4) following, if customer does not claim the Delayed Billing Revenue in a written request to the Telephone Company during the Delayed Billing Grace Period in which the Delayed Billing Revenue was billed, then customer may not later request that the Delayed Billing Revenue be used for purposes of calculating any Plan Year Billing Credit. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.67 Contract Tariff Option 66 (Cont'd) (N)

(J) Remedial Billing Credits and Related Provisions

(1) In the event that (a) customer disputes charges that it believes were improperly billed for Qualifying TDM Services, (b) any such Disputed Amounts were included as Billed Qualifying TDM Service Revenue for purposes of calculating a Billing Credit under this Option 66, and (c) the Telephone Company resolves all or a portion of the dispute in favor of customer before the end of Plan Year 3, then any credit issued by the Telephone Company to remedy the dispute (**Remedial Billing Credit**) prior to the end of Plan Year 3 shall be included as an offset to Billed Qualifying TDM Service Revenue for the purposes of calculating the Billing Credit for the Plan Year in which such Remedial Billing Credit is issued by the Telephone Company.

(2) In the event that (a) customer disputes charges that it believes were improperly billed for Qualifying TDM Services, (b) any such Disputed Amounts were included as Billed Qualifying TDM Service Revenue for purposes of calculating a Billing Credit under this Option 66, and (c) the Telephone Company resolves all or a portion of the dispute in favor of customer after the end of Plan Year 3, then any Remedial Billing Credit issued by the Telephone Company to remedy the dispute after the end of Plan Year 3 shall be included as an offset to Billed Qualifying TDM Service Revenue for Plan Year 3 for a final revenue adjustment. To the extent such final revenue adjustment produces a change in the Billing Credit, then (a) if the Telephone Company has not yet issued a Billing Credit for the last Plan Year of Option 66, then the Telephone Company shall take account of the final revenue adjustment for purposes of the Billing Credit for Plan Year 3, and (b) if the Telephone Company has already issued the Billing Credit for Plan Year 3, then the Telephone Company will issue an adjustment in an amount necessary to reflect recalculation of the Billing Credit for Plan Year 3 to take account of the final revenue adjustment.

(3) Once a Billing Credit is issued by the Telephone Company, customer may not thereafter dispute such Billing Credit regardless of the outcome of any Disputed Amounts; provided, however, that, for the avoidance of any doubt, the foregoing prohibition against disputes by customer shall not be deemed (a) to preclude any adjustments by the Telephone Company to take account of Remedial Billing Credits as described in Sections (J)(1) and (J)(2) preceding or (b) to preclude customer from disputing the amount of a Billing Credit in any case where the Telephone Company applies a Billing Credit that does not match the mutually agreed upon amount of the Billing Credit. The Telephone Company will not issue any Billing Credit until the applicable Billing Credit amount is agreed to by customer.

(4) In no event shall the Telephone Company be subject to any late payment, interest, or penalty with respect to any Billing Credit. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.67 Contract Tariff Option 66 (Cont'd)

(K) Mergers and Acquisitions of Customer (N)

If, after August 1, 2014, the customer merges with another company, acquires a company or a portion of the business of another company (including, by way of example, any ACNA(s) not provided under Section (C)(3) preceding)(the company with which customer merges and the company or portion of the business thereof that customer acquires (including, by way of example, any ACNA(s) not provided under Section (C)(3) preceding) 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 customer shall notify the Telephone Company in writing (the **Acquisition Notice)** prior to the closing date of the Acquisition (the **Acquisition Closing Date**), and the customer and the Telephone Company shall determine whether such Customer Acquired Properties shall be included in or excluded from Option 66.

(L) Sale of Verizon Operating Telephone Company

If some or all of the assets or stock of a Verizon Operating Telephone Company that provides 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 the TDM Services Annual Revenue Commitment.

Illustrative Example:

Assume the following information for Plan Year 2:

(1) The Qualifying TDM Services Annual Revenue Commitment is $19.0M.
(2) The Telephone Company sells Verizon New York to a third party at the end of month 8 of Plan Year 2.
(3) During the three month period prior to the sale, Verizon New York accounted for $3.0M in Billed Qualifying TDM Service Revenue.

Based on the above assumptions:

(1) The average monthly Billed Qualifying TDM Service Revenue for Verizon New York is $1.0M ($3.0M / 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 $4.0M ($1.0M * 4).
(4) The adjusted Qualifying TDM Services Annual Revenue Commitment for Plan Year 2 is $15.0M ($19.0M – $4.0M).
(5) The Qualifying TDM Services Annual Revenue Commitment for Plan Year 3 will be reduced by the $12.0M ($1.0M * 12), resulting in a revised Qualifying TDM Services Annual Revenue Commitment of $7.0M ($19.0M - $12.0M). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.67 Contract Tariff Option 66 (Cont'd) (N)

(M) Termination of Option 66

(1) Subject to the terms set forth in this Section (M), customer may terminate this Option 66 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 66. Termination of less than all of the Contract Tariffs (i.e., terminations of the contract option under this tariff or FCC 11 or FCC 14 only) shall be deemed to be an automatic termination of all Contract Tariffs. If customer terminates or cancels this Option 66 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 66 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. (x)

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 66 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 August 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. (N)

(x) Issued under authority of Special Permission No. 14-009 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.67 Contract Tariff Option 66 (Cont'd) (N)

(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 (x) the DS1 Term Volume Plan (FCC 14, Section 5.6.14(G)-(I)). Upon (x) termination of Option 66 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 66 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. (N)

(x) Issued under authority of Special Permission No. 14-009 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.68 Contract Tariff Option 67 (N)

(A) Scope

Contract Tariff Option 67 (**Option 67**) 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 67.

(B) Specific Terms

Unless otherwise defined in this Section 21.68, the following terms are used in this Option 67:

(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. 11 (FCC (x)
11), and Tariff FCC No. 14 (FCC 14) with respect to any of the (x)
services covered by this Option 67.

(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 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 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. (N)

(x) Issued under authority of Special Permission No. 14-010 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.68 Contract Tariff Option 67 (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. (N)

(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 67, 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 67.

(18) **Regulatory Termination** shall mean the termination or withdrawal of this Option 67, Option 67 of FCC 11 and Option 36 of FCC 14 as a result of a Regulatory Change as defined in Section (B)(16) preceding. (x) (N)

(x) Issued under authority of Special Permission No. 14-010 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.68 Contract Tariff Option 67 (Cont'd)

(B) Specific Terms (Cont'd)

(19) **Service Period** shall have the meaning set forth in Section (D) following. (N)

(20) **Special Access DS1 Services** shall mean DS1 Service of 1.544 Mbps bandwidth, as described in Section 7.2.9 of this tariff, FCC 11 (Section 7.2.9), FCC 14 (Section 5.3.6) and Tariff FCC No. 16 (FCC 16) (Section 7.11.1), but shall not include MetroLAN service. (x)

(21) **Special Access DS3 CLF Services** shall mean DS3 Service of 44.736 Mbps bandwidth, as described in Section 7.2.9 of this tariff, FCC 11 (Section 7.2.9), FCC 14 (Section 5.3.6) 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). (x)

(22) **Special Access DS3 CLS Services** shall mean DS3 Service of 44.736 Mbps bandwidth, as described in Section 7.2.9 of this tariff, FCC 11 (Section 7.2.9), FCC 14 (Section 5.3.6) 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. (x)

 (N)

(x) Issued under authority of Special Permission No. 14-010 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.68 Contract Tariff Option 67 (Cont'd)

(C) Eligibility (N)

The customer must meet all of the following criteria in order to be eligible to receive the rates, terms, and conditions of this Option 67. 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).

(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 Commitment Discount Plan (Section 25.1 of this tariff and FCC 11, Section 25.1), and the DS1 Term Volume (x) Plan (FCC 14, Section 5.6.14(G)) (collectively, **Existing Plans**); (x) and (x)

(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 67, and such subscription shall be considered a termination by customer of this Option 67, subject to Section (L) following.

(3) The customer must subscribe to this Option 67 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 67. Subscription to this Option 67 shall be an automatic subscription to Option 67 of FCC 11 and Option 36 of FCC 14. (x)

(D) Service Period

The Service Period of this Option 67 shall commence on October 1, 2014 and end on September 30, 2017, unless this Option 67 is earlier terminated. (N)

(x) Issued under authority of Special Permission No. 14-010 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.68 Contract Tariff Option 67 (Cont'd)

(E) Serving Area (N)

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 11, or FCC (x) 14. Wire centers for the Phase II MSAs are listed in Section 14.7 (x) preceding of this tariff, Section 15.3 of FCC 11, and Section 19.1 (x) 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 Section 14.7 preceding of this tariff, Section 15.3 of FCC 11, and Section 19.1 of FCC 14) that occur during the Service (x) Period will apply. No Billing Credits and no Buy-Up Amount will be provided in the operating territories of FCC 16. (x)

(F) Qualifying Monthly Recurring Charges

Subject to the exclusions set forth following as well as all other terms of this Option 67 (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; (N)

(x) Issued under authority of Special Permission No. 14-010 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.68 Contract Tariff Option 67 (Cont'd)
(F) Qualifying Monthly Recurring Charges (Cont'd) (N)

(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.

(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 67 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 67 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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.68 Contract Tariff Option 67 (Cont'd)
(G) Annual Review; Billing Credits (Cont'd) (N)
(3) Plan Year 3 (Cont'd)

(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 this tariff and FCC11) and the Term Volume Plan (Section (x) 5.6.14(F) of FCC14). (x)

(H) Disputes

Notwithstanding any other provisions of this Option 67 and except as otherwise provided in FCC 16, the Telephone Company's (x) 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 67):

(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 (60^{th}) day following the applicable Plan Year.

(2) If any portion of an amount invoiced to customer under this Option 67 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 67 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. (N)

(x) Issued under authority of Special Permission No. 14-010 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.68 Contract Tariff Option 67 (Cont'd) (N)

(I) Delayed Billing

(1) If, during a period of sixty (60) days after the end of an applicable Plan Year (**Delayed Billing Grace Period**), customer identifies amounts billed during that 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 (**Delayed Billing Preceding Plan Year**) of the Service Period, then customer, no later than the end of the Delayed Billing Grace Period, may request in writing that the Telephone Company treat such amounts as Billed Qualifying TDM Service Revenue for the Delayed Billing Preceding Plan Year. For the avoidance of doubt, an amount may qualify for treatment as Delayed Billing Revenue as described in this Section (I)(1) only if the amount would have qualified as Billed Qualifying TDM Service Revenue if it had been billed on a timely basis.

(2) The Telephone Company will verify customer's request and include in the Plan Year calculation of the Billed Qualifying TDM Service Revenue for the Delayed Billing Preceding Plan Year any amounts verified as meeting the definition of Delayed Billing Revenue. Any Delayed Billing Revenue used for purposes of calculating the Billed Qualifying TDM Service Revenue for Plan Year shall not be used for purposes of calculating the Plan Year Billed Qualifying TDM Service Revenue for any subsequent Plan Year, nor may it be used to reopen the Billing Credit calculation for any Plan Year prior to the Delayed Billing Preceding Plan Year.

(3) If customer wishes to have any Delayed Billing Revenue used for purposes of the Billed Qualifying TDM Service Revenue calculation under Section (G) preceding, customer must, within the Delayed Billing Grace Period during which the Delayed Billing Revenue was billed, submit a written request for inclusion of the Delayed Billing Revenue in the calculation of the Billed Qualifying TDM Service Revenue for the Delayed Billing Preceding Plan Year. Subject to Section (I)(4) following, if customer does not claim the Delayed Billing Revenue in a written request to the Telephone Company during the Delayed Billing Grace Period in which the Delayed Billing Revenue was billed, then customer may not later request that the Delayed Billing Revenue be used for purposes of calculating any Plan Year Billing Credit. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.68 Contract Tariff Option 67 (Cont'd) (N)

(J) Remedial Billing Credits and Related Provisions

(1) In the event that (a) customer disputes charges that it believes were improperly billed for Qualifying TDM Services, (b) any such Disputed Amounts were included as Billed Qualifying TDM Service Revenue for purposes of calculating a Billing Credit under this Option 67, and (c) the Telephone Company resolves all or a portion of the dispute in favor of customer before the end of Plan Year 3, then any credit issued by the Telephone Company to remedy the dispute (**Remedial Billing Credit**) prior to the end of Plan Year 3 shall be included as an offset to Billed Qualifying TDM Service Revenue for the purposes of calculating the Billing Credit for the Plan Year in which such Remedial Billing Credit is issued by the Telephone Company.

(2) In the event that (a) customer disputes charges that it believes were improperly billed for Qualifying TDM Services, (b) any such Disputed Amounts were included as Billed Qualifying TDM Service Revenue for purposes of calculating a Billing Credit under this Option 67, and (c) the Telephone Company resolves all or a portion of the dispute in favor of customer after the end of Plan Year 3, then any Remedial Billing Credit issued by the Telephone Company to remedy the dispute after the end of Plan Year 3 shall be included as an offset to Billed Qualifying TDM Service Revenue for Plan Year 3 for a final revenue adjustment. To the extent such final revenue adjustment produces a change in the Billing Credit, then (a) if the Telephone Company has not yet issued a Billing Credit for the last Plan Year of Option 67, then the Telephone Company shall take account of the final revenue adjustment for purposes of the Billing Credit for Plan Year 3, and (b) if the Telephone Company has already issued the Billing Credit for Plan Year 3, then the Telephone Company will issue an adjustment in an amount necessary to reflect recalculation of the Billing Credit for Plan Year 3 to take account of the final revenue adjustment.

(3) Once a Billing Credit is issued by the Telephone Company, customer may not thereafter dispute such Billing Credit regardless of the outcome of any Disputed Amounts; provided, however, that, for the avoidance of any doubt, the foregoing prohibition against disputes by customer shall not be deemed (a) to preclude any adjustments by the Telephone Company to take account of Remedial Billing Credits as described in Sections (J)(1) and (J)(2) preceding or (b) to preclude customer from disputing the amount of a Billing Credit in any case where the Telephone Company applies a Billing Credit that does not match the mutually agreed upon amount of the Billing Credit. The Telephone Company will not issue any Billing Credit until the applicable Billing Credit amount is agreed to by customer.

(4) In no event shall the Telephone Company be subject to any late payment, interest, or penalty with respect to any Billing Credit. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.68 Contract Tariff Option 67 (Cont'd)

(K) Mergers and Acquisitions of Customer (N)

If, after October 1, 2014, the customer merges with another company, acquires a company or a portion of the business of another company (including, by way of example, any ACNA(s) not provided under Section (C)(3) preceding)(the company with which customer merges and the company or portion of the business thereof that customer acquires (including, by way of example, any ACNA(s) not provided under Section (C)(3) preceding) 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 customer shall notify the Telephone Company in writing (the **Acquisition Notice)** prior to the closing date of the Acquisition (the **Acquisition Closing Date**), and the customer and the Telephone Company shall determine whether such Customer Acquired Properties shall be included in or excluded from Option 67.

(L) Sale of Verizon Operating Telephone Company

If some or all of the assets or stock of a Verizon Operating Telephone Company that provides Qualifying TDM 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 the Qualifying TDM Services Annual Revenue Commitment.

Illustrative Example:

Assume the following information for Plan Year 2:

(1) The Qualifying TDM Services Annual Revenue Commitment is $14.0M.
(2) The Telephone Company sells Verizon New York to a third party at the end of month 8 of Plan Year 2.
(3) During the three month period prior to the sale, Verizon New York accounted for $3.0M in Billed Qualifying TDM Service Revenue.

Based on the above assumptions:

(1) The average monthly Billed Qualifying TDM Service Revenue for Verizon New York is $1.0M ($3.0M / 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 $4.0M ($1.0M * 4).
(4) The adjusted Qualifying TDM Services Annual Revenue Commitment for Plan Year 2 is $10.0M ($14.0M – $4.0M).
(5) The Qualifying TDM Services Annual Revenue Commitment for Plan Year 3 will be reduced by the $12.0M ($1.0M * 12), resulting in a revised Qualifying TDM Services Annual Revenue Commitment of $2.0M ($14.0M - $12.0M). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.68 Contract Tariff Option 67 (Cont'd) (N)

(M) Termination of Option 67

(1) Subject to the terms set forth in this Section (M), customer may terminate this Option 67 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 67. Termination of less than all of the Contract Tariffs (i.e., terminations of the contract option under this tariff or FCC 11 or FCC 14 only) shall be deemed to be an automatic termination of all Contract Tariffs. If customer terminates or cancels this Option 67 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 67 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. (x)

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 67 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 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. (N)

(x) Issued under authority of Special Permission No. 14-010 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.68 Contract Tariff Option 67 (Cont'd) (N)

(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 (x) the DS1 Term Volume Plan (FCC 14, Section 5.6.14(G)-(I)). Upon (x) termination of Option 67 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 67 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. (N)

(x) Issued under authority of Special Permission No. 14-010 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.69 Contract Tariff Option 68 (N)

(A) Scope

Contract Tariff Option 68 (**Option 68**) provides Billing Credits on certain services.

(B) Specific Terms

Unless otherwise defined in this Section 21.69, the following terms are used in this Option 68:

(1) **Affiliate** shall mean an individual, partnership, association, joint-stock company, trust, or corporation that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, Customer. For purposes of this paragraph, the term "own" means to own an equity interest (or the equivalent thereof) of more than 10 percent.

(2) **Baseline DS1 Average Mileage** shall mean DS1 Average Mileage of 4.8 miles.

(3) **Reserved**

(4) **Billing Credits** shall mean, collectively, the Price Flex Base Credit, the SPA DS1 Flat Rate Credit, the TDM Shortfall Credit, and the One-Time DS1 Performance Credit.

(5) **Disputed Charges** 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.

(6) **DS1 Average Mileage** shall mean the total DS1 Mileage billed to Customer for a given time period divided by the DS1 Billed Units with charges for DS1 Mileage for that same time period.

(7) **DS1 Billed Revenues** shall mean Qualifying Monthly Recurring Charges billed to Customer, under the ACNAs included with the Customer's subscription to this Option 68 for Special Access DS1 Services of 1.544 Mbps bandwidth as described in Section 7.2.9 of this tariff, Section 7.2.9 of Telephone Company FCC Tariff No. 11 (x)
(**FCC 11**), Section 5.3.6 of Telephone Company FCC Tariff No. 14 (x)
(**FCC 14**), and Section 7.11.1 of Telephone Company FCC Tariff No. (x)
16 (**FCC 16**) with respect to a particular time period for purposes (x)
of determining whether Customer qualified for a Price Flex Base Credit and calculating any such credit earned and for purposes of calculating any SPA DS1 Flat Rate Credit that Customer may earn. (N)

(x) Issued under authority of Special Permission No. 15-001 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.69 Contract Tariff Option 68 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(8) **DS1 Billed Unit** shall mean, with respect to each month during the Service Period, a DS1 Unit for which the Telephone Company billed Qualifying Monthly Recurring Charges to Customer under the ACNAs included with the Customer's subscription to this Option 68 for that month.

(9) **DS1 Mileage** shall mean the channel mileage for DS1 Services (as described in Section 7.1.2(B) of this tariff and Section 7.1.2(B) (x) of FCC 11), special transport for DS1 Services (as described in (x) Section 5.1.1(B) of FCC 14), and circuit mileage for DS1 Services (x) (as described in Section 7.2.1(B) of FCC 16). (x)

(10) **DS1 Unit** shall mean Special Access DS1 Services that meet the following definitions: (i) a DS1 "Channel Termination" as defined in Section 7.1.2(A) of this tariff, (ii) a DS1 "Channel Termination" as defined in FCC 11, Section 7.1.2(A), (iii) a DS1 (x) "Special Access Line" as defined in FCC 14, Section 5.1.1(C), (x) (iv) a DS1 "Circuit Termination" as defined in FCC 16, Section (x) 7.2.1(A), (v) a DS1 to Voice "Central Office Multiplexing" as (x) defined in Section 7.2.9(D)(3)(c) of this tariff, (vi) a DS1 to Voice "Central Office Multiplexing BSE" as defined in FCC 11, (x) Section 7.2.9(D)(3)(c) and (d), (vii) a DS1 to Voice (x) "Multiplexing Arrangement" as defined in FCC 14, Section 5.5(D), (x) and (viii) a DS1 to Voice "Central Office Multiplexing" as defined in FCC 16, Section 7.11.4(3)(e). (x)

(11) **Effective Date** and the start of the Service Period shall be April 1, 2015, provided 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.

(12) **Plan Year** shall mean each of the following periods during the Service Period: (1) Plan Year 1 shall commence on April 1, 2015 and end on June 30, 2015; (2) Plan Year 2 shall commence on July 1, 2015 and end on June 30, 2016; and (3) Plan Year 3 shall commence on July 1, 2016 and end on June 30, 2017.

(13) **Quarter** shall mean either of the following periods, as applicable: (i) the first (1^{st}) 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 (with Plan Year 1 having only two Quarters as indicated under the definition of "Plan Year" preceding). (N)

(x) Issued under authority of Special Permission No. 15-001 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.69 Contract Tariff Option 68 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(14) **Qualifying TDM Base Credit Revenues** shall mean Qualifying Monthly Recurring Charges, as defined in Section (F) following, billed to Customer under the ACNAs provided to the Telephone Company under Section (C) following, for Qualifying TDM Base Credit Services under this tariff and FCC 11, FCC 14 and FCC 16, with respect to a particular time period for purposes of determining whether Customer qualifies for the Price Flex Base Credit and calculating any such credit earned. (x)

(15) **Qualifying TDM Base Credit Services** shall mean Special Access Voice Grade Services, Special Access DDS Services, Special Access DS1 Services, Special Access DS3 Services, and SwA Direct Trunked Transport Services.

(16) **Service Period** shall have the meaning set forth in Section (D) following.

(17) **Special Access Voice Grade Services** shall mean Voice Grade Services as described in Section 7.2.3 of this tariff, Section 7.2.3 of FCC 11, Section 5.2.1 of FCC 14 and Section 7.5 of FCC 16. (x)

(18) **Special Access DDS Services** shall mean Digital Data Services as described in Section 7.2.8 of this tariff, Sections 7.2.8 and 7.2.11 of FCC 11, Section 5.2.9 of FCC 14, and Section 7.10 of FCC 16. (x)

(19) **Special Access DS1 Services** shall mean DS1 Services of 1.544 Mbps bandwidth, as described in Section 7.2.9 of this tariff, Section 7.2.9 of FCC 11, Section 5.3.6 of FCC 14, and Section 7.11.1 of FCC 16. (x)

(20) **Special Access DS3 Services** shall mean DS3 Services of 44.736 Mbps bandwidth, as described in Section 7.2.9 of this tariff, Section 7.2.9 of FCC 11, Section 5.3.6 of FCC 14, and Section 7.11.1 of FCC 16. (x)

(21) **SwA Direct Trunked Transport Services** shall mean transport services as described in Section 6.1.2(A)(2) of this tariff, Section 6.1.3(A) of FCC 11, Section 4.2.3(C) of FCC 14, and Section 6.5.2(C) of FCC 16. (N)(x)

(x) Issued under authority of Special Permission No. 15-001 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.69 Contract Tariff Option 68 (Cont'd)
(C) Eligibility for Benefits (N)

Customer must meet all of the following criteria in order to be eligible for Option 68. In this Option 68, 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).

(1) The customer must subscribe to Option 68 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 68. Subscription to Option 68 shall be an automatic subscription to Option 68 of FCC 11 and (x) Option 37 of FCC 14. (x)

(2) For the full calendar month prior to the Effective Date, the customer must have achieved a minimum of $10M in aggregate monthly billed recurring charges for Special Access Voice Grade Services, Special Access DDS Services, Special Access DS1 Services, and Special Access DS3 Services purchased by customer from Telephone Company (**Eligibility Minimum Monthly Revenue**).

(3) The percentage of revenues included in Eligibility Minimum Monthly Revenue billed to a subsidiary or Affiliate of the customer that is a provider of mobile wireless telecommunications services must be no more than fifty percent (50%).

(4) Customer must be concurrently subscribed as of the Effective Date to one or more of, and must remain concurrently subscribed during the Service Period, to one or more of, the following plans or their equivalents if these plans cease to be offered under the applicable tariffs: the Commitment Discount Plan (**CDP**) (Section 25.1 of this tariff and FCC 11); the National (x) Discount Plan (**NDP**) (Section 25.3 of this tariff, Section 25.2 (x) of FCC 11, Section 23.1 of FCC 14, and Section 22.1 of FCC 16); (x) Term Pricing Plan (**TPP**) (Section 7.4.17 of this tariff and (x) Section 7.2.1(G) of FCC 16); and Term Volume Plan (**TVP**) (Section (x) 5.6.14 of FCC 14)(**Existing Plans**). For the avoidance of any (x) doubt, at any time during the Service Period, Customer may elect to terminate its subscription to any of the Existing Plans and subscribe to a different Existing Plan.

(5) Customer may not be subscribed, at any time during the Service Period, to any other contract tariff option contained in this tariff or in FCC 11 or FCC 14. Any contract tariff options to (x) which customer is subscribed immediately prior to the Effective Date under this tariff, FCC 11 or FCC 14 shall be deemed (x) terminated as of the day that is one day prior to the Effective Date, with no further action by either the customer or the Telephone Company to effectuate such termination. (N)

(x) Issued under authority of Special Permission No. 15-001 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.69 Contract Tariff Option 68 (Cont'd) (N)

(C) Eligibility for Benefits (Cont'd)

(6) During the Service Period, in order to receive any Price Flex Base Credits, SPA DS1 Flat Rate Credits, or TDM Shortfall Credits, Customer must achieve the required amounts of Qualifying TDM Base Credit Revenues and DS1 Billed Units as described in more detail in Sections (G), (H) and (I) following.

(D) Service Period

The Service Period of Option 68 shall be the period commencing on the Effective Date and ending on June 30, 2017.

(E) Serving Area

The Billing Credits (to the extent any are earned by Customer) 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 14.7 of this tariff, Section 15.3 of FCC 11, and Section 19.1 of FCC 14. (x) 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 68 will automatically apply. For the avoidance of doubt, no Billing Credits will be provided in the operating territories of FCC 16. (x)

(F) Qualifying Monthly Recurring Charges

Subject to the exclusions set forth following, as well as other terms of this Option 68 (including Section (L), Disputes, following), **Qualifying Monthly Recurring Charges** include total monthly recurring charges (**MRCs**) billed to Customer 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 being illustrative only):

(1) Any NRCs, surcharges, taxes, late payment charges, credits, fractional debit/credit amounts, adjustments, minimum period charges, termination liabilities, and 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;

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

(3) Service or administrative fees or charges imposed by the Telephone Company (e.g., interest charges, late payment charges); (N)

(x) Issued under authority of Special Permission No. 15-001 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.69 Contract Tariff Option 68 (Cont'd) (N)

(F) Qualifying Monthly Recurring Charges (Cont'd)

(4) Any amount that appears in the "Other Charges and Credits" section of the Telephone Company's invoice (other than a backbilled MRC of greater than $50,000 on a particular invoice) for which the billed charges would have been Qualifying Monthly Recurring Charges had the charges been billed in the appropriate billing period within the Service Period. For the purposes of this Section (F)(4), the term "invoice" shall mean the aggregate of all billing in invoices issued by the Telephone Company to Customer for Qualifying TDM Base Credit Services under the ACNAs included with Customer's subscription to this Option 68 in any calendar month;

(5) Any amount for which payment is being withheld by Customer or that is otherwise a Disputed Charge; 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 credited to Customer as a result of such resolution shall be included in Qualifying Monthly Recurring Charges in the Quarter in which the Telephone Company issues such credit; and

(6) Shortfall or overage charges associated with term plan true-ups (e.g., for failure to satisfy commitment levels).

(G) Price Flex Base Credit

Provided that Customer has satisfied all applicable eligibility requirements and subject to all other terms set forth in this Option 68, at the end of each Quarter of the Service Period, the Telephone Company will determine whether Customer qualifies to receive a Price Flex Base Credit based on Steps 1 through 3 set forth following. If Customer satisfies all applicable requirements to receive the Price Flex Base Credit for a particular Quarter, then the Telephone Company will apply such credit to one or more of Customer's applicable special access billing accounts within ninety (90) days after the end of the applicable Quarter. All calculations under this Section (G) shall take account of any adjustments resulting from Section (L)(3) (Treatment of Remedial Billing Credits) following.

(**Step 1**) The Telephone Company will calculate the Qualifying TDM Base Credit Revenues for the Quarter.

(**Step 2**) Using the Price Flex Base Credit Table 1 following, the Telephone Company will determine which TDM Base Credit Percentage corresponds to the Qualifying TDM Base Credit Revenues that Customer achieved for that Quarter. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.69 Contract Tariff Option 68 (Cont'd)

(G) Price Flex Base Credit (Cont'd) (N)

Price Flex Base Credit Table 1

Minimum Qualifying TDM Base Credit Revenue	Maximum Qualifying TDM Base Credit Revenue	TDM Base Credit Percentage
$0	$32.99M	0.0%
$33.00M	$33.89M	1.0%
$33.90M	$34.79M	2.0%
$34.80M	$35.39M	3.0%
$35.40M	$35.99M	3.7%
$36.00M	$36.59M	4.4%
$36.60M	$37.19M	5.1%
$37.20M	$37.79M	5.8%
$37.80M	$38.39M	7.00%
$38.40M	$38.99M	8.00%
$39.00M	$39.59M	9.00%
$39.60M	$40.19M	10.00%
$40.20M	+	11.00%

(**Step 3**) The Price Flex Base Credit shall be equal to the Qualifying TDM Base Credit Percentage identified in Step 2 times the TDM Base Credit Revenues for the applicable Quarter.

(H) DS1 Volume Discount Rates and Associated SPA DS1 Flat Rate Credit

Provided that Customer has satisfied all applicable eligibility requirements and subject to all other terms set forth in this Option 68, at the end of each Quarter of the Service Period, the Telephone Company will determine whether Customer qualifies to receive a volume discount, applied using the SPA DS1 Flat Rate Credit, based on the following provisions, subject to the annual true-up described following. For the avoidance of any doubt, before reaching a determination of whether Customer qualifies for the SPA DS1 Flat Rate Credit under Sections (H)(1), (H)(2) and (H)(3) following, Customer must first satisfy the threshold requirements set forth in Section (H)(4) following. All calculations under Section (H) shall take account of any adjustments resulting from Section (L)(3) (Treatment of Remedial Billing Credits) following. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.69 Contract Tariff Option 68 (Cont'd) (N)

(H) DS1 Volume Discount Rates and Associated SPA DS1 Flat Rate Credit (Cont'd)

(1) After each Quarter, the Telephone Company shall determine the DS1 Billed Revenue and DS1 Billed Units that Customer achieved for that Quarter. The SPA DS1 Flat Rate Credit will be in an amount equal to the applicable DS1 Billed Revenues for the applicable Quarter minus the applicable flat rate revenue (i.e., "applicable flat rate revenue" means the applicable DS1 Billed Units multiplied by the applicable flat rate for the Plan Year from Table 2 following. If Customer satisfies all applicable requirements to receive the SPA DS1 Flat Rate Credit for a particular Quarter, the Telephone Company shall apply such credit to one or more of Customer's applicable special access billing accounts within ninety (90) days after the end of the applicable Quarter.

SPA DS1 Flat Rate Table 2

Credit Tier	Plan Year 1 SPA DS1 Flat Rate	Plan Year 2 SPA DS1 Flat Rate	Plan Year 3 SPA DS1 Flat Rate
Tier 1	$173.00	$173.00	$173.00
Tier 2	$162.00	$161.00	$160.00

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.69 Contract Tariff Option 68 (Cont'd) (N)

(H) DS1 Volume Discount Rates and Associated SPA DS1 Flat Rate Credit (Cont'd)

(2) Eligibility for Tier 1

If the total volume of DS1 Billed Units that Customer achieved for the Quarter (i.e., the monthly totals added together for a sum) is equal to or greater than ninety thousand (90,000) and less than one hundred five thousand (105,000), then Customer will qualify (subject to meeting all other eligibility requirements) for the DS1 flat rates for Tier 1 in Table 2 preceding.

(3) Eligibility for Tier 2

If the total volume of DS1 Billed Units that Customer achieved for the Quarter (i.e., the monthly totals added together for a sum) is equal to or greater than one hundred five thousand (105,000), then Customer will qualify for the DS1 flat rates for Tier 2 in Table 2 preceding.

(4) In order to qualify for any SPA DS1 Flat Rate Credit in any Quarter under the preceding provisions, Customer must satisfy all of the following conditions (as well as all other eligibility requirements set forth in this Option 68):

(a) Customer must qualify for a discount (i.e., greater than 0%) for the Price Flex Base Credit for that same Quarter; and

(b) As of the end of that same Quarter (i.e., a snapshot view, not a quarterly total), Customer must have had DS1 Billed Units in volumes equal to or greater than thirty thousand (30,000). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.69 Contract Tariff Option 68 (Cont'd) (N)

(I) TDM Shortfall Credit

Provided that Customer has satisfied all applicable eligibility requirements and subject to all other terms set forth in this Option 68, at the end of each Plan Year of the Service Period, Customer may 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 Customer achieved a total volume of DS1 Billed Units of at least one hundred five thousand (105,000) in each of the Quarters of that Plan Year (the **TDM Shortfall Credit Threshold**).

(2) If, for a given Plan Year, Customer has met the applicable TDM Shortfall Credit Threshold set forth in Section (I)(1) preceding, 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 Services under Customer's Existing Plans for CDP, NDP and TVP pursuant to Sections 25.1 and 25.3 of this tariff, Sections 25.1 and 25.2 of FCC 11, and Sections 5.6.14 (x) and 23.1 of FCC 14 (the **Total Annual Shortfall Payment**). The (x) Telephone Company will issue a credit (**TDM Shortfall Credit**) in an amount equal to the lesser of: (i) the Total Annual Shortfall Payment and (ii) Two Million and 00/100 U.S. Dollars ($2,000,000). (N)

(x) Issued under authority of Special Permission No. 15-001 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.69 Contract Tariff Option 68 (Cont'd) (N)

(I) TDM Shortfall Credit (Cont'd)

(3) If Customer did not meet the applicable TDM Shortfall Credit Threshold with respect to each Quarter of a given Plan Year, or did not pay any CDP, NDP or TVP 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. 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.

(J) One-Time DS1 Performance Credit

If, as of the Effective Date, Customer has achieved a total of thirty-five thousand (35,000) DS1 Billed Units, then the Telephone Company, no later than sixty (60) days after the Effective Date, will provide Customer with a one-time billing credit equal to Three Million Seven-Hundred Fifty Thousand and 00/100 U.S. Dollars ($3,750,000) (**One-Time DS1 Performance Credit**). Customer will determine and communicate to the Telephone Company within fifteen (15) days after the Effective Date the special access billing account on which Customer wishes the credit to appear. The One-Time DS1 Performance Credit is a single credit provided for Customer's collective subscription to this Option 68, Option 68 of FCC 11, and Option 37 of FCC 14 (i.e., Customer may not receive a One-Time DS1 Performance Credit under more than one of the three Options). (x)

(K) Excessive DS1 Mileage Surcharge

At the end of each Quarter of the Service Period, the Telephone Company will follow the steps set forth below to calculate the **Excessive DS1 Mileage Surcharge** that Customer will owe for that Quarter:

(**Step 1**) The Telephone Company will calculate the DS1 Average Mileage as defined in Section (B) preceding.

(**Step 2**) Divide the DS1 Average Mileage from Step 1 by the Baseline DS1 Average Mileage to determine the ratio of DS1 Average Mileage to the Baseline DS1 Average Mileage (**Baseline DS1 Mileage Ratio**).

(**Step 3**) Using Table 3 following, the Telephone Company will determine what DS1 Mileage Surcharge Percent applies based on the Baseline DS1 Mileage Ratio calculated in Step 2. (N)

(x) Issued under authority of Special Permission No. 15-001 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.69 Contract Tariff Option 68 (Cont'd) (N)

(K) Excessive DS1 Mileage Surcharge (Cont'd)

Table 3 DS1 Mileage Surcharge Table

Minimum Baseline DS1 Mileage Ratio	Maximum Baseline DS1 Mileage Ratio	DS1 Mileage Surcharge Percent
0	1.39	0.00%
1.40	1.59	10.00%
1.60	1.79	15.00%
1.80	1.99	20.00%
2.00	+	25.00%

(**Step 4**) The Excessive DS1 Mileage Surcharge for the Quarter shall be calculated by multiplying (i) the SPA DS1 Flat Rate Credit earned during that Quarter under Section (H) preceding times (ii) the DS1 Mileage Surcharge Percent identified in Step 3.

(**Step 5**) If the Excessive DS1 Mileage Surcharge is greater than $0, the Telephone Company, within ninety (90) days after the Quarter for which the Excessive DS1 Mileage Surcharge is owed, will apply the Excessive DS1 Mileage Surcharge by issuing a debit(s) (**Excessive DS1 Mileage Surcharge Debits**) to one or more of Customer's applicable special access billing accounts.

Example 1: Assume that Customer's DS1 Average Mileage achieved for Quarter 2 of Plan Year 1 is 4.9 miles and the SPA DS1 Flat Rate Credit achieved for that same Quarter is $1.30M. The Baseline DS1 Mileage Ratio is 1.02. The Excessive DS1 Mileage Surcharge is $0 ($1.3M x 0.00% = $0).

Example 2: Assume that Customer's DS1 Average Mileage achieved for Quarter 3 of Plan Year 2 is 7.0 miles and the SPA DS1 Flat Rate Credit achieved for that same Quarter is $1.60M. The Baseline DS1 Mileage Ratio is 1.46. The Excessive DS1 Mileage Surcharge is $0.16M ($1.6M x 10.00% = $0.16M). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.69 Contract Tariff Option 68 (Cont'd) (N)

(L) Disputes

Notwithstanding any other provision of this Option 68, the Telephone Company's calculation of the Billing Credits and Excessive DS1 Mileage Surcharges under this Option 68 shall be subject to the following additional requirements (as well as all other terms of this Option 68):

(1) For the purposes of calculating the Price Flex Base Credit and the SPA DS1 Flat Rate Credit, the Telephone Company shall not include any credits or debits for Services provided during any periods prior to the Effective Date (regardless of whether such credits or debits were the result of a valid dispute by Customer or were the result of a billing error by the Telephone Company).

(2) Customer agrees to undertake a good faith effort to review, within forty-five (45) calendar days of receipt, each bill from the Telephone Company that includes amounts to be included in Qualifying Monthly Recurring Charges and, at such time that Customer determines there is a dispute, to promptly raise the dispute with the Telephone Company. For the avoidance of any doubt, Customer is not obligated or required to raise billing disputes within forty-five (45) calendar days of receipt of a bill.

(3) Treatment of Remedial Billing Credits

(a) In the event that (i) Customer disputes charges that it believes were improperly billed for Services billed in prior Quarters, (ii) any such disputed charges were included as Qualifying Monthly Recurring Charges for purposes of calculating any Price Flex Base Credits or SPA DS1 Flat Rate Credits under this Option 68, and (iii) the Telephone Company honors all or a portion of the dispute in favor of Customer, then any billing credit issued by the Telephone Company to remedy the dispute (**Remedial Billing Credit**) shall be included as an offset to Qualifying Monthly Recurring Charges for the purpose of calculating the Price Flex Base Credits and SPA DS1 Flat Rate Credits for the Quarter in which such Remedial Billing Credit is issued by the Telephone Company. For the avoidance of any doubt, if a Remedial Billing Credit results in Customer falling below the Minimum Qualifying TDM Base Credit Revenue necessary to qualify for a Price Flex Base Credit, but for which Customer would have otherwise qualified for a Price Flex Base Credit for each Quarter to which the underlying dispute is attributable, Customer will still qualify for the SPA DS1 Flat Rate Credit if all other requirements have been met to do so for the Quarter in which the Remedial Billing Credit is offset against Qualifying Monthly Recurring Charges; provided, however that any (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.69 Contract Tariff Option 68 (Cont'd) (N)

(L) Disputes (Cont'd)

(3) Treatment of Remedial Billing Credits (Cont'd)

(a) (Cont'd)

Remedial Billing Credit relating to DS1 Billed Revenues will be included as an offset to DS1 Billed Revenue for purposes of calculating the SPA DS1 Flat Rate Credit (and thus could cause Customer to be ineligible for the SPA DS1 Flat Rate Credit). For the avoidance of any doubt, if the Telephone Company offsets a Remedial Billing Credit against Billed DS1 Revenue set forth above, such offsetting shall not result in any adjustment to any Excessive DS1 Mileage Surcharge assessed with respect to any previous Quarter, but such offsetting will affect the Excessive DS1 Mileage Surcharge for the then current Quarter insofar as the Excessive DS1 Mileage Surcharge calculation is, as set forth in Section (K) above, based in part on the amount of the SPA DS1 Flat Rate credit (which in turn is based in part on DS1 Billed Revenues) for the then current Quarter.

(b) The provisions set forth in Section (L)(3)(a) preceding apply in cases where Customer disputes charges up to six (6) months after the end of the Service Period. In the event of any such disputes, any Remedial Billing Credit that the Telephone Company issues shall be included as an offset to Qualifying Monthly Recurring Charges for the last Quarter of the Service Period for the purpose of calculating the Price Flex Base Credits and SPA DS1 Flat Rate Credits for the last Quarter of the Service Period. To the extent the inclusion of the Remedial Billing Credit produces a lower Price Flex Base Credit or SPA DS1 Flat Rate Credit (or disqualifies Customer from either or both of such credits) for the last Quarter of the Service Period, the Telephone Company will issue a debit in an amount equal to (i) the Price Flex Base Credit and SPA DS1 Flat Rate Credit actually provided by the Telephone Company for the last Quarter of the Service Period minus (ii) the Price Flex Base Credit and SPA DS1 Flat Rate Credit (if any, in either case) due to Customer once the Remedial Billing Credit is included as an offset to the Qualifying Monthly Recurring Charges for the last Quarter of the Service Period. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.69 Contract Tariff Option 68 (Cont'd) (N)

(L) Disputes (Cont'd)

(4) The Price Flex Base Credits and SPA DS1 Flat Rate Credits, as determined by the Telephone Company and agreed to by Customer, and the Excessive DS1 Mileage Surcharge are not subject to dispute after being issued by the Telephone Company, regardless of the outcome of any Disputed Charges; provided, however, that the foregoing prohibition against disputes shall not be deemed (i) to preclude any adjustment pursuant to Section (L)(3) preceding; or (ii) to apply in a situation where the Telephone Company applies a Price Flex Base Credit or SPA DS1 Flat Rate Credit that does not match the mutually agreed upon credit amount. For the avoidance of any doubt, the Telephone Company will not issue any Price Flex Base Credits or SPA DS1 Flat Rate Credits until the applicable credit amount is agreed to by Customer.

(5) In no event shall the Telephone Company be subject to any late payment, interest or penalty with respect to any Billing Credits.

(M) Termination and Termination Liability

(1) Subject to the terms set forth in this Section (M), Customer may terminate this Option 68 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. Termination of less than all of the Contract Tariff options (i.e., terminations of Option 68 of this tariff, or Option 68 of FCC 11, or Option 37 of FCC 14) shall be deemed to be an automatic termination of all contract tariff options. All obligations under the tariffs with respect to the Services shall continue to apply. (x)

(2) In the event of a termination by Customer under Section (M)(1) preceding, or a termination by the Telephone Company under Section (N)(2) following, Customer shall be liable for payment of termination liability to be calculated as follows:

(a) Termination During Plan Years 1 or 2:

(i) Customer shall receive no further Billing Credits for the Plan Year in which termination occurs;
(ii) Customer must return one hundred percent (100%) of all Billing Credits (which, for the avoidance of any doubt includes the One-Time DS1 Performance Credit) previously received at any time under Option 68; and
(iii) Customer shall not receive any refunds or credits with respect to any Excessive DS1 Mileage Surcharges owed for any previous Quarters, but Customer shall not be responsible for any Excessive DS1 Mileage Surcharge with respect to the Quarter in which termination occurs. (N)

(x) Issued under authority of Special Permission No. 15-001 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.69 Contract Tariff Option 68 (Cont'd) (N)

(M) Termination and Termination Liability (Cont'd)

(2) (Cont'd)

(b) Termination During Plan Year 3:

(i) Customer shall receive Price Flex Base Credits and SPA DS1 Flat Rate Credits of zero dollars ($0) for Plan Year 3 (including, by way of example, that Customer must repay to the Telephone Company any Price Flex Base Credits and SPA DS1 Flat Rate Credits already received in that Plan Year);

(ii) Customer must return fifty percent (50%) of any Price Flex Base Credits and SPA DS1 Flat Rate Credits received for Plan Year 2;

(iii) Customer shall not receive any refunds or credits with respect to any Excessive DS1 Mileage Surcharges owed for any previous Quarters, but Customer shall not be responsible for any Excessive DS1 Mileage Surcharge with respect to the Quarter in which termination occurs.

Any termination liability payment owed by Customer under any of the preceding provisions shall be due and payable by Customer to the Telephone Company no later than sixty (60) days after the termination date.

(3) The Customer and the Telephone Company, by mutual written agreement in their sole discretion, may terminate this Option 68. Except as otherwise mutually agreed in writing by Customer and the Telephone Company: (i) any termination under this Section (M)(3) in Plan Year 1 shall be effective as of the Effective Date, and Customer shall not be eligible for any Billing Credits, including the One-Time DS1 Performance Credit, for Plan Year 1; (ii) if the termination under this Section (M)(3) is in Plan Years 2 through 3, such termination shall be effective as of the end of the Plan Year preceding the termination, and the Customer shall be entitled to all Billing Credits earned for the Plan Year preceding the termination, but shall not be eligible for any Billing Credits for any period of time after the end of such Plan Year; and (iii) regardless of the Plan Year in which the termination occurs, Customer shall not receive any refunds or credits with respect to any Excessive DS1 Mileage Surcharges owed for any previous Quarters, but Customer shall not be responsible for any Excessive DS1 Mileage Surcharge with respect to the Quarter in which termination occurs. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.69 Contract Tariff Option 68 (Cont'd)

(N) Mergers and Acquisitions of Customer (N)

(1) In the event that after the Effective Date, Customer or its direct or indirect parent company 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 68), becomes an Affiliate of another company, or is acquired in whole or in part by another company, the terms and conditions set forth in this Section (N) will apply in addition to all other terms and conditions set forth in this Option 68. Customer may not combine or include any DS1 Billed Revenues, DS1 Billed Units, DS1 Mileage, DS1 Units, Qualifying TDM Base Credit Revenues, or Qualifying Monthly Recurring Charges from the merged, acquiring, or acquired company, or from the assets of such merged, acquiring, or acquired company, for any purposes hereunder.

(2) Except where the Customer and the Telephone Company elect otherwise pursuant to Section (N)(3) following, Customer's DS1 Billed Revenues, DS1 Billed Units, DS1 Mileage, DS1 Units, Qualifying TDM Base Credit Revenues, and Qualifying Monthly Recurring Charges shall be calculated based on Customer's business and revenue with the Telephone Company using the ACNAs submitted with Customer's subscription to this Option 68, without adding any revenues, units, DS1 Mileage, and/or ACNAs attributable to expansion of Customer's purchase of any services from the Telephone Company through merger, transfer, assignment, or acquisition. If Customer violates the provisions of this Section (N)(2), then the Telephone Company may terminate Option 68 without liability upon written notice to Customer. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.69 Contract Tariff Option 68 (Cont'd) (N)

(N) Mergers and Acquisitions of Customer (Cont'd)

(3) In lieu of excluding the acquired business, revenue, DS1 Mileage, units, and the like as described in Section (N)(2) preceding, the Customer and the Telephone Company, in order to reflect the impact of mergers, acquisitions, divestitures or other transactions described in Section (N)(1) preceding, may in their sole discretion mutually agree in writing to make proportionate adjustments to Customer's Baseline DS1 Average Mileage, the amounts and/or percentages set forth in Table 1 (Price Flex Base Credit Table) in Section (G) preceding, and/or the volume of DS1 Billed Units required for Customer to receive the Tier 1 or Tier 2 rates set forth in Table 2 (SPA DS1 Flat Rate Table) of Section (H) preceding. For the avoidance of any doubt, no revenue, units or DS1 Mileage of the acquired business shall be included in the calculation of the Price Flex Base Credit or SPA DS1 Flat Rate Credit for any period prior to the effective date to which the parties mutually agree in writing.

(4) Customer shall provide the Telephone Company written notice no later than twenty (20) business days after filing any request with the FCC for approval of a transaction that is the subject of Section (N)(1) and, to the extent provided in writing publicly by the date of such notice, shall include a good faith estimate of the expected close date so that Customer and the Telephone Company can assess and implement their associated rights and obligations under this Option 68. Once the transaction closes, Customer shall further notify the Telephone Company of such closing within thirty (30) days after such closing occurs. Under no circumstance shall this Section (N) require Customer to provide the Telephone Company written notice of mergers solely between Customer entities holding, as of the Effective Date, the ACNAs submitted with Customer's subscription to this Option 68, such as Customer's internal merging of legal entities. For the avoidance of any doubt, the above reference to notice following an FCC filing affects only the notice that Customer is required to provide under this Section (N)(4), and does not alter application of the substantive provisions set forth in Sections (N)(1) through (N)(3) (e.g., prohibition against including acquired business, revenue, units and the like as described in Sections (N)(1) and (N)(2)) to transactions that are not subject to an FCC filing. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.69 Contract Tariff Option 68 (Cont'd) (N)

(O) Sale of Telephone Company Telephone Operating Company

(1) If some or all of the assets or stock of a Telephone Company Operating Telephone Company that provides DS1 Units are acquired by an unaffiliated third party during the Service Period, then effective with the closing of such transaction, the Telephone Company will make proportionate adjustments to Customer's DS1 Billed Revenues, DS1 Billed Units, DS1 Units, Qualifying TDM Base Credit Revenues, Qualifying Monthly Recurring Charges, or Baseline DS1 Average Mileage, the amounts and/or percentages set forth in Table 1 (Price Flex Base Credit Table) in Section (G) preceding, and/or the volume of DS1 Billed Units required for Customer to receive the Tier 1 or Tier 2 rates set forth in Table 2 (SPA DS1 Flat Rate Table) of Section (H) preceding. For the avoidance of any doubt, no such adjustments shall apply to any period prior to the effective date of the closing of such acquisition transaction.

(2) If the Telephone Company acquires another company (or portion thereof) that provides any services similar to DS1 Units, the Customer and the Telephone Company may mutually agree in writing to adjust any of the items described in Section (O)(1) preceding and DS1 Mileage on a proportionate basis to account for Customer's purchases from the acquired company (or portion thereof). For the avoidance of any doubt, no Customer purchases from the acquired company (or portion thereof) shall be included in DS1 Billed Revenues, DS1 Billed Units, DS1 Mileage, or Qualifying TDM Base Credit Revenues for any period prior to the effective date for such inclusion to which the Customer and the Telephone Company mutually agree in writing. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.69 Contract Tariff Option 68 (Cont'd) (N)

(P) Orders for Unbundled Network Elements

(1) Customer, as a material condition of the Telephone Company's offering the Billing Credits described in this Option 68, agrees that during the Service Period it may not submit orders for any of the following unbundled network elements (UNEs) that the Telephone Company offers: (i) UNE DS1 loops; (ii) UNE DS1 dedicated transport; (iii) any combination of any of the foregoing UNEs (which combinations are sometimes referred to as **Enhanced Extended Loops** or **EELs** or (iv) any of the foregoing UNEs commingled with special access services or other services ((i), (ii), (iii) and (iv), collectively **Prohibited UNEs**). The foregoing prohibition includes both orders for new Prohibited UNEs as well as orders for the conversion of special access services to Prohibited UNEs (collectively, **Prohibited UNE Orders**).

(2) Accordingly, the Telephone Company and Customer agree that if either the Telephone Company or Customer discovers any Prohibited UNE Orders submitted during the Service Period, then such discovering party shall notify the other party and Customer, no later than sixty (60) days after either the Telephone Company's or Customer's provision of such notice, shall promptly request conversion of such Prohibited UNEs to a Special Access service. The Telephone Company shall reasonably assist in this effort. The rates applicable to the Special Access service to which a Prohibited UNE is converted shall apply retroactively for the full period during which the Prohibited UNE was billed at UNE rates. For the avoidance of any doubt, no Billing Credits or Excessive DS1 Mileage Surcharge for any past Quarters or Plan Years shall be recalculated as a result of any such conversions of Prohibited UNEs to Special Access services. If Customer fails to submit an order to convert a Prohibited UNE to a Special Access service (**Conversion Order**) within sixty (60) days after notifying the Telephone Company of a Prohibited UNE Order (or, in cases where the Telephone Company discovers a Prohibited UNE Order and notifies Customer, within sixty (60) days after the date on which the Telephone Company provides such notice), then, without limiting Customer's continuing obligation to submit such Conversion Order, the Telephone Company shall have the right (but not the obligation) to submit such Conversion Order on Customer's behalf and take such other steps as necessary to complete the conversion. For the avoidance of any doubt, Customer shall bear the sole responsibility for monitoring its internal ordering processes to ensure that no Prohibited UNE Orders are submitted during the Service Period. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.70 Contract Tariff Option 69 (N)

(A) Scope

Contract Tariff Option 69 (**Option 69**) provides certain Billing Credits, the Initial Credit, ETL Credits and TDM True-Up Credits (as defined in (B) following) on certain services.

(B) Definitions

The following terms are used in this Option 69:

(1) Alternative Tariff Arrangement shall mean collectively 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 any Qualifying Services, but shall not include the Commitment Discount Plan (CDP), National Discount Plan (NDP), Service Discount Plan (SDP), or Term Payment Plan (TPP), each as set forth in this tariff and in Tariff F.C.C. No. 11 (FCC11), or their substantial equivalent. (x)

(2) Billing Credits shall mean the applicable Billing Credits as described in Section (G) following.

(3) Billed DS1 Service Revenue shall mean the Qualifying Monthly Recurring Charges billed under one of the customer ACNAs provided to the Telephone Company under Section (C)(1) following for Special Access DS1 Service and which are paid by the customer.

(4) Billed DS3 CLF Service Revenue shall mean the Qualifying Monthly Recurring Charges billed under one of the customer ACNAs provided to the Telephone Company under Section (C)(1) following for Special Access DS3 CLF Service and which are paid by the customer.

(5) Billed DS3 CLS Service Revenue shall mean the Qualifying Monthly Recurring Charges billed under one of the customer ACNAs provided to the Telephone Company under Section (C)(1) following for Special Access DS3 CLS Service and 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) Buy-Up Amount shall mean the applicable Buy-Up Amount as described in Section (O) following. (N)

(x) Issued under authority of Special Permission No. 15-004 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.70 Contract Tariff Option 69 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(8) Channel Mileage Rate Elements shall mean the Special Access Per Mile Channel Mileage rate elements, as such rate elements are described in this tariff (Section 7.1.2(B)) and FCC11 (Section 7.1.2(B). (x)

(9) Delayed Billing Grace Period shall mean the ninety (90) day period immediately following the end of each of the Plan Years.

(10) Delayed Billing Revenue shall mean customer identified amounts billed during Plan Year 2 or later 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 a preceding Plan Year.

(11) Delayed Billing Preceding Plan Year shall mean the Plan Year immediately preceding the Delayed Billing Grace Period.

(12) Disputed Charges 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) DS1 Channel Mileage Rate Elements shall mean the Per Mile component of one of the following Universal Service Order Codes (USOCs): 1A5ZS, 1A8ZS, 1J53S, 1J54S, 1L5LS, 1L5XX, 1T58S; provided that such component has a Network Channel (NC) Code of HC (DS1) and is billed as one of the following Classes of Service (COSs): XDH1X, XZH1R, XZH18, XZH1H.

(14) Effective Date and the start of the Service Period shall be June 2, 2015, provided that the contract tariffs are deemed effective on or before June 2, 2015. The Telephone Company will provide information to customer in writing upon filing of such contract tariffs.

(15) Eligible LATAs shall mean LATAs 130, 132, 134, 136, 140 and 228.

(16) ETL Credits shall mean an amount equal to the total amount of Termination Liability charges applicable to customer for termination of any of its Existing Plans.

(17) Force Majeure Event shall mean any event beyond the reasonable control of the Telephone Company or the customer, whether reasonably foreseeable or not, including, by way of example, an 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. Force Majeure Events shall include all force majeure events declared by the Telephone Company. (N)

(x) Issued under authority of Special Permission No. 15-004 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.70 Contract Tariff Option 69 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(18) Plan Year shall mean each of the following periods during the Service Period: (1) Plan Year 1 (PY1) shall commence on the Effective Date and end on December 31 2015; (2) Plan Year 2 (PY2) shall commence on January 1, 2016 and end on December 31, 2016; (3) Plan Year 3 (PY3) shall commence on January 1, 2017 and end on December 31, 2017.

(19) Qualifying Monthly Recurring Charges shall have the meaning as described in Section (F) following.

(20) Qualifying TDM Service shall mean Special Access DS1 Service, Special Access DS3 CLF Service and Special Access DS3 CLS Service.

(21) Qualifying TDM Services Annual Revenue Commitment shall mean the annual minimum required Billed Qualifying TDM Service Revenue and shall be equal to $7.6M for PY1, $13.0M for PY2, and $13.0M for PY3.

(22) 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 of condition of this Option 69, 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 69. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.70 Contract Tariff Option 69 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(23) Regulatory Termination shall mean the termination or withdrawal of this Option 69 as a result of a Regulatory Change as defined in Section (B)(22) preceding.

(24) Service Period shall have the meaning set forth in Section (D) following.

(25) Special Access DS1 Service shall mean DS1 Service of 1.544 Mbps bandwidth, as described in this tariff (Section 7.2.9) and FCC11 (x) (Section 7.2.9). (x)

(26) Special Access DS3 CLF Service shall mean DS3 Service of 44.736 Mbps bandwidth, as described in this tariff (Section 7.2.9) and FCC11 (Section 7.2.9) which has a facilities formatted circuit (x) identifier in accordance with the Common Language Circuit Identifier (CLCI) format administered by Telcordia (e.g., 967 T3Z PITBPADTHPE PITBPADTK18).

(27) Special Access DS3 CLS Service shall mean DS3 Service of 44.736 Mbps bandwidth, as described in this tariff (Section 7.2.9) and FCC11 (Section 7.2.9) which has a serial number formatted circuit (x) identifier in accordance with the Common Language Circuit Identifier (CLCI) format administered by Telcordia (e.g., 95.HFGS.634683..NE).

(28) TDM True-Up Credits shall mean the applicable TDM True-Up Credits as described in Section (I) following.

(29) Initial Credit shall mean a credit of $120K as described in Section (G) following. (N)

(x) Issued under authority of Special Permission No. 15-004 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.70 Contract Tariff Option 69 (Cont'd)
(C) Eligibility (N)

Customer must meet all of the criteria set forth in this Section (C) in order to be eligible to receive the rates, terms, and conditions under this Option 69. 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).

(1) The customer must subscribe to Option 69 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 69. Subscription to Option 69 shall be an automatic subscription to Option 69 of FCC 11. (x)

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

(a) have been billed a minimum of $24.0M of Billed Qualifying TDM Service Revenue in calendar year 2014;
(b) be subscribed to the Commitment Discount Plan (this tariff and FCC11, Section 25.1) (collectively, Existing Plans); and (x)
(c) not have been required in connection with the most recent true-up to pay any shortfall payments or penalties as a result of a failure to maintain volume commitments, under any of the Existing Plans.

(3) The percentage of revenues included in Qualifying TDM Services billed to a subsidiary or affiliate of customer that is a provider of mobile wireless telecommunications services must be no more than fifty percent (50%).

(4) Except for the Existing Plans, customer may not be subscribed, either immediately prior to the Effective Date or any time during the Service Period, to any other contract tariff option contained in this tariff or FCC11. (x)

(5) Except for Existing Plans, customer may not concurrently subscribe to an Alternative Tariff Arrangement that provides discounts, credits or other reductions in rates or terms based on billed revenue. If customer subscribes to such an Alternative Tariff Arrangement, then customer shall not receive any Billing Credits, ETL Credits, Initial Credit, or TDM True-Up Credits under this Option 69, and such subscription shall be considered a termination by customer of this Option 69, subject to Section (N) following. (N)

(x) Issued under authority of Special Permission No. 15-004 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.70 Contract Tariff Option 69 (Cont'd) (N)

(D) Service Period

The Service Period of Option 69 shall commence on the Effective Date and end on December 31, 2017, unless this Option 69 is earlier terminated.

(E) Serving Area

The Discounted Mileage Rate, Billing Credits, ETL Credits, TDM True-up 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 laws. Wire centers for the Phase II MSAs are listed in Section 14.7 of this tariff and Section 15.3 of FCC 11. 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 69 will automatically apply. (x)

(F) Qualifying Monthly Recurring Charges

Subject to the exclusions set forth following, as well as other terms of this Option 69 (including Section (J), Disputes, following), **Qualifying Monthly Recurring Charges** include total monthly recurring charges (**MRCs**) billed to customer by the Telephone Company with respect to a particular Qualifying TDM Service for a particular Plan Year. Except as otherwise provided in Section (J), Disputes, Qualifying Monthly Recurring Charges shall include any Delayed Billing Revenue applicable to 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, and credits provided under this Option 69
(3) 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;
(4) 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);
(5) Service or administrative fees or charges (e.g., interest penalty, late payment penalty); (N)

(x) Issued under authority of Special Permission No. 15-004 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.70 Contract Tariff Option 69 (Cont'd) (N)

(F) Qualifying Monthly Recurring Charges (Cont'd)

(6) Any other billed amount for which payment is being withheld or disputed by the customer; provided, however, that billed amounts that are disputed and paid shall be treated as set forth in Section (J), Disputes;

(7) Shortfall or overage charges associated with term plan true-ups (e.g., charges assessed for failure to satisfy commitment levels); and

(8) Any amounts associated with any service (or any portion of a service) that is not a Qualifying TDM Service.

(G) Annual Review Process: Billing Credits

Verizon shall determine for Billing Credits as follows:

(1) Plan Year 1

(a) Within sixty (60) days of the Effective Date of this Option 69, the Telephone Company will issue an Initial Credit for $120K (on a mutually agreed BAN).
(b) By April 1, 2016, the Telephone Company shall calculate the customer's Billed Qualifying TDM Service Revenue for Plan Year 1.
(c) If the customer's Billed Qualifying TDM Service Revenue is equal to or greater than $7.6M, the Telephone Company shall apply a Billing Credit of $30K to customer's Carrier Access Billing System (CABS) billing (on a mutually agreed BAN) by no later than one hundred twenty (120) days following the end of Plan Year 1.
(d) Subject to Section (N) following, if the customer's Billed Qualifying TDM Service Revenue is less than $7.6M for Plan Year 1, this Option 69 shall immediately terminate.

(2) Plan Year 2

(a) By April 1, 2017, 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 $13.0M, the Telephone Company shall apply a Billing Credit of $100K to customer's CABS billing (on a mutually agreed BAN) by no later than one hundred twenty (120) days following the end of Plan Year 2.
(c) Subject to Section (N) following, if the customer's Billed Qualifying TDM Service Revenue is less than $13.0M for Plan Year 2, this Option 69 shall immediately terminate. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.70 Contract Tariff Option 69 (Cont'd)
(G) Annual Review: Billing Credits (Cont'd) (N)

(3) Plan Year 3

(a) By April 1, 2018, 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 $13.0M, the Telephone Company shall apply a Billing Credit of $100K to Customer's CABS billing (on a BAN to be designated by the customer) by no later than one hundred twenty (120) days following the end of Plan Year 3.
(c) Subject to Section (N) following, if the Customer's Billed Qualifying TDM Service Revenue is less than $13.0M this Option 69 shall be deemed to have terminated at the end of Plan Year 3.

(H) Force Majeure Adjustment

In the event (a) a Force Majeure Event occurs; (b) the Telephone Company ceases to offer or materially reduces the availability of a Qualifying TDM Service; or (c) installation intervals for Qualifying TDM Service are, for a period of time, on average, three times or more the length of the Telephone Company's standard installation interval for such Service, the Telephone Company and customer shall promptly meet and discuss in good faith, what, if any, "Revenue Credits" should be recognized to offset the impact of (a), (b), and (c) above, on customer. Such mutually agreed Revenue Credits, if any, shall be used as Billed Qualifying TDM Service Revenue solely for the purpose of determining whether customer has satisfied the Qualifying TDM Services Annual Revenue Commitment in the pertinent Plan Year as if they were Qualifying MRCs. In no event shall Revenue Credits be used to calculate Billing Credits in any Plan Year.

(I) TDM True-Up Credits

Provided that customer has satisfied all applicable eligibility requirements set forth in Section (C) preceding and has not terminated this Option 69, customer may qualify to receive TDM True-Up Credits as described in this Section (I).

(1) As a result of the calculations performed during the true-up process for Special Access DS1 Services, Special Access DS3 CLF Services, and Special Access DS3 CLS Services under customer's Existing Plans, the Telephone Company will determine whether the customer is subject to either a Shortfall Adjustment or Charge-Up Adjustment. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.70 Contract Tariff Option 69 (Cont'd)
(I) TDM True-Up Credits (Cont'd) (N)

(2) If customer has not terminated Option 69 and is billed a Shortfall Adjustment or Charge-Up Adjustment (the "CDP Billing Adjustment") as a result of its true-up process for Special Access DS1 Services, Special Access DS3 CLF Services, and Special Access DS3 CLS Services under customer's Existing Plans, then the Telephone Company will determine the total amount of the CDP Billing Adjustment that the Telephone Company billed to customer for that same specific true-up period. The Telephone Company will issue a credit ("TDM True-Up Credit") in an amount equal to the CDP Billing Adjustment for that same specific true-up period.

(3) If customer has no CDP Billing Adjustment for a specific true-up period, then customer will not receive a TDM True-Up Credit for that specific true-up period.

(4) If customer receives a TDM True-Up Credit for a specific true-up period, customer may not thereafter dispute the CDP Billing Adjustment or any part thereof or receive a refund of the CDP Billing Adjustment or any part thereof. Once the Telephone Company issues a TDM True-Up Credit, neither the Telephone Company nor customer may later dispute the amount of such TDM True-Up Credit.

(J) Disputes

Notwithstanding any other provisions of this Option 69, the Telephone Company's calculation of the customer's Billed Qualifying TDM Service Revenue under this Option 69 shall be subject to the following additional requirements (as well as all other terms of this Option 69):

(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 ninetieth (90th) day following the applicable Plan Year.

(2) If any portion of an amount invoiced to customer under this Option 69 is subject to a good faith dispute between the parties, customer shall give written notice to the Telephone Company of the amounts it disputes ("Disputed Charges") through the Telephone Company dispute submission process and include in such notice the specific details and reasons for disputing each item. Customer shall pay on or before the due date all undisputed charges.

(3) If the Telephone Company denies a dispute submitted by customer, customer shall have thirty (30) days by which either to pay the Disputed Charges or escalate the dispute in accordance with the Telephone Company's dispute submission process. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.70 Contract Tariff Option 69 (Cont'd) (N)

(J) Disputes (Cont'd)

(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 as set forth in Section 2.4.1 preceding.

(5) If customer disputes, in good faith, Qualifying MRCs, but nonetheless pays such Qualifying MRCs, such payment shall constitute Billed Qualifying TDM Service Revenue when received by the Telephone Company for the limited purposes set forth in this Section (J)(5). Such disputed, but nonetheless paid, amounts shall be used solely for the purpose of determining whether customer has satisfied the Qualifying TDM Service Annual Revenue Commitment in the Plan Year in which such disputed amounts were paid. In no event shall such paid disputed amounts be used for the purposes of calculating Billing Credits until such time as the dispute is resolved in favor of the Telephone Company or withdrawn by customer. Such Billing Credit calculation shall occur in the Plan Year in which the dispute is resolved or withdrawn.

(6) Delayed Billing

(a) If, during a period of ninety (90) days after the end of an applicable Plan Year ("Delayed Billing Grace Period"), customer identifies amounts billed during that 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 ("Delayed Billing Preceding Plan Year") of the Service Period, then customer, no later than the end of the Delayed Billing Grace Period, may request in writing that the Telephone Company treat such amounts as Billed Qualifying TDM Service Revenue for the Delayed Billing Preceding Plan Year. For the avoidance of any doubt, an amount may qualify for treatment as Delayed Billing Revenue as described in this Section (J)(6)(a) only if the amount would have qualified as Billed Qualifying TDM Service Revenue if it had been billed on a timely basis.

(b) The Telephone Company will verify customer's request and include in the Plan Year calculation of the Billed Qualifying TDM Service Revenue for the Delayed Billing Preceding Plan Year any amounts verified as meeting the definition of Delayed Billing Revenue. Any Delayed Billing Revenue used for purposes of calculating the Billed Qualifying TDM Service Revenue for Plan Year shall not be used for purposes of calculating the Plan Year Billed Qualifying TDM Service Revenue for any subsequent Plan Year, nor may it be used to reopen the Billing Credit calculation for any Plan Year prior to the Delayed Billing Preceding Plan Year. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.70 Contract Tariff Option 69 (Cont'd)
(J) Disputes (Cont'd) (N)

(5) Delayed Billing (Cont'd)

(c) If customer wishes to have any Delayed Billing Revenue used for purposes of the Billed Qualifying TDM Service Revenue calculation under Section (G), customer must, within the Delayed Billing Grace Period during which the Delayed Billing Revenue was billed, submit a written request for inclusion of the Delayed Billing Revenue in the calculation of the Billed Qualifying TDM Service Revenue for the Delayed Billing Preceding Plan Year. Subject to Section (J)(5)(d) of this Option 69, if customer does not claim the Delayed Billing Revenue in a written request to the Telephone Company during the Delayed Billing Grace Period in which the Delayed Billing Revenue was billed, then the Delayed Billing Revenue will be used for purposes of calculating any Plan Year Billing Credit in the Plan Year it was billed.

(d) Notwithstanding the foregoing, if (1) during a Delayed Billing Grace Period, the Telephone Company bills an amount that could have been treated as Delayed Billing Revenue, (2) such amount would have qualified as Billed Qualifying TDM Service Revenue if it had been billed on a timely basis, and (3) Customer does not submit a written request for the amount to be treated as Delayed Billing Revenue prior to the end of the Delayed Billing Grace Period and the amount is not included as Delayed Billing Revenue for purposes of the Plan Year immediately preceding the Delayed Billing Grace Period, then the amount shall be included as Billed Qualifying TDM Service Revenue in the applicable Plan Year in which the Telephone Company issued the invoice in which the Telephone Company billed the amount in question. If Delayed Billing Revenue is billed after the Delayed Billing Grace Period, then the Delayed Billing Revenue will be used for purposes of calculating any Plan Year Billing Credit in the Plan Year it was billed.

(K) Remedial Billing Credits and Related Provisions

(1) In the event that (i) Customer disputes charges that it believes were improperly billed for Qualifying TDM Services, (ii) any such Disputed Charges were included as Billed Qualifying TDM Service Revenue for purposes of calculating a Billing Credit under this Option 69, and (iii) the Telephone Company resolves all or a portion of the dispute in favor of customer before the end of Plan Year 3, then any credit issued by the Telephone Company to remedy the dispute ("Remedial Billing Credit") prior to the end of Plan Year 3 shall be included as an offset to Billed Qualifying TDM Service Revenue for the purposes of calculating the Billing Credit for the Plan Year in which such Remedial Billing Credit is issued by the Telephone Company. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.70 Contract Tariff Option 69 (Cont'd)

(K) Remedial Billing Credits and Related Provisions (Cont'd) (N)

(2) In the event that (i) Customer disputes charges that it believes were improperly billed for Qualifying TDM Services, (ii) any such Disputed Charges were included as Billed Qualifying TDM Service Revenue for purposes of calculating a Billing Credit under this Option 69, and (iii) the Telephone Company resolves all or a portion of the dispute in favor of customer after the end of Plan Year 3, then any Remedial Billing Credit issued by the Telephone Company to remedy the dispute after the end of Plan Year 3 shall be included as an offset to Billed Qualifying TDM Service Revenue for Plan Year 3 for a final revenue adjustment. To the extent such final revenue adjustment produces a change in the Billing Credit, then (i) if the Telephone Company has not yet issued a Billing Credit for the last Plan Year of Option 69, then the Telephone Company shall take account of the final revenue adjustment for purposes of the Billing Credit for Plan Year 3, and (ii) if the Telephone Company has already issued the Billing Credit for Plan Year 3, then the Telephone Company will issue an adjustment in an amount necessary to reflect recalculation of the Billing Credit for Plan Year 3 to take account of the final revenue adjustment; provided, however, that adjustments shall only be permitted for one (1) year following the end of Plan Year 3.

(3) Once a Billing Credit is issued by the Telephone Company, customer may not thereafter dispute such Billing Credit regardless of the outcome of any Disputed Charges; provided, however, that, for the avoidance of any doubt, the foregoing prohibition against disputes by customer shall not be deemed (i) to preclude any adjustments by the Telephone Company to take account of Remedial Billing Credits as described in Section (K)(1) and (2) or (ii) to preclude customer from disputing the amount of a Billing Credit in any case where the Telephone Company applies a Billing Credit that does not match the mutually agreed upon amount of the Billing Credit. The Telephone Company will not issue any Billing Credit until the applicable Billing Credit amount is agreed to by customer. The Telephone Company and the customer will work in good faith to resolve any disputes regarding the Billing Credit.

(4) In no event shall the Telephone Company be subject to any late payment, interest or penalty with respect to any Billing Credit. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.70 Contract Tariff Option 69 (Cont'd)

(L) Mergers and Acquisitions of Customer (N)

If, after the Effective Date, customer merges with another company, acquires a company or a portion of the business of another company (including, but not limited to, any ACNA(s) not provided to the Telephone Company under Section (C)(1) preceding (the company with which customer merges and the company or portion of the business thereof that customer acquires (including, but not limited to, an ACNA(s) not provided to the Telephone Company under Section (C)(1) preceding) 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 Customer Acquired Properties shall not be included in calculations associated with the Billing Credits or TDM True-Up Credits in this Option 69.

(M) Sale of Verizon Operating Telephone Company

If some or all of the assets or stock of a Verizon Operating Telephone Company that provides Qualifying TDM Services are acquired by an unaffiliated third party during the Service Period, effective with the closing of such transaction, Verizon will proportionally adjust the Qualifying TDM Services Annual Revenue Commitment.

Illustrative Example:
Assume the following information for Plan Year 2:

(a) The Qualifying TDM Services Annual Revenue Commitment is $13.0M;
(b) The Telephone Company sells Verizon New York to a third-party at the end of month 8 of Plan Year 2;
(c) During the three month period prior to the sale, Verizon New York accounted for $300K in Billed Qualifying TDM Service Revenue.

Based on the above assumptions:

(a) The average monthly Billed Qualifying TDM Service Revenue for Verizon New York is $100K ($300K / 3);
(b) There are four (4) months remaining in Plan Year 2 (12 months – 8 months);
(c) The Plan Year 2 Qualifying TDM Services Annual Revenue Commitment would be reduced by $400K ($100K * 4);
(d) The adjusted Qualifying TDM Services Annual Revenue Commitment for Plan Year 2 is $12.6M ($13.0M - $400K);
(e) The Qualifying TDM Services Annual Revenue Commitment for the Plan Year 3 will be reduced by the $1.2M ($100K x 12) resulting in a revised Qualifying TDM Services Annual Revenue Commitment of $11.8M ($13.0M - $1.2M). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.70 Contract Tariff Option 69 (Cont'd) (N)

(N) Termination of Option 69

(1) Subject to the terms set forth in this Section (N), customer may terminate this Option 69 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. Termination of less than all of the Contract Tariffs (i.e., terminations of the contract option under this tariff or FCC11 only) shall be deemed to be an automatic termination of all Contract Tariffs. If customer terminates or cancels this Option 69 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 this Option 69 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 Credits, Initial Credit, ETL Credits, and TDM True-Up Credit issued to Customer for the prior Plan Year as indicated following: (x)

Month of Termination/Breach	**Termination Percentage**
0-12	100% of Initial Credit
13-24	60% of Billing Credits and Initial Credit
25-36	40% of Billing Credits

(2) Customer will not receive any Billing Credits and the Discounted Mileage Rate will not apply to new circuits ordered by customer after the effective date of the termination of Option 69.

(3) The parties, by mutual written agreement, may terminate this Option 69 at any time. Any termination under this Section (N)(3) shall be effective as agreed in writing by customer and the Telephone Company, and customer shall not be eligible for any Billing Credits, ETL Credits, or TDM True-Up Credits for any Plan Year after the effective date of such termination.

(4) In the event that Option 69 is terminated (i) by the Telephone Company or customer as a result of a Regulatory Change; (ii) by the Telephone Company or customer because the parties fail to mutually agree to a provision to replace an illegal, invalid or otherwise prohibited provision; or (iii) by customer as a result of a default by the Telephone Company, customer may, at its option, elect to terminate the Existing Plans prior to the effective date of the termination of Option 69, in which event, customer shall be eligible for ETL Credits. If customer does not so elect prior to the effective date, customer shall not be eligible for any ETL Credits. (N)

(x) Issued under authority of Special Permission No. 15-004 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.70 Contract Tariff Option 69 (Cont'd)

(N) (N) Termination of Option 69 (Cont'd)

(5) Upon the earlier of the expiration of the Service Period or termination of Option 69, all benefits provided to customer hereunder shall cease to apply, except that any circuit that was established prior to, and is eligible for the Discounted Mileage Rate, upon expiration of the Service Period or termination of Option 69, shall remain eligible for the Discounted Mileage Rate so long as that circuit remains in service, and so long as such circuit is not subject to an Alternative Tariff Arrangement.

(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 Section (O)(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) 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. In the event that the customer does not pay the Buy-Up Amount within sixty (60) 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 Option 69 shall immediately terminate.

(2) The customer shall not be eligible to pay a Buy-Up Amount if the amount of the customer's Billed Qualifying TDM Service Revenue fell short of the customer's Qualifying TDM Services Annual Revenue Commitment by more than $1M.

(P) Discounted Mileage Rate

The Telephone Company will charge a discounted rate for DS1 Per Mile Channel Mileage rate elements ordered by customer in an Eligible LATA (the "**Discounted Mileage Rate**"). The Discounted Mileage Rate will be five and 00/100 Dollars ($5.00) per mile for DS1 Channel Mileage rate elements. The fixed component of Channel Mileage will not be discounted and will continue to apply at standard tariffed rates (including such discounts as may be applicable if customer is subject to a tariffed discount plan as may be permitted by Option 69). The Discounted Mileage Rate will apply for the full life of any circuit ordered prior to termination of Option 69. The Discounted Mileage Rate will apply in lieu of all other discounts, and will not be subject to any further discounts under this Option 69 or the tariff. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.71 Contract Tariff Option 70 (N)

(A) Scope

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

(B) Specific Terms

Unless otherwise defined in this Section 21.71, 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. 11 (x) (FCC11), Tariff FCC No. 14 (FCC14) with respect to any of the (x) 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) Issued under authority of Special Permission No. 15-013 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.71 Contract Tariff Option 70 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(8) DS1 Equivalent Circuit shall mean Equivalent DS1 Channel Termination as defined in Section 25.3.4(a) of this tariff, FCC11 (Section 25.2.4), FCC14 (Section 23.1.4) and FCC16 (Section 22.1.4). (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. 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)

(x) Issued under authority of Special Permission No. 15-013 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.71 Contract Tariff Option 70 (Cont'd) (N)

(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), FCC11 (x) (Section 7.2.9), FCC14 (Section 5.3.6) and FCC16 (Section (x) 7.11.1). (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), FCC11 (Section 7.2.9), FCC14 (Section 5.3.6), and FCC16 (Section (x) 7.11.1) which has a facilities formatted circuit identifier in (x) accordance with the Common Language Circuit Identifier (CLCI) format administered by Telcordia (e.g., 968 T3Z PITBPADTHPE PITBPABTK18).

(20) Special Access DS3 CLS Service shall mean DS3 Service of 44.736 Mbps bandwidth, as described in this tariff (Section 7.2.9), FCC11 (Section 7.2.9), FCC14 (Section 5.3.6), and FCC16 (Section (x) 7.11.1) which has a serial number formatted circuit identifier in (x) accordance with the Common Language Circuit Identifier (CLCI) format administered by Telcordia (e.g., 94.HFGS.634783..NE).

(21) TDM Shortfall Credit Threshold shall mean seventy-five percent (75%) of Customer's total Initial DS1 Equivalent Circuit Quantity. (N)

(x) Issued under authority of Special Permission No. 15-013 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.71 Contract Tariff Option 70 (Cont'd)

(N)

(C) Eligibility for Benefits

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 11 and (x) Option 38 of FCC 14. (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 25.3), FCC11 (Section 25.2), FCC14 (Section 23.1) and FCC16 (Section (x) 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 70, and such subscription shall be considered a termination by customer of this Option 70, subject to Section (L) following. (N)

(x) Issued under authority of Special Permission No. 15-013 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.71 Contract Tariff Option 70 (Cont'd) (N)

(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.

(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 14.7 of this tariff, Section 15.3 of FCC 11, and Section 19.1 of FCC 14. Any additions of, or changes to, (x) 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)

(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); (N)

(x) Issued under authority of Special Permission No. 15-013 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.71 Contract Tariff Option 70 (Cont'd) (N)

(F) Qualifying Monthly Recurring Charges (Cont'd)

(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.

(G) Service Plan Requirements

(1) Customer must satisfy each of the three (3) following Service Plan Requirements during each of the Plan Years during the Service Period to continue to be eligible for the terms and conditions of Option 70 for each Plan Year.

(a) Qualifying Minimum Annual Service Revenue Commitment. Customer must for each Plan Year meet or exceed the Qualifying Minimum Annual Revenue Commitment, which is an amount equal to the aggregate amount of Qualifying Monthly Recurring Charges the Customer was billed for the Qualifying Services during the twelve (12) month period commencing on January 1, 2014 and ending on December 31, 2014.

(b) Minimum Average DS1 Equivalent Circuit Quantity

(i) Each Plan Year during the Term Customer must meet or exceed the "Minimum Average DS1 Equivalent Circuit Quantity" (as defined in the following sentence) for that Plan Year. The Telephone Company will calculate the Minimum Average DS1 Equivalent Circuit Quantity by taking the number of DS1 Equivalent Circuits Customer has in service as of the first day of the subject Plan Year and multiplying that number by 92%. The Telephone Company will then calculate the actual average DS1 Equivalent Circuit quantity for that Plan Year by adding the number of DS1 Equivalent Circuits in service at the end of each month during the twelve (12) month period of that Plan Year and dividing that total by twelve (12) (the "Actual Average DS1 Equivalent Circuit Quantity" for that Plan Year). The Actual Average DS1 Circuit Quantity for the subject Plan Year must meet or exceed the Minimum Average DS1 Equivalent Circuit Quantity for that Plan Year. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.71 Contract Tariff Option 70 (Cont'd)

(G) Service Plan Requirements (Cont'd) (N)

(1) (Cont'd)

(b) (Cont'd)

(ii) Example 1: Customer has 2,500 DS1 Equivalent Circuits in service at the beginning of Plan Year 1. The Minimum Average DS1 Equivalent Circuit Quantity for Plan Year 1 is 2,300 DS1 Equivalent Circuits (2,500 x 0.92). During Plan Year 1 Customer's Actual Average DS1 Equivalent Circuit Quantity is 2,400. Accordingly, Customer under this example would have exceeded the Minimum Average DS1 Equivalent Circuit Quantity for Plan Year 1.

(iii) Example 2: Customer has 2,400 DS1 Equivalent Circuits in service at the beginning of Plan Year 2. The Minimum Average DS1 Equivalent Circuit Quantity for Plan Year 2 is 2,208 DS1 Equivalent Circuits (2,400 x 0.92). During Plan Year 2 Customer's Actual Average DS1 Equivalent Circuit Quantity is 2,150. Accordingly, Customer under this example would not have met the Minimum Average DS1 Equivalent Circuit Quantity for Plan Year 2.

(c) Grooms Limitation

During each Plan Year, subject to the exceptions listed below, Customer may not order more than twelve (12) Grooms of Special Access CLF DS3 Services per Plan Year ("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:

(i) Any Groom initiated by the Telephone Company and not requested by Customer;
(ii) Any Grooms where a DS3 Service rides a Telephone Company optical service provided to Customer, which optical service terminates at or, originates from, a Customer Point-of-Presence (PoP);
(iii) A disconnection of a multiplexed DS3 Service that does not (at the time of the Groom) have any DS1 riders on such DS3 Service; and
(iv) Any other Grooms that the Parties mutually agree in writing to not include in the count of Maximum Annual Grooms, which may include Grooms associated with the elimination or decommissioning of a Customer POP. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.71 Contract Tariff Option 70 (Cont'd) (N)

(H) Annual Review

(1) Within ninety (90) days of the end of each Plan Year, the Telephone Company shall determine whether customer has met or exceeded the Service Plan Requirements set forth in Section (G) preceding, i.e., the Minimum Annual Revenue Commitment, the Minimum Average DS1 Equivalent Circuit Quantity and Grooms Limitations.

(2) Notwithstanding any other provisions of this Option 70, the Telephone Company's calculation of the customer's Billed Qualifying TDM Service Revenue under this Option 70 shall not include any amounts which are unpaid and/or disputed by Customer as of the forty-fifth (45th) day following end of the applicable Plan Year.

(3) If customer has satisfied each of the Service Plan Requirements for a given Plan Year, then subject to the terms of this Option 70, customer shall remain in Option 70 for the following Plan Year (subject to this Option 70 terminating by its terms at the end of Plan Year 3).

(4) If the customer does not satisfy the Service Plan Requirements, then the Telephone Company may terminate Option 70 in accordance with Section (L) following. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.71 Contract Tariff Option 70 (Cont'd)

(N)

(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 25.3), FCC11 (Section 25.2), (x) FCC14 (Section 23.1, and FCC16 (Section 22.1) (the "Total Annual (x) 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. (N)

(x) Issued under authority of Special Permission No. 15-013 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.71 Contract Tariff Option 70 (Cont'd)

(J) Mergers and Acquisitions of Customer (N)

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 70), 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 70) 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 70.

(K) Sale of Verizon Operating Telephone Company

If some or all of the assets or stock of a Verizon Operating Telephone Company that provides Qualifying TDM 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 the Qualifying TDM Services Annual Revenue Commitment.

Illustrative Example:

Assume the following information for Plan Year 2:

(1) The Qualifying TDM Services Annual Revenue Commitment is $5.9M

(2) The Telephone Company sells Verizon New York to a third-party at the end of month 8 of Plan Year 2;

(3) During the three month period prior to the sale, Verizon New York accounted for $900K in Billed Qualifying TDM Service Revenue. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.71 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 FCC11 and Option 38 of FCC14. (x)

(2) The benefits of Option 70 shall cease to apply upon its termination. (N)

(x) Issued under authority of Special Permission No. 15-013 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.72 Contract Tariff Option 71

(A) Scope (N)

Contract Tariff Option 71 (**Option 71**) provides discounts, to be effected by the issuance of Quarterly Credits (as defined in Section (G) following) on certain services offered by the Telephone Company pursuant to its tariffs. In consideration for such discounts and credits, Customer agrees to abide by the requirements set forth in this Option 71. 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) Definitions

The following terms are used in this Option 71:

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

(2) **Billed Qualifying Service Revenue** has the meaning set forth in Section (E)(2) following (subject to the exclusions set forth in Section (E)(3) following).

(3) **Disputed Amount** shall mean any amount (or portion thereof) billed by the Telephone Company and disputed and/or not paid when due by Customer.

(4) **Grooms** shall mean a change in the connecting facility assignment (**CFA**) or termination point of a DS1 Service or a DS3 Service, and shall include, by way of example, any of the following types of moves, rearrangements, re-terminations, and disconnection and subsequent reconnection, to the DS1 Service or 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). Solely for the purposes of defining the term Groom(s) and using such term in Section (H) following: **DS1 Service** as used above includes (in addition to the services captured by the definitions of **DS1 Service** and **DS3 Service** set forth in Qualifying SPA Services following) Switched Transport DS1 Service as described in The Verizon Telephone Companies FCC Tariff No. 1 (FCC 1) (Section 6), The Verizon Telephone Companies FCC Tariff No. 11 (FCC 11) (x) (Section 6), and The Verizon Telephone Companies FCC Tariff No. 14 (FCC 14) (Section 4) and **DS3 Service** as used above includes (x) Switched Transport DS3 Service as described in the FCC 1 (Section 6), FCC 11 (Section 6), and FCC 14 (Section 4). (N)(x)

(x) Issued under authority of Special Permission No. 15-021 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.72 Contract Tariff Option 71 (Cont'd)

(B) Definitions (Cont'd) (N)

(5) **Special Access Minimum Annual Revenue Commitment** (**SPAMARC**) means the following amounts of Billed Qualifying Service Revenue (before application of Quarterly Credits) for the annual periods indicated, as revised from time to time, if applicable, pursuant to Section (J) or (K) following (**SPAMARC Amounts**):

Plan Year	Plan Year 1	Plan Year 2	Plan Year 3	Plan Year 4	Plan Year 5*	Plan Year 6*
SPAMARC Amounts	$445M	$356M	$238M	$178M	$135M	$110M

* Plan Years 5 and 6 will occur only upon mutual agreement by the Parties pursuant to Section (D)(2)-(3) following.

(6) **Plan Year** shall mean each of the following periods during the Service Period: (1) Plan Year 1 shall commence on January 1, 2016 (the **Effective Date**) and end on December 31, 2016; (2) Plan Year 2 shall commence on January 1, 2017 and end on December 31, 2017; (3) Plan Year 3 shall commence on January 1, 2018 and end on December 31, 2018; and (4) Plan Year 4 shall commence on January 1, 2019 and end on December 31, 2019. In the event of any extension(s) of the Service Period pursuant to Section (D)(2)-(3) 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 4.

(7) **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, depending on the number of days in the applicable calendar months); 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.

(8) **Quarterly Credit** means the quarterly credits described in Section (G) following. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.72 Contract Tariff Option 71 (Cont'd)

(C) Eligibility (N)

Customer must meet all of the criteria set forth in this Section (C) to be eligible to receive the rates, terms, and conditions under this Option 71:

(1) The customer must subscribe to Option 71 in a manner designated by the Telephone Company no later than thirty (30) days following the effective date of Option 71. 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 71. Subscription to Option 71 shall be an automatic subscription to Option 71 of FCC (x) 11 and Option 39 of FCC 14. (x)

(2) During the twelve (12) month period ending on October 1, 2015 (**Eligibility Measuring Period**), Customer must have achieved a minimum of $620M in aggregate monthly billed recurring charges for all Qualifying Services purchased by Customer from the Telephone Company.

(3) Customer (a) must be concurrently subscribed as of the Effective Date and must remain concurrently subscribed during the Service Period, to the same DS1 and DS3 Commitment Discount Plans under Section 25.1 of this tariff and FCC 11 for the same commitment (x) periods to which Customer was subscribed as of October 1, 2015, and the Ten-Year DS1 Term Volume Plan (**ETTVP**) under Section 5.6.14 of FCC 14 (**Existing Plans**), and (b) unless already (x) subscribed as of October 1, 2015, may not be subscribed, as of the Effective Date or at any time during the Service Period, to a DS3 Term Volume Plan under Section 5.6.19 of FCC 14. To the (x) extent Customer, as of the Effective Date or at any time during the Service Period, fails to comply with any of the requirements set forth in the immediately preceding sentence, Customer shall not be eligible to receive the Quarterly Credits set forth in Section (G) following. (N)

(x) Issued under authority of Special Permission No. 15-021 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.72 Contract Tariff Option 71 (Cont'd)
(C) Eligibility (Cont'd)

(4) To receive the Quarterly Credits described in Section (G) following without incurring Shortfall Payments, Customer must (a) continue to achieve Billed Qualifying Service Revenue of no less than the SPAMARC Amounts specified in Section (B)(5) preceding, and (b) comply with the subscription provisions under Section (C)(3) preceding. (N)

(5) Except for the Existing Plans and any FMS Services to which Customer subscribes as of the Effective Date, 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 under this tariff, FCC 11, or FCC 14 and available to 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 Customer for any of the Qualifying Services. For the avoidance of any doubt, this provision does not apply to services not covered by Option 71. (x)

(6) Except as set forth herein, nothing herein shall modify the terms and conditions of the tariffs, including by way of example under any Commitment Discount Plan (**CDP**) and/or ETTVP plans.

(D) Service Period

(1) Subject to the terms of Section (D)(2)-(3) following and all other applicable terms in this Option 71 (including, by way of example, terms regarding early termination of this Option 71), the **Service Period** for the purchase of all DS1 and DS3 Qualifying Services under this Option 71 shall commence on the Effective Date (as defined above) and end on December 31, 2019 (except that the Service Period shall include any extensions that take effect pursuant to Section (D)(2)-(3) following).

(2) At the expiration of Plan Year 4, and unless this Option 71 is otherwise terminated, the Parties in their sole discretion might, but shall have no obligation to, mutually agree in writing to up to two (2) additional extensions of one (1) year each. If Customer wishes to request the Telephone Company's consent to such an extension(s), Customer must notify the Telephone Company in writing of such request at least ninety (90) calendar days prior to the date on which Option 71 will expire.

(3) If FCC approval is required but not received for any extension described in Section (D)(2) preceding, this Option 71 shall terminate as of the expiration date that would apply in the absence of such extension. (N)

(x) Issued under authority of Special Permission No. 15-021 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.72 Contract Tariff Option 71 (Cont'd)

(E) Qualifying Services (N)

(1) The following Special Access services are **Qualifying Services** under this Option 71:

(a) Special Access DS1 Services (collectively, **DS1 Services**) of 1.544 Mbps bandwidth, as described in this tariff (Section 7.2.9), FCC 11 (Section 7.2.9), FCC 14 (Section 5.3.6) and FCC 16 (Section 7.11.1); (x)

(b) Special Access DS3 Services (collectively, **DS3 Services**) of 44.736 Mbps bandwidth, as described in this tariff (Section 7.2.9), FCC 11 (Section 7.2.9), FCC 14 (Section 5.3.6) and FCC 16 (Section 7.11.1); (x)

(c) Special Access Facilities Management Service (DS1 (only bandwidth of 1.544 Mbps) and DS3 (only bandwidth of 44.736 Mbps)), as described in this tariff (Section 7.2.13) and FCC 11 (Section 7.2.16) (collectively, **FMS Services**); and (x)

(d) IntelliLight Entrance Facilities Service (only DS3 (bandwidth of 44.736 Mbps) as described in this tariff (Section 7.2.15), FCC 11 (Section 26.1.4), FCC 14 (Section 20.4) and FCC 16 (Section 20.4) (collectively, **IEF Services**). (x)

Any services other than the services explicitly listed above (including, by way of example, any SONET entrance facility service provided by the Telephone Company pursuant to an agreement or arrangement other than the tariffs) are not included herein as a Qualifying Service. Qualifying Services do not include any Switched Access services.

The tariffs are as amended from time to time, and such amended rates, terms and conditions for the Qualifying Services shall apply to this Option 71 upon the effectiveness of such change to the tariff(s) except as set forth in this Option 71, and subject to any termination of Option 71 (and/or customer's subscription thereto).

For purposes of this Option 71: (i) all Qualifying Service volumes and revenues are quantified according to three categories (DS1, DS3 CLF, and DS3 CLS) as described further following; and (ii) subject to Section (E)(2)(b)(iii) and Section (E)(5) following, the CoS-USOC combinations set forth in Section (E)(2) following reflect the entire list of CoS-USOC combinations included in the definition of Qualifying Services and counted as contributory toward Billed Qualifying Service Revenue. (N)

(x) Issued under authority of Special Permission No. 15-021 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.72 Contract Tariff Option 71 (Cont'd)

(E) Qualifying Services (Cont'd) (N)

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

Subject to the exceptions and requirements set forth below in Section (E)(2) and in Section (E)(3) following, Billed Qualifying Service Revenue includes monthly recurring charges billed to Customer, under the ACNAs provided in accordance with Section (C)(1) preceding (**Qualifying ACNAs**) for Billed Qualifying Services under the tariffs (including both price flex and price cap MSAs) in the following CoS-USOC combinations:

(a) With respect to DS1 Services, Billed Qualifying Service Revenue includes only monthly recurring charges (**MRCs**) billed in the following CoS-USOC combinations:

CoS: XDH1X, XZH18, XZH1H, XZH1R.

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. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.72 Contract Tariff Option 71 (Cont'd)

(E) Qualifying Services (Cont'd) (N)

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

(b) With respect to DS3 Services, Billed Qualifying Service Revenue includes only MRCs billed in the CoS-USOC combinations shown in Sections (E)(2)(b) (i) and (ii) following:

(i) **DS3 CLF:**

CoS: EGCFX, XDH3X, XZH38, XZH3H, XZH3R, XDH1X, XZH18, XDH3X, XSHDX, XSHHX, XSWWX.

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.

IEF USOCs mapped to the above DS3 Services will be included in Billed Qualifying Service Revenue. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.72 Contract Tariff Option 71 (Cont'd)

(E) Qualifying Services (Cont'd) (N)

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

(b) (Cont'd)

(ii) **DS3 CLS:**

CoS: EGCFX, XDH3X, XZH38, XZH3H, XZH3R, XDH3X, XSHDX, XSHHX, XSWWX.

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.

IEF USOCs mapped to the above DS3 Services will be included in Billed Qualifying Service Revenue. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.72 Contract Tariff Option 71 (Cont'd)

(E) Qualifying Services (Cont'd) (N)

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

(b) (Cont'd)

(iii) If any of the USOCs listed in Sections (E)(2)(b(i)-(ii) preceding bill both MRCs and/or other charges (e.g., NRCs), then only the MRC amounts (i.e., only those amounts appearing in the MRC section of the invoice) 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 (among other possible items, the following list being illustrative only) any of the following:

(a) any non-recurring charges (**NRCs**), surcharges, taxes, late payment charges, credits (including, by way of example, 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 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 invoice;

(e) 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 invoice;

(f) Disputed Amounts, except as set forth in Section (E)(4) following;

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

(h) shortfall or overage charges associated with term plan true-ups (e.g., for failure to satisfy commitment levels pursuant to a CDP); (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.72 Contract Tariff Option 71 (Cont'd)

(E) Qualifying Services (Cont'd) (N)

(3) (Cont'd)

(i) billed amounts associated with any service (or any portion of a service) that is not a Qualifying Service (including, but not limited to, any service provided under a private carriage arrangement);

(j) any Quarterly Credits or Existing Plan True-up Credits that Customer receives in connection with this Option 71; and

(k) any Shortfall Payments under Section (G)(2) following.

(4) Disputed Amounts

(a) The Telephone Company shall not include in Billed Qualifying Service Revenue for a particular Plan Year any amounts that are unpaid and disputed by Customer as of the forty-fifth (45th) day following the end of that Plan Year (**Year End Resolution Period**). For any Disputed Amounts that Customer has paid prior to the end of the Year End Resolution Period, such amounts will be included in Billed Qualifying Service Revenue for the Plan Year that just ended, subject to Section (E)(4)(d) following.

Example: Assume that the Telephone Company billed Customer MRCs totaling $50,000,000 for Qualifying Services in October of Plan Year 1. Assume further that Customer disputed and did not pay $2,000,000 of such billed MRCs as of the end of the Year End Resolution Period for Plan Year 1. Thus, in determining whether Customer met the SPAMARC Amount required to avoid a Shortfall Payment under Section (G)(2) following for Plan Year 1, the Telephone Company would exclude $2,000,000 from Customer's Achieved Annual Revenue.

Example #2: Assume that the Telephone Company billed Customer MRCs totaling $50,000,000 for Qualifying Services in October of Plan Year 1. Assume further that Customer disputed but paid the $2,000,000 of such billed MRCs as of forty-five (45) days after the end of Plan Year 1. Thus, in determining whether Customer met the SPAMARC Amount required to avoid a Shortfall Payment under Section (G)(2) following for Plan Year 1, the Telephone Company would include the disputed but paid $2,000,000 in Customer's Achieved Annual Revenue. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.72 Contract Tariff Option 71 (Cont'd)

(E) Qualifying Services (Cont'd) (N)

(4) Disputed Amounts (Cont'd)

(b) Except as set forth in Sections (E)(4)(e) and (f) following, for purposes of the annual true-up under Section (G)(2) following, the Telephone Company shall exclude from Billed Qualifying Service Revenue any credits or debits for Services billed during Plan Years prior to the Plan Year that is the subject of the true-up (regardless of whether such credits or debits were the result of a valid dispute by Customer or were the result of a billing error by the Telephone Company).

Example: Assume that the Telephone Company billed Customer MRCs totaling $50,000,000 for Qualifying Services in October of Plan Year 1. Assume further that Customer disputed and did not pay $2,000,000 of such billed MRCs, and the dispute remains unresolved as of February 20 of Plan Year 2. Thus, in determining whether Customer met the SPAMARC Amount required to avoid a Shortfall Payment under Section (G)(2) following for Plan Year 1, the Telephone Company would exclude $2,000,000 from Customer's Achieved Annual Revenue. Assume (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.72 Contract Tariff Option 71 (Cont'd)
(E) Qualifying Services (Cont'd)
(4) Disputed Amounts (Cont'd)

(N)

(b) Example (Cont'd)

further that in March of Plan Year 2, the Telephone Company and Customer agree that such billing was partially in error; and the dispute is resolved by Customer paying $1,800,000 and the Telephone Company issuing Customer a credit of $200,000 for the applicable Qualifying Services in March of Plan Year 2. For purposes of the Plan Year 2 true-up under Section (G)(2) following, the $1,800,000 payment by Customer would be included in Customer's Billed Qualifying Service Revenue for Plan Year 2, but the $200,000 credit by the Telephone Company would not be included in Customer's Billed Qualifying Service Revenue for Plan Year 2 or any other Plan Year in the Service Period.

(c) Claim Period. To the extent that Customer disputes any amount billed for any Special Access services that are Qualifying Services as defined in Section (E)(1) preceding (or any portion of such a billed amount), Customer must submit such disputes to the Telephone Company no later than three hundred sixty five (365) days after the date of the invoice on which the Disputed Amount first appeared (such 365-day period, the **Claim Period**). Each dispute must be submitted on a claim description form as provided by the Telephone Company, must describe in detail Customer's basis for the dispute, and must clearly state next to the circuit ID and amount under dispute the following: "Dispute Associated with 2016 Contract Tariff." For the avoidance of any doubt, the Telephone Company shall not be required to consider any dispute regarding any Disputed Amount not submitted within the Claim Period, and Customer shall be deemed to waive any disputes not submitted prior to the end of the Claim Period. Customer (using a Claim Description Form or otherwise) may not: (i) retroactively dispute any amounts that first appeared on an invoice more than three hundred sixty five (365) days prior to the date on which Customer submits the dispute to the Telephone Company or (ii) prospectively dispute amounts to be billed in future invoices. Customer shall pay, on or before the due date that applies under the tariffs, all amounts that are not subject to a bona fide dispute that Customer has submitted in accordance with the terms of this Section (E)(4)(c). To the extent that the terms of FCC 16 conflict (x) with the Claim Period terms set forth in this Section (E)(4)(c) with respect to amounts billed for Qualifying Services under FCC 16, the terms of FCC 16 shall apply instead (x) of the conflicting term(s) of this Section (E)(4)(c). (N)

(x) Issued under authority of Special Permission No. 15-021 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.72 Contract Tariff Option 71 (Cont'd)
(E) Qualifying Services (Cont'd)
(4) Disputed Amounts (Cont'd)

(N)

(d) If any Disputed Amounts that were billed during a particular Plan Year remain disputed and unpaid as of the end of the Year End Resolution Period for that Plan Year, then such Disputed Amounts shall be excluded from Billed Qualifying Service Revenue for purposes of the annual true-up for that Plan Year under Section (G)(2) following, regardless of whether the Claim Period for the subject amount has expired as of the end of the Year End Resolution Period. If the dispute is resolved and Customer pays the Disputed Amount prior to the end of the Year End Resolution Period, then the Telephone Company will include the amount paid by Customer in Billed Qualifying Service Revenues for purposes of the annual true-up under Section (G)(2) following for the just-concluded Plan Year, in which case Customer may not thereafter raise any further disputes regarding the Disputed Amounts (regardless of whether there would otherwise still be time remaining for Customer to raise such a dispute under the Claim Period, other provisions of the tariffs, applicable law or elsewhere).

(e) If a Disputed Amount is excluded from Billed Qualifying Service Revenue for a given Plan Year because the Disputed Amount remained unpaid as of the Year-End Resolution Period, and if Customer, in a subsequent Plan Year, withdraws or settles the dispute and pays any withheld Disputed Amount (the amount of the Disputed Amount with respect to which Customer withdraws or settles the dispute and pays any withheld Disputed Amount may be referred to as a **Resolved Disputed Amount**), then that Resolved Disputed Amount (if it otherwise qualifies to be treated as Billed Qualifying Service Revenue) will be included in Billed Qualifying Service Revenue for the Plan Year in which the dispute is withdrawn or settled and Customer pays any withheld Disputed Amount; provided, however, that in no event shall Billed Qualifying Service Revenue for a given Plan Year include more than five million U.S. Dollars ($5M) in Resolved Disputed Amounts from a previous Plan Year (**Resolved Disputed Amount Cap**), and any excess Resolved Disputed Amount above the Resolved Disputed Amount Cap shall be carried over and included in Billed Qualifying Service Revenue in the next Plan Year (but not beyond that next Plan Year) and shall count toward the Resolved Disputed Amount Cap for that next Plan Year. If a Resolved Disputed Amount is included in Billed Qualifying Service Revenue pursuant to the preceding sentence (or was a Resolved Disputed Amount in excess of the Resolved Disputed Amount Cap and, therefore, carried over to the next Plan Year), then Customer may not at any time thereafter raise, and Customer shall waive, any further claims or disputes regarding the Disputed Amount (regardless of whether there would otherwise still be time remaining for Customer to raise such a dispute under the Claim Period, other provisions of the tariffs, applicable law or elsewhere).

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.72 Contract Tariff Option 71 (Cont'd)
(E) Qualifying Services (Cont'd)
(4) Disputed Amounts (Cont'd)
(e) (Cont'd)

Example: Assume that the Telephone Company billed Customer MRCs totaling $50,000,000 for Qualifying Services in October of Plan Year 1. Assume further that Customer disputed and did not pay $6,000,000 of such billed MRCs and the dispute remains unresolved as of February 20 of Plan Year 2. Thus, in determining whether Customer met the SPAMARC Amount required to avoid a Shortfall Payment under Section (G)(2) following for Plan Year 1, the Telephone Company would exclude $6,000,000 from Customer's Achieved Annual Revenue. Assume further that in March of Plan Year 2, the Telephone Company and Customer agree that such billing was partially in error; and the dispute is resolved by Customer paying $5,500,000 and the Telephone Company issuing Customer a credit of $500,000 for the applicable Qualifying Services in March of Plan Year 2. For purposes of the Plan Year 2 true-up under Section (G)(2) following, $5,000,000 of the $5,500,000 paid by Customer in March of Plan Year 2 would be included in Customer's Billed Qualifying Service Revenue for Plan Year 2, but the remaining $500,000 paid by Customer exceeds the Resolved Disputed Amount Cap and will not be included in Customer's Billed Qualifying Service Revenue for Plan Year 2 but will be carried over and included in Billed Qualifying Service Revenue for Plan Year 3 (subject to the Resolved Disputed Amount Cap for Plan Year 3. Also, the $500,000 credit by the Telephone Company would be subtracted from Customer's Billed Qualifying Service Revenue for Plan Year 2 pursuant to Section (E)(4)(f) following. (N)

(f) If a Disputed Amount is included in Billed Qualifying Service Revenue for a given Plan Year because Customer paid the Disputed Amount pending resolution of the dispute, and if Customer later prevails in the dispute (because the Telephone Company allows the claim in the claims process or Customer prevails through dispute resolution) and the Telephone Company issues Customer a credit in a subsequent Plan Year (the amount of such credit, the **Resolution Credit Amount**), then that Resolution Credit Amount (if it otherwise qualifies to be treated as Billed Qualifying Service Revenue) will be subtracted from Billed Qualifying Service Revenue for the Plan Year in which the Telephone Company issues the credit. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.72 Contract Tariff Option 71 (Cont'd)
(E) Qualifying Services (Cont'd)
(4) Disputed Amounts (Cont'd)

(N)

(g) In the event that Customer withholds payment of any amounts billed for Qualifying Services, then, except as otherwise agreed in writing by the parties, the Telephone Company shall offset (i.e., withhold) such amounts from any Quarterly Credits owed to Customer until such time as Customer pays the disputed amount or the dispute is resolved in Customer's favor. For the avoidance of any doubt, Customer shall be liable for late payment charges as set forth in the tariffs with respect to any billed amounts that Customer does not pay by the date on which payment is due.

(5) USOC Updates

If, during the Service Period of this Option 71, a tariff is revised to include a USOC that is a replacement or substitution, in part or in whole, for one of the USOCs set forth in Section (E)(2) preceding or to include a USOC that was inadvertently omitted from such tariff, then (effective as of the date on which such revision to the tariff 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 Sections (E)(2) and (E)(3) preceding and all other terms of this Option 71, will be counted as contributory towards Billed Qualifying Service Revenue.

(F) Serving Area

Notwithstanding any other provision of this Option 71, any Quarterly Credits 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 14.7 of this tariff, Section 15.3 of FCC 11, (x)
and Section 19.1 of FCC 14. Any additions of, or changes to, the (x)
MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in the tariff) that occur during the Service Period will apply. For the avoidance of doubt, no Quarterly Credits will be provided in the operating territories of FCC 16. (N)(x)

(x) Issued under authority of Special Permission No. 15-021 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.72 Contract Tariff Option 71 (Cont'd)
(G) Quarterly Credits and Annual True-up (N)
(1) Quarterly Credits

(a) If Customer satisfies the eligibility criteria set forth in Section (C) preceding, and subject to the annual true-up described in Section (G)(2) following and any withholding by the Telephone Company under Section (E)(4)(f) preceding (and subject further to any termination of this Option 71), Customer shall receive quarterly billing credits in amounts to be calculated as set forth in Table 1 below (**Quarterly Credits**). The Telephone Company will provide the Quarterly Credits on Customer's bills within one hundred twenty (120) calendar days after the end of the applicable Quarter. The Quarterly Credits are calculated using the formulas set forth in Table 1 following based on the **Quarterly Credit Revenue Basis**, which is defined as the amount of Billed Qualifying Service Revenue, as defined in Sections (E)(2) and (E)(3) preceding, but excluding revenue for DS1 Services as defined in Section (E)(2)(a), that Customer achieved during the period from (and including) July 2014 through June 2015. . The Quarterly Credits are provided for Customer's collective subscription to this Option 71, Option 71 of FCC 11, and (x) Option 39 of FCC 14 (i.e., Customer may not receive Quarterly (x) Credits under more than one of the three Options).

Table 1

Plan Year 1 – Per Quarter	**Plan Year 2 – Per Quarter**	**Plan Year 3 – Per Quarter**	**Plan Year 4 – Per Quarter**	**Plan Year 5 – Per Quarter***	**Plan Year 6 – Per Quarter***
Quarterly Credit Revenue Basis multiplied by 9.68%.	Quarterly Credit Revenue Basis multiplied by 8.34%.	Quarterly Credit Revenue Basis multiplied by 6.85%.	Quarterly Credit Revenue Basis multiplied by 4.25%.	Quarterly Credit Revenue Basis multiplied by 1.31%.	Quarterly Credit Revenue Basis multiplied by 1.31%.

(N)

* Plan Years 5 and 6 will occur only upon mutual agreement by the parties (N)
pursuant to Section (D)(2)-(3) preceding. (N)

(x) Issued under authority of Special Permission No. 15-021 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.72 Contract Tariff Option 71 (Cont'd)

(G) Quarterly Credits and Annual True-up (Cont'd) (N)

(2) Annual True-up

At the end of each Plan Year the Telephone Company shall determine the total amount of Billed Qualifying Service Revenue (as determined under Section (E) preceding) that Customer achieved for the just-concluded Plan Year (**Achieved Annual Revenue**). If Customer's Achieved Annual Revenue is equal to or greater than the SPAMARC Amount for the Plan Year being reviewed, then Customer will owe no Shortfall Payment. If Customer's Achieved Annual Revenue is less than the SPAMARC Amount, then Customer will owe a shortfall payment equal to the difference between the SPAMARC Amount for the applicable plan year and Customer's Achieved Annual Revenue for that Plan Year (**Shortfall Payment**) and the Telephone Company shall issue a debit to account for such payment obligation and Customer shall pay such debited amount.

Example: Assume that in Plan Year 1, the SPAMARC Amount is $445,000,000 and in Plan Year 2, the SPAMARC Amount is $356,000,000. Also assume that, Customer achieved $446,000,000 in Billed Qualifying Service Revenue in Plan Year 1. Customer would not owe a Shortfall Payment at the end of Plan Year 1 because Customer's Achieved Annual Revenue was greater than the Plan Year 1 SPAMARC Amount. Assume further that, in Plan Year 2, Customer achieved $355,000,000 in Billed Qualifying Service Revenue. Customer would owe a Shortfall Payment of $1,000,000 (the difference between Customer's Achieved Annual Revenue and the Plan Year 2 SPAMARC Amount of $356,000,000).

(H) Limitation on Grooms

(1) During each Plan Year, Customer shall not order more than a total of twenty-four thousand eight hundred (24,800) Grooms of DS1 Services and DS3 Services (**Maximum Annual Grooms**). The Telephone Company shall be required to accommodate the Maximum Annual Grooms in any Plan Year if requested by the Customer in accordance with the Agreed Throughput Volumes (as defined following). Customer (if it has not already done so prior to the Effective Date), upon determination of the need to initiate a groom project, shall provide the Telephone Company with a written notice indicating how Customer wishes to allocate the Maximum Annual Grooms according to (i) DS1, DS3, special access, and switched access services, (ii) per day order volumes, (iii) order volumes per each Telephone Company ordering center region, and (iv) order volumes per each Telephone Company ordering center (**Customer Groom Notice**). The Parties, no later than sixty (60) days after the Telephone Company's receipt of the Customer Groom Notice, shall discuss Customer's proposed allocation and arrive at a written mutually-agreed allocation (collectively, the **Agreed Throughput Volumes** (which will not be any more than 2,250 Grooms in a given month and up to the Maximum Annual Grooms of 24,800 for the full Plan Year), and, together with the Annual Maximum Grooms limit, (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.72 Contract Tariff Option 71 (Cont'd)
(H) Limitation on Grooms (Cont'd)
(1) (Cont'd)

(N)

the **Groom Limitations**). This same process shall be used throughout the Plan Year to manage Customer's Grooms up to the Maximum Annual Grooms. The Groom volumes will be paced so as to be spread evenly over the Plan Year unless the Parties mutually agree in writing to a different pace. The Telephone Company will make a good faith effort to accommodate Customer's requested volumes by Telephone Company ordering center. The Telephone Company shall reject any Groom orders that are not placed in accordance with the Groom Limitations. The Maximum Annual Grooms are specific to each Plan Year; thus, for example, if in a particular Plan Year Customer ordered 500 fewer Grooms than would be allowed by the Grooms Limitations for that Plan Year, Customer could not carry forward those 500 unused Groom orders to the next Plan Year. Any Grooms that Customer requested but were not completed prior to the Service Period are not exempt from the Maximum Annual Grooms and any such Grooms that Customer wishes to complete during a Plan Year in the Service Period shall count toward the Maximum Annual Grooms for that Plan Year.

(2) ACNAs Subject to Limitation on Grooms. The Groom Limitations shall apply to all ACNAs provided in accordance with Section (C)(1) preceding. When determining whether Customer has exceeded the Groom Limitations, the Telephone Company shall count all Grooms ordered during the applicable time period (day or Plan Year) in any of the operating territories for such ACNAs.

(3) Exceptions to the Grooms Limitations

The following types of Grooms shall not be included in the Grooms Limitations 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 Customer;

(b) Any Grooms where a DS3 Service rides a Verizon optical service provided to Customer, which optical service terminates at or, originates from, a Customer Point-of-Presence (**PoP**);

(c) Any other Grooms that the Parties mutually agree in writing to not include in the count of Maximum Daily Grooms or Maximum Annual Grooms.

(4) Other than as set forth herein, all Grooms shall remain subject to the terms of the tariffs. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.72 Contract Tariff Option 71 (Cont'd)

(I) Existing Plan True-Up Credits (N)

(1) Existing Plan True-Up Credits

During the Service Period and unless this Option 71 is terminated earlier, Customer may qualify to receive Existing Plan True-up Credits (as defined below) as described in this Section (I)(1).

(a) If, as a result of the true-up process for Qualifying Services set forth in Section 25.1.7 of this tariff and FCC 11 or (x) Section 5.6.14 of FCC 14, Customer is billed a shortfall (x) adjustment or charge-up adjustment or a shortfall penalty (collectively, a **True-Up Adjustment Charge**), then the Telephone Company will issue a credit equal to the amount of the True-Up Adjustment Charge for the applicable true-up period (**Existing Plan True-Up Credit**). Any such credits owed for any true-up periods in a particular Plan Year shall be made within one hundred twenty (120) days after the end of that Plan Year in conjunction with the annual true-up under Section (G)(2) preceding.

(b) If Customer does not pay a True-Up Adjustment Charge for a particular true-up period, then Customer will not receive an Existing Plan True-Up Credit for that true-up period.

(c) If Customer receives an Existing Plan True-Up Credit for a particular true-up period, Customer may not thereafter dispute the amount of True-Up Adjustment Charge or the Existing Plan True-up Credit.

(d) For the avoidance of any doubt, this Section (I)(1) does not affect Existing Plan provisions except as expressly set forth preceding (thus, for example, Existing Plan provisions regarding minimum periods and early termination liability, and charges associated with each, shall continue to apply as set forth in the tariffs, and Customer shall receive no credits with respect to any such charges under this Section (I)(1)). (N)

(x) Issued under authority of Special Permission No. 15-021 of the Federal Communications Commission.

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.72 Contract Tariff Option 71 (Cont'd)

(I) Existing Plan True-Up Credits (Cont'd) (N)

(2) Other Tariff Provisions

All other tariff provisions applicable to the Existing Plans (including, by way of example, discounts and minimum period requirements) remain unchanged by this Section (I); provided, however, that:

(a) Except where the Parties otherwise agree in writing in the event that any Acquired Properties are included in Option 71 pursuant to Section (K)(3) following, Customer may not consolidate or combine the Existing Plans with any other CDPs or term plans (including, by way of example, by adding to the Existing Plans any companies, assets or ACNAs acquired by the Telephone Company after the Effective Date) in cases where such consolidation or combination is optional under the applicable tariff terms; thus, among other things, any such other CDPs and term plans shall remain subject to any true-up and shortfall/overage payment provisions contained therein, and such provisions are not affected by Section (I)(1) preceding; and

(b) In cases where a tariff requires (i.e., non-optional, thus not covered by Section (I)(2)(a) preceding) Customer to include Acquired Properties in an Existing Plan, then the Existing Plan True-up Credits under Section (I)(1) preceding shall cease until such time as the Parties agree in writing to include such Acquired Properties in Option 71 pursuant to Section (K)(3) following. In the event the Parties are unable to reach such written agreement within ninety (90) days after the date on which the Acquired Properties were added to an Existing Plan, then either Party may seek dispute resolution to resolve any disagreement regarding the terms and conditions that may be necessary to equitably include the Acquired Properties in this Option 71 based on the proportionality of the Acquired Properties as compared to Customer's then-embedded base of Qualifying Services that contribute to Customer's Billed Qualifying Service Revenue (including, but not limited to, any terms to adjust the SPAMARC Amounts, Quarterly Credits and Grooms Limitations). (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.72 Contract Tariff Option 71 (Cont'd)

(J) Divestitures by the Parties (N)

(1) Notice of Divestiture

(a) Notice of Customer Divestiture

If Customer sells to an unaffiliated third party, or otherwise transfers to an unaffiliated third party its ownership of (collectively, a **Customer Divestiture**), one or more ACNA(s), or a line of business, division, affiliate, or license to operate in a particular geographic area (e.g., a CMRS license) (collectively, **Customer Sold Properties**), then Customer, prior to closure of the Customer Divestiture, or as expeditiously as practical after such closure, shall notify the Telephone Company of such Customer Divestiture via a written notice (**Customer Divestiture Notice**) that includes the following information:

(i) the date on which the Customer Divestiture is expected to close or has closed;
(ii) the affected ACNA(s);
(iii) the affected state(s) or other relevant geographic area(s); and
(iv) Information sufficient to begin the identification process of the volumes and circuit identifiers of all Qualifying Services and Billed Qualifying Service Revenues associated with the Customer Sold Properties that Customer will no longer obtain from the Telephone Company as a result of the Customer Divestiture. After sending this notification, Customer will work cooperatively with the Telephone Company (and the third-party carrier, if necessary) to complete the exchange of this information. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.72 Contract Tariff Option 71 (Cont'd)
(J) Divestitures by the Parties (Cont'd)
(1) Notice of Divestiture (Cont'd)
(a) Notice of Customer Divestiture (Cont'd) (N)

Customer shall also provide such other information that the Telephone Company reasonably requests for purposes of this Section (J) (e.g., for determining an adjustment to the SPAMARC Amounts and Quarterly Credits). For the avoidance of any doubt, any Customer divestiture of its interest in Qualifying Services is subject to the terms of the tariffs applicable to such divestitures (including, by way of example, Section 2.1.2 of this tariff). Upon such a divestiture, any permitted entity that acquires Customer's interest in the Qualifying Services shall purchase such Qualifying Services in accordance with the rates, terms and conditions of the tariffs, and this Option 71 shall cease to apply with respect to such Qualifying Services.

(b) Notice of Telephone Company Divestiture

If the Telephone Company sells all or part of any of its operating telephone companies (a **Verizon Sold Property(ies)**) that provides Qualifying Services under this Option 71 during the Service Period (a **Verizon Divestiture**), then the Telephone Company, prior to closure of the Verizon Divestiture or as expeditiously as practical after such closure, shall notify Customer of such Verizon Divestiture via a written notice (**Verizon Divestiture Notice**), which shall include the date on which the Verizon Divestiture is expected to close (or has closed) and the affected state(s) or other relevant geographic area(s).

The Telephone Company shall also provide thereafter such other information that Customer reasonably requests with respect to the adjustment to the SPAMARC Amounts and Quarterly Credits for purposes of Sections (J)(3) and (J)(4) following. In cases where the Telephone Company assigns its rights and obligations to a third party (**Acquiring Third Party**) with respect to any Qualifying Services, Customer shall remain obligated to purchase such Qualifying Services from such Acquiring Third Party in accordance with the terms of Option 71 and the tariffs. To the extent Customer's SPAMARC Amount obligation is reduced under Section (J)(3) (**SPAMARC Reduction Amount**), Customer's obligation with respect to the SPAMARC Reduction Amount shall apply as between Customer and the Acquiring Third Party. Similarly, to the extent the Quarterly Credits are reduced under Section (J)(4) following (**Quarterly Credit Reduction Amounts**), the Acquiring Third Party would be required to provide Quarterly Credits in amounts equal to the Quarterly Credit Reduction Amounts provided that Customer remains eligible for Quarterly Credits under the terms of this (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.72 Contract Tariff Option 71 (Cont'd)

(J) Divestitures by the Parties (Cont'd) (N)

(1) Notice of Divestiture (Cont'd)

(b) Notice of Telephone Company Divestiture (Cont'd)

Option 71, and subject to any Shortfall Payment that Customer may owe under such terms (taking account of the adjusted SPAMARC Amounts that apply as between Customer and the Acquiring Third Party). For the avoidance of any doubt, after any assignment implemented in connection with a Verizon Divestiture, the Telephone Company shall have no responsibility for the prospective performance of this Option 71 and/or its obligations hereunder by the assignee or transferee.

(2) Divestiture Adjustment Factor

In the event of a Customer Divestiture or Verizon Divestiture (which, in either case, may be referred to as a **Party Divestiture**), the Divestiture Adjustment Factor (determined according to the steps set forth following) will be used under Sections (J)(3) and (J)(4) following. As used following: (i) **Sold Qualifying Revenue** refers to the Billed Qualifying Service Revenues generated by Customer Sold Properties (in the case of a Customer Divestiture) or the Verizon Sold Properties (in the case of a Verizon Divestiture) that are the subject of a particular Party Divestiture and that, as a result of the Party Divestiture, the Telephone Company will no longer bill to Customer and (ii) **Sold Properties** refers to the Customer Sold Properties (in the case of a Customer Divestiture) or the Verizon Sold Properties (in the case of a Verizon Divestiture).

Step 1A: Determine the total amount of all Billed Qualifying Service Revenues that Customer achieved for the one (1)-year period ending on the day immediately prior to the date of the closing of the Party Divestiture (**Total Qualifying Revenue**).

Step 2A: Determine the total amount of Sold Qualifying Revenue generated by the Sold Properties for the one (1)-year period ending on the day immediately prior to the date of the closing of the Customer Divestiture (**Sold Qualifying Revenue**).

Step 3A: Divide the Sold Qualifying Revenue determined in Step 2A above by the Total Qualifying Revenue determined in Step 1A above to arrive at a **Divesture Adjustment Factor**.

Example of the above steps: Assume all Billed Qualifying Service Revenue for the one (1) year period ending on the day immediately prior to the closing date of the Party Divestiture was $200M. Also assume the Sold Qualifying Revenue over that same time period as $40M. The Divestiture Adjustment Factor would be 20%. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.72 Contract Tariff Option 71 (Cont'd)

(J) Divestitures by the Parties (Cont'd) (N)

(3) SPAMARC Amount Adjustments

In the event of a Party Divestiture, the Telephone Company shall adjust the SPAMARC Amounts set forth in Section (B)(5) preceding as follows:

(a) For purposes of the annual true-up for the Plan Year in which the Party Divestiture closed (**Closing Plan Year**):

Step 1B: For the Closing Plan Year, determine the number of days remaining in the period that begins on the Party Divestiture closing date and ends on the last day of the Plan Year (**Remaining Plan Year Days**).

Step 2B: Divide the number of Remaining Plan Year Days by three hundred sixty five (365) to produce a **Closing Plan Year Adjustment Factor**.

Step 3B: Multiply the SPAMARC Amount for the subject Plan Year by the Closing Plan Year Adjustment Factor.

Step 4B: Multiply the amount produced by Step 3B by the Divestiture Adjustment Factor.

Step 5B: Subtract the amount resulting from Step 4B above from the SPAMARC Amount for the subject Plan Year to arrive at the **Closing Plan Year Adjusted SPAMARC**. The Closing Plan Year Adjusted SPAMARC shall then replace the SPAMARC Amount under Section (B)(5) preceding for the purposes of the annual true-up under Section (G)(2) preceding.

Example of the above steps: Assume the following: a Party Divestiture occurs on the 165th day of Plan Year 2, the SPAMARC for Plan Year 2 is $180M, and the Divestiture Adjustment Factor (as described in Section (J)(2) preceding) is 20%.

Step 1B: The Remaining Plan Year Days = 200 Days.
Step 2B: The Closing Plan Year Adjustment Factor would be 54.8% (200/365).
Step 3B: Multiply 54.8% by $180M, which produces the result $98.64M.
Step 4B: Multiply $98.64M by 20%, which produces the result of $19.73M.
Step 5B: Subtract $19.73M from the SPAMARC of $180M to calculate the Closing Plan Year Adjusted SPAMARC of $160.17M. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)

21.72 Contract Tariff Option 71 (Cont'd)

(J) Divestitures by the Parties (Cont'd) (N)

(3) SPAMARC Amount Adjustments (Cont'd)

(b) For purposes of Plan Years subsequent to the Plan Year in which the Party Divestiture closed:

Step 1C: Multiply each of the SPAMARC Amounts (as set forth in Section (B)(5) preceding) for the remaining Plan Year(s) by the Divestiture Adjustment Factor.

Step 2C: For each of the remaining Plan Years, subtract the amount resulting from Step 1C from the SPAMARC Amount (as set forth in Section (B)(5) preceding) for the respective Plan Years.

Step 3C: The amounts resulting from Step 2C are the new SPAMARC Amounts that will be used for purposes of the annual true-ups in the Plan Years subsequent to the Plan Year in which the Party Divestiture occurred.

Example of the above steps: Assume the following: a Party Divestiture occurs on the 165th day of Plan Year 2, the SPAMARC for Plan Year 3 is $170M, the SPAMARC for Plan Year 4 is $160M, and the Divestiture Adjustment Factor (as described in 11.2 above) is 20%. The Adjusted SPAMARC for Plan Year 3 will be $136M ($170M - $34M). The Adjusted SPAMARC for Plan Year 4 will be $128M ($160M - $32M).

In the event of a subsequent Party Divestiture, the new SPAMARC Amounts resulting from Step 3C above will be used as the baseline SPAMARC Amounts that will be adjusted in accordance with the above provisions. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.72 Contract Tariff Option 71 (Cont'd)
(J) Divestitures by the Parties (Cont'd) (N)
(4) Quarterly Credit Adjustments

In the event of a Party Divestiture, the Telephone Company shall adjust the Quarterly Credits set forth in Section (G) preceding as follows:

(a) In the event a Party Divestiture that closes on any day of a Quarter other than the last day of a Quarter, the Telephone Company shall adjust the Quarterly Credit that would have applied for that Quarter under Section (G) preceding as follows:

Step 1D: Identify the Quarterly Credit that would be due for the Quarter in which the Party Divestiture occurred (such Quarter, the "Divestiture Closing Quarter").

Step 2D: For the Divestiture Closing Quarter, determine the number of days up to and including the Party Divestiture closing date.

Step 3D: Determine the number of days remaining in the Divestiture Closing Quarter after the Party Divestiture closing date by subtracting the result of Step 2D from 91.

Step 4D: Divide the amount identified in Step 2D by ninety-one (91) to determine the percentage of days before Party Divestiture in the Divestiture Closing Quarter.

Step 5D: Divide the amount identified in Step 3D by ninety-one (91) to determine the percentage of days after Party Divestiture in the Divestiture Closing Quarter.

Step 6D: Multiply the amount from Step 1D by the result of Step 4D to determine the portion of Quarterly Credit due for the period prior to the Party Divestiture.

Step 7D: Multiply the amount from Step 1D by the result of Step 5D to determine the unadjusted portion of Quarterly Credit that would be due for the period after the Party Divestiture.

Step 8D: Multiply the amount from Step 7D by the Divestiture Adjustment Factor.

Step 9D: Subtract the amount resulting from Step 8D from the result of Step 7D.

Step 10D: Add the result of Step 9D to the result of Step 6D to determine the Quarterly Credit due for the Divestiture Closing Quarter.

Example of the above steps: Assume a Party Divestiture occurs on the seventy-fifth (75th) day of the second Quarter of a Plan Year. Also assume that the Quarterly Credit amount for the Plan Year is $30M. Lastly, assume the Divestiture Adjustment Factor is 20%. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.72 Contract Tariff Option 71 (Cont'd)
(J) Divestitures by the Parties (Cont'd)

(4) Quarterly Credit Adjustments (Cont'd) (N)

(a) (Cont'd)

Example of the above steps: (Cont'd)

Step 1D: The Quarterly Credit Amount is $30M.

Step 2D: The number of days in the Divestiture Closing Quarter up to and including Party Divestiture Closing Date is 75.

Step 3D: 91 days minus 75 days is 16 days.

Step 4D: 75 days / 91 days is 82.42%

Step 5D: 16 days / 91 days is 17.58%

Step 6D: $30M multiplied by 82.42% = $24,725,275

Step 7D: $30M multiplied by 17.58% = $5,274,725

Step 8D: $5,274,275 multiplied by 20% = $1,054,945

Step 9D: $5,274,725 minus $1,054,945 = $4,219,780

Step 10D: $24,725,275 plus $4,219,780 = $28,945,055

(b) For purposes of Quarterly Credits for any Quarters remaining in the same Plan Year after the Quarter in which the Party Divestiture occurred (**Remaining Closing Plan Year Credit Quarters**):

Step 1E: Total the Quarterly Credits for the Remaining Closing Plan Year Credit Quarters.

Step 2E: Multiply the sum resulting from Step 1E by the Divestiture Adjustment Factor.

Step 3E: Subtract the amount resulting from Step 2E from the sum resulting from Step 1E.

Step 4E: Divide the amount resulting from Step 3E by the number of Remaining Closing Plan Year Credit Quarters. (Thus, for example, if the Party Divestiture closed in the 1st Quarter of a given Plan Year, divide by four. As a further example, if the Party Divestiture closed in the 4th Quarter of a given Plan Year, divide by one.)

Step 5E: The amount(s) resulting from Step 4E is the amount(s) of the Quarterly Credits that Customer will receive for the Remaining Closing Plan Year Credit Quarters. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.72 Contract Tariff Option 71 (Cont'd)
(J) Divestitures by the Parties (Cont'd)
(4) Quarterly Credit Adjustments (Cont'd)
(b) (Cont'd) (N)

Example of the above steps: Assume a Party Divestiture occurs in the second Quarter of Plan Year 2. Also assume that the unadjusted Quarterly Credit due to Customer in each Quarter of Plan Year 2 is $20M and the first Quarter credit has been paid. Lastly, assume the Divestiture Adjustment Factor = 20%.

Step 1E: Total of Quarterly Credits for the Remaining Closing Plan Year Credit Quarters= $60M (3 Quarters x $20M).
Step 2E: $60M x 20% = $12M
Step 3E: $60M - $12M = $48M
Step 4E: $48M/3 = $16M
Step 5E: The Quarterly Credit for each of the Remaining Closing Plan Year Quarters is $16M.

(i) For purposes of Quarterly Credits for the Quarters of any Plan Years remaining after the Plan Year in which the Party Divestiture closed (**Subsequent Plan Year Credit Quarters**):

Step 1F: Multiply each of the Quarterly Credit amounts set forth in Section (G)(1) by the Divesture Adjustment Factor.

Step 2F: For each Subsequent Plan Year Credit Quarter, subtract the amount resulting from Step 1F from the respective Quarterly Credits (as set forth in Section (G)(1) preceding).

Step 3F: The amounts resulting from Step 2F are the new Quarterly Credit Amounts that Customer will receive (if it remains eligible) for the Subsequent Plan Year Credit Quarters.

Example of the above steps: Assume the following: a Party Divestiture occurs on the 165th day of Plan Year 2, the SPAMARC for Plan Year 3 = $170M with Quarterly Credits of $42.5M per Quarter, the SPAMARC for Plan Year 4 is $160M with Quarterly Credits of $40M per Quarter. Lastly, assume the Divestiture Adjustment Factor (as described in Section (J)(2) preceding) is 20%. The Subsequent Plan Year Quarterly Credit for Plan Year 3 is $34M ($42.5M - $8.5M). The Subsequent Plan Year Quarterly Credit for Plan Year 4 is $32M ($40M - $8M).

In the event of a subsequent Party Divestiture, the new Quarterly Credit amounts resulting from Step 3F preceding will be used as the baseline Quarterly Credit amounts that will be adjusted in accordance with the above provisions. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.72 Contract Tariff Option 71 (Cont'd)
(J) Divestitures by the Parties (Cont'd)
(5) Adjustment to Maximum Annual Grooms (N)

In the event of a Party Divestiture (as defined in Section (J)(2) preceding) the Maximum Annual Grooms limit set forth in Section (H)(1) preceding shall be reduced in accordance with the steps set forth below and the Parties by written mutual agreement will reallocate the Agreed Throughput Volumes accordingly.

Step 1G: For the Divestiture Plan Year, determine the number of days remaining in the period that begins on the Party Divestiture closing date and ends on the last day of the Plan Year (**Remaining Plan Year Days**).

Step 2G: Divide the number of Remaining Plan Year Days by three hundred sixty five (365) to produce a **Closing Plan Year Adjustment Factor**.

Step 3G: Multiply the Maximum Annual Grooms amount for the subject Plan Year by the Closing Plan Year Adjustment Factor.

Step 4G: Multiply the amount produced by Step 3G by the Divestiture Adjustment Factor as defined in Section (J)(2) preceding.

Step 5G: Subtract the amount resulting from Step 4G above from the Maximum Annual Grooms amount for the subject Plan Year to arrive at the **Closing Plan Year Adjusted Grooms Maximum**. The Closing Plan Year Adjusted Grooms Maximum shall then replace the Maximum Annual Grooms amount set forth in Section (H)(1) for the Closing Plan Year.

For purposes of calculating the Maximum Annual Grooms for Plan Years after the Closing Plan Year, the Maximum Annual Grooms amount set forth in Section (H)(1) preceding will be adjusted as follows:

Step 6G: For each Plan Year after the Closing Plan Year, Multiply the Maximum Annual Grooms amount for that Plan Year by the Divestiture Adjustment Factor. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.72 Contract Tariff Option 71 (Cont'd)
(J) Divestitures by the Parties (Cont'd)
(5) Adjustment to Maximum Annual Grooms (Cont'd)

(N)

Example of the above steps: Assume the following: a Party Divestiture closes on the 151st day of Plan Year 2, the Maximum Annual Grooms amount for Plan Years 2 and 3 is 24,800, and the Divestiture Adjustment Factor (as described in Section (J)(2) preceding) is 20%.

Step 1G: The Remaining Plan Year Days = 214 Days.

Step 2G: The Closing Plan Year Adjustment Factor is 58.6% (214/365).

Step 3G: Multiply 58.6% by 24,800, which produces the result of 14,357.

Step 4G: Multiply 14,357 by the 20% Divestiture Adjustment Factor, which produces the result of 2,871.

Step 5G: Subtract 2,871 from the Maximum Annual Grooms amount of 24,800 to arrive at the Closing Plan Year Adjusted Grooms Maximum amount of 21,921.

Step 6G: Multiply the 20% Divestiture Adjustment Factor by the Plan Year 3 Maximum Annual Grooms amount of 24,800 = 4,960.

Step 7G: Subtract 4,960 from the Plan Year 3 Maximum Annual Grooms amount (24,800 – 4,960), resulting in an adjusted post-divestiture Maximum Annual Grooms amount of 19,840 for Plan Year 3. Repeat this calculation for all subsequent Plan Years to adjust the respective Maximum Annual Grooms amount set forth in Section (H)(1) preceding. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.72 Contract Tariff Option 71 (Cont'd)

(K) Mergers and Acquisitions

(N)

(1) Notice of Customer Merger/Acquisition

In the event that, on or after the Effective Date, Customer merges with another company or acquires a company or a portion of the business of another company (including, but not limited to, any ACNA(s) not provided in accordance with Section (C)(1) preceding) (the company with which Customer merges and the company or portion of the business thereof that Customer acquires (including, but not limited to, an ACNA(s) not provided in accordance with Section (C)(1) preceding) may be referred to collectively as the **Customer Acquired Properties** and such merger or acquisition may be referred to in either case as a **Customer Acquisition**), and the Telephone Company provides any Qualifying Services in connection with such Customer Acquired Properties, then Customer, no later than the closing date of the Customer Acquisition or as expeditiously as possible after the closing date of the Customer Acquisition, shall notify the Telephone Company of the Customer Acquisition (**Customer Acquisition Notice**). Customer shall identify in such notice any Qualifying Services included in the Customer Acquired Properties. If Customer wishes to include the Customer Acquired Properties in this Option 71, then Customer in its Customer Acquisition Notice shall request the Telephone Company's consent to such inclusion.

(2) Notice of Telephone Company Merger/Acquisition

In the event the Telephone Company merges with another company, or acquires a company or a portion of the business of another company (the company with which the Telephone Company merges, and the company or portion of the business thereof that the Telephone Company acquires may be referred to collectively as the **Verizon Acquired Properties** and such merger or acquisition may be referred to in either case as a **Verizon Acquisition**). If the Telephone Company wishes to include the Verizon Acquired Properties in this Option 71, then the Telephone Company may request Customer's consent to such inclusion in a notice to Customer.

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.72 Contract Tariff Option 71 (Cont'd)

(K) Mergers and Acquisitions (Cont'd)

(N)

(3) If Customer requests inclusion of the Customer Acquired Properties pursuant to Section (K)(1) preceding, or if the Telephone Company requests inclusion of the Verizon Acquired Properties in accordance with Section (K)(2) preceding, then in either case the other Party, in its sole discretion, may accept or reject such request. If the Parties agree to include in this Option 71 any Customer Acquired Properties or Verizon Acquired Properties (collectively, **Acquired Properties**), such inclusion shall be as set forth in a written agreement between the Parties setting forth the terms and conditions of such inclusion (including, by way of example, any terms to adjust the SPAMARC Amounts, Quarterly Credits, and Grooms Limitations). Absent any such written agreement, Customer's achievement of the SPAMARC Amounts described in Section (B)(5) preceding shall be calculated based solely on Customer's purchase of Qualifying Services from the Telephone Company using the ACNAs provided in accordance with Section (C)(1) preceding as of the Effective Date, without adding any services or revenues attributable to expansion of Customer's purchase of any services from the Telephone Company through an Acquired Property, and the Quarterly Credit amounts and Grooms Limitations shall remain unchanged.

(4) If Customer violates the provisions of Section (K)(3), then (without limiting any other right of the Telephone Company to terminate Option 71):

(a) Customer shall notify the Telephone Company promptly upon the occurrence of such violation, and the Telephone Company, upon receipt of such notice or upon discovering the violation on its own (in which case the Telephone Company shall provide Customer written notice of such discovery) (either notice under this Section (K)(4)(a), a **Violation Notice**). Such a violation will be deemed to occur if (i) Customer assigns any Qualifying ACNAs to any existing Qualifying Services purchased through an Acquired Property as of the closing of Customer's acquisition of the Acquired Properties, or (ii) Customer disconnects any Qualifying Services purchased under a non-Qualifying ACNA of the Acquired Property, and then purchases that same Qualifying Service, to the same end-user location, under a Qualifying ACNA; provided however, that any such activity performed solely to reflect changes in services ordered by Customer's end user shall not be deemed a violation of this provision.

(N)

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ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.72 Contract Tariff Option 71 (Cont'd)

(K) Mergers and Acquisitions (Cont'd)

(N)

(4) (Cont'd)

(b) Upon a Violation Notice provided by either Party under Section (K)(4)(a) preceding, Customer must promptly, and no later than sixty (60) days after the date of the Violation Notice, complete such activities in cooperation with the Telephone Company to exclude the Acquired Properties from Billed Qualifying Service Revenue and to ensure such exclusion continues prospectively until such time, if at all, as the Parties agree to include the Acquired Properties in this Option 71 in accordance with Section (K)(3).

(c) In the event of a Violation Notice provided by either Party under Section (K)(4)(a) preceding, the Telephone Company shall calculate the effect of the violation (such effect may include, by way of example, any difference in rates paid by Customer or the Acquired Property as a result of the violation, any avoidance of shortfall or overage charges under the tariffs as a result of the violation, and any avoidance of Shortfall Payments that Customer would have been required to pay had the Acquired Properties been excluded) for the period during which the violation occurred and for such time as the violation continues prospectively until cured (**Unearned Economic Benefit**). Customer, upon being billed by the Telephone Company, shall pay the Telephone Company the amount of such Unearned Economic Benefit plus: (i) in a case where Customer provided the Telephone Company the Violation Notice, interest at one percent (1.0%) per month for any period during which the violation resulted in Customer receiving an Unearned Economic Benefit and (ii) in a case where the Telephone Company provided Customer the Violation Notice, interest at three percent (3.0%) per month for any period during which the violation resulted in Customer receiving an Unearned Economic Benefit.

(N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.72 Contract Tariff Option 71 (Cont'd)
(L) Termination (N)

(1) Mutual Agreement

The Parties, by mutual written agreement in their sole discretion or as otherwise set forth herein, may terminate this Option 71 (and/or Customer's subscription thereto). Termination of Option 71 shall be deemed to be an automatic termination of Option 71 in FCC 11 and Option 39 in FCC 14. Except as otherwise mutually agreed in writing by the Parties or as set forth herein, any termination under this Section (L)(1) shall be effective as of the date of termination (**Termination Date**). Upon any such termination, (i) the Telephone Company, as set forth in Section (L)(1)(a) following, will calculate and issue to Customer a Quarterly Termination Credit in lieu of the Quarterly Credit that would otherwise have applied for the Quarter in which the termination occurred (**Termination Quarter**), and (ii) the Telephone Company will perform a true-up in accordance with the steps set forth in Section (L)(1)(b) following (**Termination True-Up**): (x)

(a) Termination Credit

The credit that Customer will receive under Section (G)(1) preceding for the Termination Quarter shall be determined according to the following steps:

Step 1H: Divide by three hundred sixty-five (365) the sum total of all Quarterly Credits that would apply under Section (G)(1) preceding for the Plan Year in which the termination occurred (**Termination Year**) to arrive at a daily dollar amount.

Step 2H: Multiply the dollar amount determined in Step 1H by the number of days that elapsed prior to the Termination Date within the Termination Year. The resulting amount may be referred to as the **Annual Termination Credit** to be used for purposes of the calculation in Step 3H below.

Step 3H: Reduce the Annual Termination Credit amount calculated in Step 2H by the sum total of all credits due in previous Quarters prior to the Termination Quarter (but within the Termination Year) to arrive at the Quarterly Termination Credit. Customer will receive no further Quarterly Credits under this Option 71.

Step 4H: The Telephone Company will issue the Quarterly Termination Credit on Customer's bill(s) within one hundred twenty (120) calendar days after the Termination Date upon Customer's written approval of the Quarterly Termination Credit to be issued. Once the Quarterly Termination Credit has been issued after Customer's approval of the amount, Customer may not thereafter dispute or seek adjustment to the Quarterly Termination Credit. (N)

(x) Issued under authority of Special Permission No. 15-021 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)
21.72 Contract Tariff Option 71 (Cont'd)

(L) Termination (Cont'd)

(N)

(1) Mutual Agreement (Cont'd)

(a) Termination Credit (Cont'd)

Example of the above steps: Assume that on the one hundred ninetieth (190th) day of Plan Year 2, the Telephone Company terminates this Option 71. Also assume that the 190th day of Plan Year 2 is the eighth (8th) day of the 3rd Quarter of Plan Year 2. Assume further that the Quarterly Credit under Section (G)(1) preceding is $26,500,000.

Step 1H: Quarterly Credit = $106,000,000 / 365 days = $290,411 daily amount.

Step 2H: The amount $290,411 from Step 1H above multiplied by 190 Days = $55,178,082.

Step 3H: The amount of $55,178,082 from Step 2H minus $53,000,000 ($26,500,000 x 2 Quarters prior to the Termination Quarter) = Quarterly Termination Credit of $2,178,082. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.72 Contract Tariff Option 71 (Cont'd)
(L) Termination (Cont'd)
(1) Mutual Agreement (Cont'd)

(N)

(b) Termination True-Up

The Telephone Company will review Customer's performance during the period from the beginning of the Plan Year in which the termination occurred through the Termination Date (**Termination Review Period**) according to the following steps, and Customer shall owe any resulting shortfall payment:

Step 1I: Divide by three hundred sixty five (365) the SPAMARC Amount for the Plan Year in which the termination occurred to arrive at a daily SPAMARC Amount.

Step 2I: Multiply the daily amount resulting from Step 1I by the total number of days in the Termination Review Period to arrive at a **Termination Review SPAMARC Amount**.

Step 3I: Determine the amount of Billed Qualifying Service Revenue that Customer Achieved during the Termination Review Period. For purposes of such determination, any billed amounts that remain Disputed Amounts as of thirty (30) days after the date of the termination shall be excluded from Billed Qualifying Service Revenue.

Step 4I(A): If the amount of Billed Qualifying Service Revenue that Customer Achieved during the Termination Review Period as determined under Step 3I is less than the Termination Review SPAMARC Amount, then Customer shall owe a shortfall payment equal to the difference between the Termination Review SPAMARC Amount and the amount of Billed Qualifying Service Revenue that Customer actually achieved during the Termination Review Period. Upon determining the shortfall amount owed, the Telephone Company shall issue a debit(s) to Customer's bill(s) to account for Customer's payment of the shortfall amount and Customer shall pay such amount.

Step 4I(B): If the amount of Billed Qualifying Service Revenue that Customer achieved during the Termination Review Period as determined under Step 3I is equal to or greater than the Termination Review SPAMARC Amount, then Customer will owe no shortfall payment. (N)

ACCESS SERVICE

21. Contract Tariffs (Cont'd)
21.72 Contract Tariff Option 71 (Cont'd)
(L) Termination (Cont'd)
(1) Mutual Agreement (Cont'd)

(b) Termination True-Up (N)

Example of the above steps: Assume that on the one hundred ninetieth (190th) day of Plan Year 2, the Telephone Company terminates this Option 71. Also assume that Customer achieved Billed Qualifying Service Revenue in the amount of $130.14M for Plan Year 2 through the Termination Date.

Step 1I: Plan Year 2 SPAMARC of $356M divided by 365 days = daily SPAMARC Amount of $975,342.

Step 2I: The daily SPAMARC Amount of $975,342 multiplied by 190 days = Termination Review SPAMARC Amount of $185,315,068.

Step 3I: Billed Qualifying Service Revenue achieved during the Termination Review Period is $130.14M.

Step 4I: Because the amount of achieved Billed Qualifying Service Revenue during the Termination Review Period is $55,175,068 less than the Termination Review SPAMARC Amount, Customer owes a shortfall payment of $55,175,068.

(2) Termination by the Telephone Company for Failure to Achieve Any SPAMARC Amounts

If the Telephone Company wishes to terminate this Option 71 for Customer's failure to achieve the SPAMARC Amount by the end of a Plan Year and Customer's failure to pay the Shortfall Payment(s) owed, which failure shall be deemed a material breach of this Option 71, then (without limiting Customer's obligation to pay the Shortfall Payment(s) owed) the Telephone Company shall provide notice of its termination of Option 71 by no later than ninety (90) calendar days after the end of the applicable Plan Year. Upon such termination Customer shall be entitled to all Quarterly Credits owed for such just-concluded Plan Year (subject to payment of any Shortfall Payments owed), but shall not be eligible for any Quarterly Credits for any period of time after the end of such Plan Year. (N)

22. Advanced Communications Networks

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(Issued under Transmittal No. 1406)

Issued: May 29, 2020 Effective: June 13, 2020

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(Issued under Transmittal No. 1067)
Issued: January 13, 2010 Effective: January 28, 2010

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24. Tariffed Service Components

24.1 General

The Tariffed Service Components offered in this Section 24 are for the exclusive use of customers for connecting to the interstate services provided by the Telephone Company as described in more detail herein.

24.1.1 Shared Network Arrangement

(A) A Shared Network Arrangement is a service offering that enables a customer (the "Service User") to connect certain Tariffed Service Components to a Telephone Company provided service of another customer (the "Host Subscriber"), with the Telephone Company maintaining separate records and billing. Each customer will be billed for those rate elements associated with his own portion of the service configuration. Under no circumstances will the rates or charges for individual rate elements be split.

(B) Under a Shared Network Arrangement, Tariffed Service Components can connect to Telephone Company provided services as specified in the following table:

Tariffed Service Component	Telephone Company provided service	
		(D)
		(D)
Point to Point SONET service		(C)
Switched Ports	point to point SONET service	(C)
Dedicated SONET ring		(N)
Switched Ports	dedicated SONET ring service	(N)

(C) When establishing a Tariffed Service Component under a Shared Network Arrangement, the Host Subscriber and the Service User must coordinate with each other the design, testing and maintenance of the service; additionally, the Service User must provide to the Telephone Company the Connecting Facility Assignment (CFA) of the Host Subscriber.

Upon receipt of an ASR with the required fields populated indicating a signed letter of authorization exists for a Shared Network Arrangement from the Host Subscriber, the Telephone Company will undertake to connect the Service User's Tariffed Service Components to the Host Subscriber's service and to establish and maintain separate billing for the Service User's portion of the service.

(D) Under the Shared Network Arrangement, the Telephone Company may share with the Host Subscriber record information pertaining to the services of other users of the shared network. Such disclosure will be under the sole discretion of the Telephone Company as is necessary to perform billing reconciliations and/or other functions required in connection with maintaining account records.

(E) Section 6.8.20 preceding contains rate regulations specific to Shared Network Arrangements. (T)

ACCESS SERVICE

24. Tariffed Service Components (Cont'd)

24.2 Reserved for Future Use (C)

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24. Tariffed Service Components (Cont'd)

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24. Tariffed Service Components (Cont'd)

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24. Tariffed Service Components (Cont'd)

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24. Tariffed Service Components (Cont'd)

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(D)

24. Tariffed Service Components (Cont'd)

(D)

(D)

24. Tariffed Service Components (Cont'd)

(D)

(D)

24. Tariffed Service Components (Cont'd)

(D)

(D)

ACCESS SERVICE

24. Tariffed Service Components (Cont'd)

24.3 Point To Point SONET Service Switched Ports (C)

24.3.1 General

Telephone Company provided point to point SONET service is provided where technically and operationally feasible as determined by the Telephone Company and provides a customer with SONET based broadband access transport over the Telephone Company's shared SONET network. The customer has the option to order the service with multiplexing capability from which lesser capacity Switched Access channels can be derived via ports on the node. (C)

(D)

(D)

24.3.2 Deployment and Availability

The point to point SONET service Switched port is provided with the service interval applicable to Switched Access Service. (C)

(D)

(D)

24. Tariffed Service Components (Cont'd)

24.3 Point To Point SONET Service Switched Ports (Cont'd) (C)

24.3.3 Application of Rates and Charges (T)

(A) Application of Port Rates and Charges

(1) Rates and charges apply for each Port provided. (C)

(2) For a rearrangement of the manner a multiplexing node of IBT service is configured which involves a DS1 Port and/or a DS3/STS1 Port, a Node Mapping Rearrangement Charge for SONET Switched Access following applies. An example of a change in service configuration would be the rearrangement of an STS1 channel of IBT OC3 that contains a DS3 that is STS1 mapped to an STS1 channel that contains up to 28 DS1s that are VT mapped. The Node Mapping Rearrangement Charge applies for each multiplexing node of the IBT service configured and not on a per channel basis within the IBT service. (M)

(D)

(D)

(B) Change in Port Type (T)

A change in port type will be treated as a discontinuance of the existing service and port and installation of a new service and port. All associated nonrecurring charges will apply for the new service and port. A new minimum period will be established for the new service and port. The customer will also be responsible for all outstanding minimum service period obligations associated with the disconnected service and port.

Certain material on this page formerly appeared on 5th Revised Page 8-10.1.

24. Tariffed Service Components (Cont'd)

24.3 Point To Point SONET Service Switched Ports (Cont'd) (C)

24.3.4 Term Plans (T)

(A) Switched Ports are offered on a month-to-month basis or under a 3-year or 5-year term. The term for any Switched Access Services associated with such Port must be the same term as the Port. For example, if a 3-year term is applicable to the Point to Point SONET Service Port, the associated Switched Access Service must have a term of 3 years. (C)

(B) The Switched Port is billed to the customer of record for the associated point to point SONET service. (C) (D)

24.3.5 Expiration of Commitment Period (T)

Upon expiration of any Commitment Period, the Telephone Company will continue to provide Ports on a month-to-month basis, under the prevailing rates of the current term plan, until the customer cancels service or requests a new term plan. (D)

24.3.6 Termination Liability (T)

Switched Ports which are provided under 3-Year or 5-Year term plans are subject to termination liability if service is disconnected prior to the end of the term plan. Termination charges are calculated as follows: (C)

(A) If the disconnect occurs during the first year of service, termination liability is calculated at one hundred percent (100%) of the monthly charges for the unexpired portion of the first year, and at fifteen percent (15%) of the monthly charges for the remainder of the term plan.

(B) If the disconnect occurs after the first year of service, termination liability is calculated at fifteen percent (15%) of the monthly charges from the date of disconnection through the remainder of the term plan.

ACCESS SERVICE

24. Tariffed Service Components (Cont'd)

24.3 Point To Point SONET Service Switched Ports (Cont'd) (C)

24.3.7 Minimum Period (M)

(A) Month-to-Month Billed Ports (M)

Switched Ports which are provided on a month-to-month basis are subject to a one year minimum service period. If service is disconnected during the first year, the minimum period charge is one hundred percent (100%) of the monthly rate from the date of disconnection through the end of the first year. (C)(x) (M) | | (M)

(B) 3-Year and 5-Year Billed Ports (M)

Switched Ports which are provided with a 3-Year or 5-Year term are not subject to a separate minimum service period. Minimum service period charges are recovered through the application of termination liability under Section 24.3.6 preceding. (C)(x) (M) (M) (T)(x)

(D)
(D)

(x) Certain material on this page formerly appeared on Original Page 24-11.

ACCESS SERVICE

24. Tariffed Service Components (Cont'd)

24.3 Point To Point SONET Service Switched Ports (Cont'd) (C)

24.3.8 Rates and Charges (T)

(A) Low Speed Switched Ports* (T)(x)
- Per Port (M)(x)

Type	USOC	Recurring Rate	Nonrecurring Rate
DS1 Port			
Month-to-Month	S9KAX	$ 28.00	None
3-year Term	S9KA3	28.00	None
5-year Term	S9KA5	28.00	None
DS3 Port			
Month-to-Month	S9KAX	115.00	None
3-year Term	S9KA3	115.00	None
5-year Term	S9KA5	115.00	None

(B) Multiplexing Node Mapping Rearrangement

	USOC	Nonrecurring Charge
Per multiplexing node	NRMP9	$1,599.00

* Rates are applicable to all Rate Zones. (M)(x)

(x) Certain material on this page formerly appeared on 2nd Revised Pages 8-16.17, 8-16.18 and 8-16.19.

ACCESS SERVICE

24. Tariffed Service Components (Cont'd)

24.4 Dedicated SONET Ring Switched Ports (N)

24.4.1 General (N)

(A) Telephone Company provided dedicated SONET ring (**DSR**), which is provided where technically and operationally feasible as determined by the Telephone Company, provides a customer with a dedicated high capacity customized network designed in a diversely routed ring architecture or topology that assures survivability. (T)(x)

(B) Ports may be ordered in a symmetrical arrangement (e.g., DS3 Port to DS3 Port) or in an asymmetrical arrangement (e.g., OC12 Port to DS3 Port). Ports are not provided at mutually agreed upon locations where a high speed (pass-through) interface is utilized. (T)(M)(x)

(C) The following DSR Switched Ports are accepted speeds on Company provided DSR nodes that are not enhanced. (T)(x)

Nodes:	OC3	OC12/3	OC12	OC48	OC192
DS1 Ports	X	X			
DS3 Ports	X	X	X	X	X
STS1 Ports	X	X	X	X	X

(M)(x)

(x) Certain material on this page formerly appeared on 3rd Revised Page 23-1, 2nd Revised Page 23-10, 2nd Revised Page 23-13

ACCESS SERVICE

24. Tariffed Service Components (Cont'd)

24.4 Dedicated SONET Ring Service Switched Ports (Cont'd) (N)

24.4.1 General (Cont'd) (N)

(D) Asymmetrical Ports (M)

(1) Asymmetrical ports allow lower level services to be added to, and dropped from, DSR using ports with different transmission rates. For example, a DS1 channel can be added to the ring via a DS3 port and dropped from the ring via a DS1 port. These lower level services may originate and/or terminate at locations that are on or off of the DSR. (M)

(2) Asymmetrical ports are available in the following combinations: (M)

Ring Capacity	APF Rate	Asymmetrical Port Combinations
OC3 DSR Ring		
	STS-1	STS1 - DS3
OC12 DSR Ring	N/A	STS1 - DS3
	OC3	OC3 - STS1 OC3 – DS3
OC48 DSR Ring	N/A	STS1 - DS3
	OC12	OC12 - STS1 OC12 - DS3
	OC3	OC3 - STS1 OC3 - DS3

(M)

Certain material on this page formerly appeared on 2nd Revised Page 23-14 and 1st Revised Page 23-14.2.

ACCESS SERVICE

24. Tariffed Service Components (Cont'd)
24.4 Dedicated SONET Ring Service Switched Ports (Cont'd) (N)
24.4.1 General (Cont'd) (N)

(E) Partial Ring (T)(x)

When ordering lower speed channels that originate at and terminate to nodes which are not within the partial ring provided by the Telephone Company, the customer must provide the Telephone Company with a copy of the order. This order provides the Telephone Company with authority to perform the necessary mapping of the channel through the partial ring to ensure continuity of the signal over the jointly provided ring. A Channel Mapping nonrecurring charge will apply for each channel mapped through the Telephone Company provided partial ring. Channel mapping charges do not apply when ordering channels that originate at and/or terminate to nodes on the Telephone Company's portion of the partial ring. (M)(x)

(F) Connection to Other Services

(1) When a customer transmits STS1 signals, the mapping feature must be designated.

(2) Extended Superframe Format (**ESF**) is required on all DS1 circuits in order to ensure performance objectives. (M)(x)

(x) Certain material on this page formerly appeared on 1st Revised Page 23-5 and 2nd Revised Page 23-9.

ACCESS SERVICE

24. Tariffed Service Components (Cont'd)
24.4 Dedicated SONET Ring Service Switched Ports (Cont'd) (N)

24.4.2 Application of Rates and Charges (N)

(A) DSR Switched Ports are available for 3, 5, and 7-Year commitment periods. DSR Switched Ports are also available on monthly terms. Ports* added subsequent to the initial installation may be coterminous to the expiration date of the DSR provided the addition is prior to the 21st month for a 3-year plan, prior to the 36th month for a 5-year plan, or prior to the 50th month for a 7-Year plan. However, ports in a Month-to-Month plan may be added at any time. (T)(x) (M)

(B) Once a term period expires, the prevailing monthly rates of the current plan will continue until the customer cancels service or requests a new term plan.

(C) Nonrecurring Charges

(1) First and Additional Nonrecurring Charges for Ports

(a) The First Nonrecurring Charge applies to the first of each port type and speed installed at a node. The Additional Nonrecurring Charge applies for each additional port of the same type and same speed added at the same node on the same order. For example, if a customer places an order for ten (10) GigE3 Ports at the same OC48 node, one First Nonrecurring Charge and nine Additional Nonrecurring Charges will apply for the GigE3 Ports. The charge will vary based on whether the installation is in connection with the initial installation of the DSR service or a subsequent installation of ports.

(b) Nonrecurring charges for DSR ports purchased on a month-to-month plan at the initial installation of DSR service apply on a first and additional basis.

(c) Nonrecurring charges for DSR ports purchased under a term plan apply on a first and additional basis for each DSR port that is ordered subsequent to the initial installation of DSR Service.

(d) Changes in Month-to-Month billed ports are treated as disconnects and subsequent installations for which subsequent nonrecurring charges apply. (M)(x)

(x) Certain material on this page formerly appeared on 2nd Revised Page 23-17 and 1st Revised Page 23-17.1.

* Ports requiring enhanced nodes may not be added to nodes that are not enhanced. (M)(x)

ACCESS SERVICE

24. Tariffed Service Components (Cont'd)
24.4 Dedicated SONET Ring Service Switched Ports (Cont'd) (N)
24.4.2 Application of Rates and Charges (Cont'd) (N)
(C) Nonrecurring Charges (Cont'd) (N)

(2) A Channel Mapping nonrecurring charge applies for each DS1, DS3 or STS1 channel which the Telephone Company must map over the partial ring. Channel mapping is only required on channels that originate at and terminate to devices that are not within the partial ring. (T)(x) (T) (M) (M)(x)

(3) When a lower capacity service is dropped from a DSR Ring, the associated ports will be billed to the lower capacity service. Lower capacity services may not be dropped at locations utilizing a pass-through interface. However, a Channel Mapping Charge will apply for each DS1, DS3 or STS1 lower capacity service that originates at and terminates to devices that are not within the partial ring provided by the Telephone Company. The Channel Mapping Charge is billed to the lower capacity service. (T)(x) (M) (M) (T) (M) (M)(x)

(D) Termination Liability (T)(x)

(1) Unless otherwise set forth in this Section (D), termination liability applies when DSR Switched Ports (other than Month-to-Month billed ports for which the one month minimum service charge applies) is terminated prior to the end of the applicable commitment term. (T) (M) (M)

(2) DSR Switched Port(s) may be canceled without termination liability when cancellation of the DSR Switched Service Port occurs within thirty (30) days of the effective date of a Telephone Company initiated rate increase of eight percent (8%) or more on any rate applicable to the DSR Switched Port. (T) (T) (M) (M)

(3) Termination liability will not apply on a DSR Switched Port if a customer changes to a longer term commitment period for such port. (T) (M)(x)

(x) Certain material on this page formerly appeared on 1st Revised Page 23-17.1, 2nd Revised Page 23-18, and 2nd Revised Page 23-19.

ACCESS SERVICE

24. Tariffed Service Components (Cont'd)
24.4 Dedicated SONET Ring Service Switched Ports (Cont'd) (N)

24.4.3 Rates and Charges (N)

(A) Ports (M)

(1) Monthly Rates, per port
Switched Access

Port Type	USOC/ M-to-M	USOC/ 3-Year Term	USOC/ 5-Year Term
DS1 at OC3 or OC12/3 Node	S8JAX $ 28.00	S8JA3 $ 28.00	S8JA5 $ 28.00
DS3 or STS1 at OC3 or OC12/3 Node	S8JBX 115.00	S8JB3 115.00	S8JB5 115.00
DS3 or STS1 at OC12 Node	S8JCX 115.00	S8JC3 115.00	S8JC5 115.00
DS3 or STS1 at OC48 Node	S8JDX 115.00	S8JD3 115.00	S8JD5 115.00
DS3 or STS1 at OC192 Node	S8JXX 115.00	S8JX3 115.00	S8JX5 115.00

(M)

(D)

(D)

Certain material on this page formerly appeared on 4th Revised Page 23-40.

ACCESS SERVICE

24. Tariffed Service Components (Cont'd)
24.4 Dedicated SONET Ring Service Switched Ports (Cont'd) (N)
24.4.3 Rates and Charges (Cont'd) (N)
(A) Ports (Cont'd) (N)

(2) Nonrecurring Charges (M)

(b) Initial Installation Charges,
Per Month-to-Month Ports Only
Switched Access

Port Type	Nonrecurring Charge First	Nonrecurring Charge Additional
DS1, DS3 or STS1	805.00	343.00

(2) Subsequent Installation Charges,
All Ports
Switched Access

Port Type	USOC	Nonrecurring Charge First	Nonrecurring Charge Additional
DS1, DS3 or STS1	NRB4F	$1.00	$0.75

(B) Partial Ring Channel Mapping,
per channel mapped on a partial ring

Channel Type	USOC	Nonrecurring Charge
DS1*	NRMUF	$150.00
DS3 or STS1*	NRMUG	150.00

(M)

* Rate applies to Price Bands 4, 5, and 6. (M)

Certain material on this page formerly appeared on 3rd Revised Page 23-49, 2nd Revised Page 23-51, and 2nd Revised Page 23-60.

25. Discount Plans

The following discount plans are available to customers who purchase the applicable services and meet the requirements for each such discount plan that remains effective on a grandfathered basis, as set forth in Section 25.1 following for Commitment Discount Plans## and Section 25.3 following for National Discount Plan#. Because CDPs and NDPs are grandfathered, any references to CDPs or NDPs in this tariff are solely for purposes of administering grandfathered CDPs and NDPs, and any such references may not be interpreted to mean new CDPs or NDPs are available or that expiring CDPs or NDPs may be renewed or extended. (C) (N) (T) (N) (N)

25.1 Commitment Discount Plans

A Commitment Discount Plan (CDP) provides for the application of a discount to the monthly recurring rates for service(s) included in the CDP based on a Minimum Commitment of channel terminations. For administrative purposes, all services included in CDP are managed as a single plan with separate commitment periods applicable to each service type. Customers may combine certain services together when establishing their commitment levels in accordance with Section 25.1.3 following. Only one (1) CDP is permitted per customer (i.e., one per legal entity).

Subject to Section 1.1 preceding, the Telephone Company manages a CDP as a single plan by combining the commitment for Channel Terminations in Competitive and Non-Competitive Counties and applying tariffed and detariffed rates, terms and conditions as applicable.

25.1.1 Availability of a Commitment Discount Plan

(A) At the customer’s request, certain Telephone Company Switched Access Services and Special Access Services as set forth in (E) following are eligible for inclusion in CDP. The types of services included in the CDP are set forth following.

(B) CDPs for Switched Access Service Direct Trunked Transport are only available in states where Collocated Interconnection as set forth in Section 19 preceding has become operational and either:

(1) a total within the state of 100 DS1 equivalent Entrance Facility Channel Terminations have been provided in the Zone 1 serving wire centers, access tandems and remote nodes; or

(2) an average of 25 DS1 equivalent Entrance Facility Channel Terminations have been provided per Zone 1 serving wire center, access tandem or remote node in that state.

(C) Reserved for Future Use

Availability limited. Refer to # footnote on Page 25-40.
Availability limited. Refer to footnotes on Page 25-10. (N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.1 Availability of a Commitment Discount Plan (Cont'd)

(D)

(1) If a customer subscribed to CDP prior to July 16, 2016, all eligible service types must be included in CDP with the exception of the following: (i) IEF services; (ii) Special Access DS3 High Capacity/44.736 Mbps Services (Special Access DS3 Services) and Special Access DS1 High Capacity/1.544 Mbps Services (Special Access DS1 Services), as set forth in Section 7.2.9 preceding, that are included in the National Discount Plan (NDP) as set forth in Section 25.3 following; and (iii) eligible service types ordered on or after July 16, 2016 under an ACNA not included in said CDP. For IEF services, the customer must choose one of the following options: (1) establish or maintain existing term pricing plans on their IEF services; or (2) include their IEF under CDP, in which case their IEF terminations must be combined with their Switched Access and Special Access DS3 Channel Terminations, as described in 25.1.3(A)(6) and (A)(7) following; or (3) include the IEF services under the CDP and under the NDP in accordance with the terms set forth in this Section 25.1 and Section 25.3 following, respectively.

(2) If a customer subscribes to CDP on or after July 16, 2016, all eligible service types under the ACNA(s) designated for inclusion in such CDP must be included in CDP with the exception of the following: (i) IEF services; and (ii) Special Access DS3 High Capacity/44.736 Mbps Services (Special Access DS3 Services) and Special Access DS1 High Capacity/1.544 Mbps Services (Special Access DS1 Services), as set forth in Section 7.2.9 preceding, that are included in the National Discount Plan (NDP) as set forth in Section 25.3 following. For IEF services, the customer must choose one of the following options: (1) establish or maintain existing term pricing plans on their IEF services; or (2) include their IEF under CDP, in which case their IEF terminations must be combined with their Switched Access and Special Access DS3 Channel Terminations, as described in 25.1.3(A)(6) and (A)(7) following; or (3) include the IEF services under the CDP and under the NDP in accordance with the terms set forth in this Section 25.1 and Section 25.3 following, respectively.

(3) DDS and Voice Grade are no longer eligible services under CDPs established or renewed on or after November 16, 2018. For customers who established or renewed a CDP prior to November 16, 2018, the Telephone Company will continue to include DDS and Voice Grade Services as eligible service types only through the expiration date of the then effective commitment period of those service types. (N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

(E) Except as otherwise permitted herein, separate commitment periods will be established for each of the following service types which are under the CDP. Each service type has one or more rate elements associated with such service type as set forth below.

Service Type	Rate Element Discounted* (T)
Switched Access DS1 Direct Trunked Transport	DS1 Entrance Facilities Standard Channel Termination
	DS1 Channel Mileage
	Local Transport Multiplexing Optional Feature or BSE
Switched Access DS3 Direct Trunked Transport	DS3 Entrance Facilities Standard Channel Termination
	DS3 Channel Mileage
	Local Transport Multiplexing Optional Feature or BSE
DS3 High Capacity/44.736 Mbps Service	Channel Termination
	Channel Mileage
	DS3 to DS1 Multiplexing
IntelliLight® Entrance Facility (IEF) Service	Optical Terminations
	Electrical Interfaces

* Certain Discounted Rate Elements are detariffed. See Section 25.1 preceding. (N)
(N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.1 Availability of a Commitment Discount Plan (Cont'd)

(E) (Cont'd)

Service Type	Rate Element Discounted* (T)
DS1 High Capacity/ 1.544 Mbps Service	Channel Termination
	Channel Mileage
	DS1 to Voice Multiplexing
	DS1 to Digital Multiplexing
	DS1 to DS0 Multiplexing
	Conversion to Secondary Channel Capability Multiplexing
	DS0 to Subrates Multiplexing
Digital Data Service (DDS)#	Channel Termination
	Channel Mileage
Voice Grade Service#	Channel Termination
	Channel Mileage

Voice Grade and DDS are eligible service types only in CDPs established or renewed prior to November 16, 2018.

* Certain Discounted Rate Elements are detariffed. See Section 25.1 preceding. (N)
(N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.2 Establishment of a Commitment Discount Plan

(A) ACNA(s) Included in CDPs Established Prior to July 16, 2016 (T)

(1) At the time of subscription to CDP, the subscribing customer must include all of its ACNAs in the CDP plan. The customer also has the option to include the ACNA(s) of one or more Affiliates which it has the right to use (by written authorization from the owner of such ACNA). In this case, the customer's CDP shall include (1) all of the subscribing customer's ACNA(s); and (2) all of the ACNA(s) of the Affiliates that the subscribing customer wishes to include in its CDP. Hereafter, the term "CDP Customer" shall mean collectively the subscribing Customer (as defined in Section 2.6 preceding) and all Affiliates (as defined in Section 2.6 preceding) that are included in the same CDP.

(2) If, at any time subsequent to the establishment of CDP, the CDP Customer, at its option or as required under this Section 25.1.2(A)(2), adds one or more ACNA(s) to its CDP for one of the following reasons, then all such ACNA(s) of the customer and/or its Affiliate(s), as applicable, shall be added to the customer's CDP, in accordance with the terms set forth in Section 25.1.3(C) following.

(a) CDP Customer, at its option, may include Affiliate(s) in its CDP that are not currently in the CDP Customer's CDP; or

(b) CDP Customer has acquired one or more new ACNA(s) and, at its option, wishes to include such ACNA(s) in the CDP Customer's CDP; or (N)

(c) CDP Customer is required to include ACNA(s) acquired through merger, acquisition, or other transaction that are not currently included in the CDP Customer's CDP only when such ACNAs were already included in a CDP acquired by such merger, acquisition or other transaction. CDP Customer is not required to include ACNA(s) owned by an Affiliate that is not included in the CDP Customer's CDP or ACNA(s) acquired through merger, acquisition, or other transaction that were not currently included in another CDP. (T) (C)

(3) The CDP Customer must provide written notification to the Telephone Company setting forth the affected ACNA(s) and the name of the Affiliate who owns such ACNA(s) if such ACNA is not an ACNA of the subscribing customer. Notification for (2)(b) preceding is required on or prior to completion of the next scheduled true-up period.

(4) An ACNA cannot concurrently be included in more than one (1) CDP, regardless of whether or not such CDP is established by a separate legal entity.

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.2 Establishment of a Commitment Discount Plan (Cont'd)

(A) ACNA(s) Included in CDP Established Prior to July 16, 2016 (Cont'd) (T)

(5) For example, assume that a customer who has only one ACNA (ABC) subscribes to CDP. Assume further that such customer has five (5) Affiliates, but only wishes to include three (3) Affiliates in its CDP at the initial establishment of CDP. Assume also that each of the three (3) included Affiliates have one ACNA (ACNAs LLL, MMM and NNN, respectively). In this case, a single CDP will be established for the CDP Customer that includes the following ACNAs: ABC, LLL, MMM and NNN. Assume further that during year 2 of the CDP commitment period, the CDP Customer decides to include its remaining two (2) Affiliates in its CDP. Then, in accordance with this Section 25.1.2, the CDP Customer will include all of the ACNAs of such Affiliates in the CDP.

Certain material previously found on this page can now be found on Original Page 25-4.3.

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.2 Establishment of a Commitment Discount Plan (Cont'd)

(B) ACNA(s) Included in CDP Established On or After July 16, 2016 (N)

(1) At the time of subscription to CDP, the subscribing customer must designate to the Telephone Company its ACNAs that it wishes to include in the CDP plan. The customer also has the option to include some or all of the ACNA(s) of one or more Affiliates which it has the right to use (by written authorization from the owner of such ACNA). Hereafter, the term "CDP Customer" shall mean collectively the subscribing Customer (as defined in Section 2.6 preceding) and all Affiliates (as defined in Section 2.6 preceding) that are included in the same CDP.

(2) If, at any time subsequent to the establishment of CDP, the CDP Customer, at its option or as required under this Section 25.1.2(B)(2), adds one or more ACNA(s) to its CDP for one of the following reasons, then the subscribing customer must designate to the Telephone Company those ACNA(s) it wishes to have added to the customer's CDP, in accordance with the terms set forth in Section 25.1.3(C) following.

(a) CDP Customer, at its option, may include Affiliate(s) in its CDP that are not currently in the CDP Customer's CDP; or

(b) CDP Customer, at its option, may include ACNA(s) that are not currently in the CDP Customer's CDP; or

(c) CDP Customer is required to include ACNA(s) acquired through merger, acquisition, or other transaction that is not currently included in the CDP Customer's CDP only when such ACNAs was already included in a CDP acquired by such merger, acquisition or other transaction. CDP Customer is not required to include ACNA(s) owned by an Affiliate that is not included in the CDP Customer's CDP or ACNA(s) acquired through merger, acquisition, or other transaction that was not currently included in another CDP.

(3) The CDP Customer must provide written notification to the Telephone Company setting forth the affected ACNA(s) and the name of the Affiliate who owns such ACNA(s) if such ACNA is not an ACNA of the subscribing customer. Notification for (2)(b) preceding is required on or prior to completion of the next scheduled true-up period.

(4) An ACNA cannot concurrently be included in more than one (1) CDP, regardless of whether or not such CDP is established by a separate legal entity. (N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.2 Establishment of a Commitment Discount Plan (Cont'd)

(C) At any time, a customer subscribing to one (1) or more eligible services has the option of establishing a CDP for such service(s). If a customer establishes a CDP for at least one (1) service type listed in 25.1.1 preceding and subscribes to other services listed in 25.1.1 preceding at any time that a CDP is in effect (whether under this tariff or detariffed), the CDP (C)
Customer must establish a CDP for such other services that are eligible for inclusion in CDP with the limited exception of the following: (i) IEF services; (ii) Special Access DS3 Services and Special Access DS1 Services that are included in the NDP as set forth in Section 25.3 following; or (iii) eligible service types ordered on or after July 16, 2016 under an ACNA not included in said CDP. For IEF services, the CDP Customer must choose one of the following options: (1) establish or maintain existing term pricing plans on their IEF services; (2) include their IEF under CDP, in which case their IEF terminations must be combined with their Switched Access and Special Access DS3 Channel Terminations, as described in 25.1.3(A)(6) and (A)(7) following; or (3) include the IEF services under the CDP and under the NDP in accordance with the terms set forth in this Section 25.1 and Section 25.3 following, respectively. For each service type specified in 25.1.1 preceding, the CDP must include all services of that type (excluding services ordered out of Section 10 or Section 17 preceding) which the Telephone Company provides to the CDP Customer within any of its operating territories. When a given circuit is included in the CDP plan, all eligible rate elements under CDP as set forth in 25.1.1 preceding of that circuit must be included in the CDP plan.

(D) For service which is provided as part of a Shared Use Arrangement as set forth in Section 5.2.8, the DS1 or DS3 Service will be included in the service plan for the service type which is ordered as the facility to the Hub (e.g., a Switched Access DS1 Service which is ordered as the facility to the Hub will be under the Switched Access DS1 CDP). For purposes of administering the terms and conditions of the CDP, service provided as part of a Shared Use Arrangement is considered to be completely Switched Access or completely Special Access as determined by the type of facility ordered to the Hub.

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.2 Establishment of a Commitment Discount Plan (Cont'd)

(C) When a CDP is established, the CDP Customer agrees to the following requirements pertaining to all of its existing term plans (TPPs), under those ACNA(s) included in the CDP, as provided under Sections 6.8.22 and 6.8.23 for Switched Access (T) Services, Sections 7.4.13, 7.4.17, and 7.4.18 for Special Access (T) Services, and Sections 6.8.25(C)(5) and 7.2.15 for IEF. (T)

(1) The CDP Customer may continue with any available TPP or Service Discount Plan (SDP) or establish a new TPP/SDP for any (C) service(s) not included in 25.1.1(E) preceding. (C)

(2) For Switched Access or Special Access Services which are eligible for inclusion under the CDP, the TPPs will be cancelled in order to include the service(s) in the CDP. TPP termination liability will not apply to such cancelled plan(s).

(3) Special Access DS3 Services and Special Access DS1 Services which are included in the NDP as set forth in Section 25.3 following are not eligible for inclusion in the CDP.

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.2 Establishment of a Commitment Discount Plan (Cont'd)

(C) (Cont'd)

(4) In order to be eligible for application of discounts on new service types ordered subsequent to the initial establishment of the CDP under an ACNA(s) included in CDP, the CDP Customer (N) must provide written notification to the Telephone Company of any new eligible service types it orders subsequent to the initial establishment of the CDP that are to be included in the CDP. The CDP Customer must establish a commitment level and a commitment period for each new service type.

(a) The effective date of the inclusion of new service types in the CDP, and the application of the discount percentage and/or TPP rates, will be effective as specified following:

(i) If the CDP Customer provides written notification to the Telephone Company of a new eligible service type on or before the twentieth (20th) calendar day of a month, the changes shall begin the first (1st) calendar day of the month following the month in which the CDP Customer provided such notification. Application of discounts to the new service types under the CDP shall begin with the first bill day of the bill period associated with the CDP Customer's BAN in the month following the month in which the CDP Customer provided written notification. For example, assume a CDP Customer's bill period begins on the eleventh (11th) calendar day of each month. Assume also that the date the CDP Customer notified the Telephone Company of a new service type was July 6th. Then, the discounts applicable to the new service type under the CDP shall begin on August 11th.

(ii) If the CDP Customer provides written notification to the Telephone Company of a new eligible service type after the twentieth (20th) calendar day of a month, the changes shall begin the 1st calendar day of the second calendar month following the month in which the CDP Customer provided such notification. Application of discounts to the new service types under the CDP shall begin with the first bill day of the bill period associated with the CDP Customer's BAN in the second month following the month in which the CDP Customer provided written notification. For example, assume a CDP Customer's bill period begins on the eleventh (11th) calendar day of each month. Assume also that the date the CDP Customer notified the Telephone Company of a new service type was July 30th. Then, discounts applicable to the new service type under the CDP shall begin on September 11th.

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.2 Establishment of a Commitment Discount Plan (Cont'd)

(C) (Cont'd)

(5) The CDP Customer must establish a separate plan (including a commitment level and a commitment period) for each service type specified in 25.1.1 preceding. If a customer establishes a CDP for at least one (1) service type listed in Section 25.1.1 preceding and subscribes to other services listed in Section 25.1.1 preceding at any time that a CDP is in effect, the CDP Customer may not establish or maintain a term plan for any services that are eligible for inclusion in CDP with the following limited exceptions: (i) eligible service types ordered on or after July 16, 2016 under an ACNA not included in said CDP; or (ii) IEF services as set forth in the following sentence. If IEF services are included in CDP, the customer may not establish or maintain a term plan for IEF services; however, the CDP Customer may include IEF services in NDP in accordance with the terms set forth in Section 25.3 following; and (ii) Special Access DS3 Services and Special Access DS1 Services included in the NDP. (N)

25. Discount Plans (Cont'd)
25.1 Commitment Discount Plans (Cont'd)
25.1.3 Plan Commitment Levels
(A) Minimum Commitment Levels

(1) The CDP requires that a Minimum Commitment of channel terminations be established for the purpose of administering the CDP. The total number of channel terminations shall be calculated using all such in-service channel terminations (both (C)
under this tariff and detariffed), which the Telephone Company (C)
provides to the CDP Customer under the ACNA(s) included in the CDP in all of its operating territories specified in Section 14 (T)
preceding. The Minimum Commitment shall be expressed as the (T)
equivalent number of DS0s for the Channel Termination rate elements of all services involved.

(2) The Minimum Commitment shall be expressed as the equivalent number of DS0s for the Channel Termination rate elements of all services involved. The total number of channel terminations determined above will be converted into an equivalent number of DS0s using the following equivalent table.

Type of Channel Termination	DS0 Equivalent
STS12 level	8,064
STS3 level	2,016
STS1 level	672
DS3 level	672
DS1 level	24
DDS level	1
Voice Grade level	1

When the calculation of the Minimum Commitment of DS0s results in a fraction of a DS0, it shall be rounded up to the next whole DS0.

(3) The customer will not be eligible to participate in CDP if the combined number of equivalent DS0s for all service types specified in Section 25.1.1 preceding at time of subscription is less than 336.

(4) For CDPs established or renewed prior to November 16, 2018, the CDP Customer agrees to establish an initial Minimum Commitment of at least seventy-five percent (75%) of the total number of DDS and/or Voice Grade channel terminations which are in-service under the ACNA(s) included in the CDP at the time of subscription to CDP.

(5) For all services except DDS and Voice Grade, the CDP Customer agrees to establish an initial Minimum Commitment of at least ninety percent (90%) of the total number of channel terminations for the service type or combined service types which are in-service under the ACNA(s) included in the CDP at the time of subscription to CDP. For example, at the time of subscribing to CDP, if the CDP Customer has in-service 1,000 DS-0 equivalent DS1 channel terminations under the ACNA(s) included in the CDP, then the CDP Customer's initial Minimum Commitment under CDP for DS1 service cannot be less than 900 DS-0 equivalent channel terminations.

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.3 Plan Commitment Levels (Cont'd)

(A) Minimum Commitment Levels (Cont'd)

(6) Subject to Section 25.1.2(C)(5) preceding, IntelliLight Entrance Facility (IEF) CDP Customers must combine their IEF terminations with their Switched Access and Special Access DS3 Channel Terminations to establish their commitment level. If a CDP Customer chooses to include IEF in CDP after initially establishing CDP, the DS3 portion of the new commitment level will remain the same. Ninety percent (90%) of the then in-service IEF terminations under the ACNA(s) included in CDP will be added to the DS3 commitment level to create a new combined DS3 and IEF commitment level. When IEF is combined with Special and/or Switched Access Services, and the Special Access Services are subsequently included in NDP (as set forth in Section 25.3 following), the combined commitment level will be reduced in accordance with Section 25.1.3(B)(1)(b) following. (T)

(7) CDP Customers have the option of combining the following services for the purposes of establishing commitment levels: (a) Switched Access and Special Access DS1 Channel Terminations may be combined into a single commitment level; and (b) Switched Access and Special Access DS3 Channel Terminations may be combined into a single commitment level. Each service that is part of a combined service plan may have different commitment periods and rates for each service. If the CDP Customer chooses to combine IEF terminations with Switched Access and Special Access DS3 Channel Terminations, the CDP Customers must combine its Switched Access and Special Access DS3 Channel Terminations into a combined plan. When Special Access DS1 Services or Special Access DS3 Services that are under a combined service type are subsequently included in NDP, the combined commitment level will be reduced under Section 25.1.3(B)(1)(b) following. (T)

(8) If the CDP Customer fails to maintain its Minimum Commitment for DDS and/or Voice Grade service, the CDP Customer may opt to reduce its existing commitment level for DDS and/or Voice Grade service by fifteen percent (15%). The CDP Customer may only exercise this option one (1) time each year. The CDP Customer must notify the Telephone Company of its desire to reduce the existing commitment level within thirty (30) days of receiving the results of the true-up process provided by the Telephone Company in accordance with Section 25.1.7 following.

(9) The CDP Customer may increase the Minimum Commitment coincident with the results of the true-up process as set forth in Section 25.1.7 following. The increased commitment will apply for the balance of the commitment period or until such time as a subsequent adjustment to the Minimum Commitment is requested or required under the terms of this Section 25.1.

ACCESS SERVICE

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.3 Plan Commitment Levels (Cont'd)

(B) Upgrades

(1) The CDP Customer may upgrade services in accordance with this section. (T)

(a) Upgrade to a Higher Bandwidth/Capacity Service Included in CDP

The CDP Customer may upgrade one (1) or more services which are included in CDP (under an individual service type or combined service type) to a higher bandwidth/capacity service that is also included in CDP. In this case, the Minimum Commitments on the individual service types or combined service types will be adjusted accordingly. Upgrades are subject to the requirements of (B)(2) following. (T)

For example, if DS1 services are upgraded to a DS3 service, the Minimum Commitment for the DS1 services will be reduced by ninety percent (90%) of the total equivalent DS0 count of the DS1(s) involved in the upgrade, and the Minimum Commitment for the DS3 service will be increased by ninety percent (90%) of the total equivalent DS0 count of the DS3(s) being added. (T)

(b) Upgrade to a Higher Bandwidth/Capacity Service Included in NDP

The CDP Customer may upgrade one (1) or more services which are included in CDP (under an individual service type or combined service type) to a higher bandwidth/capacity service, and such upgraded service is then included in NDP as set forth in Section 25.3 following. In this case, the Minimum Commitment on the individual service type or combined service type will be reduced by seventy-five percent (75%) or ninety percent (90%), as applicable, of the equivalent DS0 count associated with the upgraded service(s). Upgrades are subject to the requirements of (B)(2) following. (T) (T)

For example, if the CDP Customer upgrades Digital Data Service to a Special Access DS1 Service, and such Special Access DS1 Service is included in NDP, the commitment level for DDS services will be reduced by seventy-five percent (75%) of the total equivalent DS0 count of the DDS service(s) which are upgraded. (T)

(c) Upgrade to Telephone Company Provided Optical Service (T)

The CDP Customer may upgrade one (1) or more services which are included in CDP (under an individual service type or combined service type) to a higher bandwidth/capacity Telephone Company provided optical service. In this case, the Minimum Commitment on the individual service type or combined service type will be adjusted. Upgrades are subject to the requirements of (B)(2) following. (T) (T) (T) (T)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.3 Plan Commitment Levels (Cont'd)

(B) Upgrades (Cont'd)

(1) (Cont'd)

(c) Upgrade to Telephone Company Provided Optical Service (Cont'd)

For example, if IEF is upgraded to a Telephone Company provided optical service, the commitment for Switched Access and Special Access DS3 Channel Terminations shall be reduced by ninety percent (90%) of the total equivalent DS0 count of the IEF services involved in the upgrade.

(d) Technology Migration (N)

The customer may disconnect one (1) or more DS1 or DS3 High Capacity Services which are included in its CDP (whether under an individual service type or a combined service type) in order to replace such service with a Replacing Service pursuant to the Technology Migration regulations set forth in Section 2.9 preceding. (N)

(2) Except for Technology Migrations pursuant to (B)(1)(d) preceding, Upgrades are subject to all of the following conditions being met: (C)(C)

(a) Both the existing and new services are provided solely by the Telephone Company.

(b) The jurisdiction of the service does not change.

(c) Total bandwidth of the upgraded service is equal to or greater than the total bandwidth of the discontinued service.

(d) Disconnect and new orders must be placed at the same time with due dates that are within ninety (90) days of each other.

(e) The commitment period of the upgraded service meets one of the following requirements:

(1) Upgrade to a Higher Bandwidth/Capacity Service Included in CDP or Upgrade to Telephone Company Provided Optical Service

The commitment period for the upgraded service is equal to or greater than the commitment period for the discontinued service, except when an equal to or greater than commitment period is not available, in which case the service to which the customer is upgrading must be provided under the longest available commitment period.

(2) Upgrade to a Higher Bandwidth/Capacity Service Included in NDP

The commitment period for the Migrated Service is the 5-year term of the NDP.

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.3 Plan Commitment Levels (Cont'd)

(B) Upgrades (Cont'd)

(3) No later than thirty (30) days after the Telephone Company provides the results of its true-up process as set forth in Section 25.1.7 following, the CDP Customer must provide written notification to the Telephone Company which includes order number information, including the purchase order number (PON) of the disconnected service and the PON of the new (replacing) service for any upgrade(s) for which written notification had not previously been submitted by CDP Customer, and which upgrade took place since the last true-up.

(4) The effective date used to adjust Minimum Commitment levels for upgraded services is the effective date on which the orders to accomplish the upgrade are completed by the Telephone Company.

(C) Modifications to an Existing CDP

(1) When a CDP Customer adds one or more ACNA(s) to its CDP (as permitted or required under Section 25.1.2(A)(2) or 25.1.2(B)(2) (N) preceding), and such ACNA(s) is not already included in a different CDP, then the CDP Customer must include such ACNA(s) in its CDP in accordance with the terms of Section 25.1.3(C)(4) following; or

(2) When a CDP Customer adds one or more ACNA(s) to its CDP (as permitted or required under Section 25.1.2(A)(2) or 25.1.2(B)(2) (N) preceding), and such ACNA(s) is already included in another CDP, then the CDP Customer must include such ACNA(s) in its CDP in accordance with the terms of Section 25.1.3(C)(5) following.

(3) The CDP Customer must provide the Telephone Company with a list of ACNA(s) that the CDP Customer is adding (as set forth in (C)(1) and (2) preceding). Whether or not the acquired ACNA(s) is already included in a CDP shall determine whether (i) the CDP Customer's CDP is modified to include such acquired ACNA(s); (ii) the CDP Customer's CDP is consolidated with the CDP associated with the acquired ACNA(s); or (iii) a new CDP is established that includes the CDP Customer's existing ACNA(s) and the added ACNA(s).

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.3 Plan Commitment Levels (Cont'd)

(C) Modifications to an Existing CDP (Cont'd)

(4) Addition of ACNA(s) to an Existing CDP

Where a CDP Customer seeks to add one or more ACNA(s) to its CDP in accordance with Section 25.1.2(B)(2) or 25.1.3(C)(1) preceding (i.e., addition is optional and such ACNA(s) is not already included in another CDP), the CDP Customer's CDP shall be modified to include the eligible services of such added ACNA(s).

(a) The addition of such ACNA(s), and the application of the terms and conditions applicable under the existing CDP, including the discount percentage and/or TPP rates, will be effective as specified in Section 25.1.8(B)(2) following.

(b) For CDPs established or renewed prior to November 16, 2018, the CDP Customer agrees to add at least seventy-five percent (75%) of the total number of DDS and/or Voice Grade channel terminations, which are in-service for such ACNA(s) as of the date of Telephone Company receipt of the written notification, to its existing Minimum Commitment level. (C)

(c) For all services except DDS and/or Voice Grade, the CDP Customer agrees to add at least ninety percent (90%) of the total number of channel terminations for the service type or combined service types, which are in-service for such Affiliate ACNA(s) as of the date of Telephone Company receipt of the written notification, to its existing Minimum Commitment level. (T)

(d) All eligible service types for such Affiliate(s) ACNA(s) must be included in the existing CDP with the limited exception of IEF services. If IEF services are not included under the existing CDP, and there are IEF services for the Affiliate(s) being added to the existing CDP, the CDP Customer may select from the options specified in Section 25.1.1(D) preceding for its IEF services. If IEF services are included under the existing CDP, then IEF terminations for the ACNA(s) being added to the existing CDP must be combined with their Switched Access and Special Access DS3 channel terminations, as described in Sections 25.1.3(A)(6) and (A)(7) preceding. (T)

(e) No adjustment to prior billing will be made. (T)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.3 Plan Commitment Levels (Cont'd)

(C) Modifications to an Existing CDP (Cont'd)

(4) Addition of Affiliate(s) to an Existing CDP (Cont'd)

(f) The Telephone Company will apply any Renewal Options already granted under the existing CDP to the service types included in the ACNA(s) being added to the existing CDP. When Renewal Options apply under the existing CDP, time in-service credit (TISC) under (f) following will not apply. (T)

(g) TISC will be granted as specified in (i) or (ii) following, as applicable, subject to all of the terms and conditions described in Section 25.1.8(F) following: (T)

(i) When a particular service type(s) will be newly established in the CDP due to the addition of ACNA(s), the customer will be granted TISC, subject to Section 25.1.8(F) following for any such service type(s) being converted from a term plan to CDP. However, if Renewal Options apply on the existing CDP, such TISC will be forfeited.

(ii) When a particular service type(s) has already been established in the existing CDP, the customer will not be granted TISC in accordance with Section 25.1.8(F) following for such service type(s) being converted from a term plan to CDP. However, the Telephone Company will apply the prevailing TISC under the CDP, if any, to such service type(s).

ACCESS SERVICE

25. Discount Plans (Cont'd)
25.1 Commitment Discount Plans (Cont'd)
25.1.3 Plan Commitment Levels (Cont'd)

(C) Modifications to an Existing CDP (Cont'd) (N)

(5) Consolidation of CDPs

Where a CDP Customer seeks to add one or more ACNA(s) to its CDP in accordance with Section 25.1.3(C)(1) preceding (i.e., addition is required and such ACNA(s) is already included in another CDP), the customer who wishes to add the ACNA(s) has the following options to consolidate the CDPs involved:

(a) Surviving CDP Option

Combine the CDP for the existing ACNA(s) with the CDP of the acquired ACNA(s) into a Surviving CDP as set forth in Section 25.1.3(C)(6) following; or

(b) New CDP Option

Establish a new CDP that combines the existing ACNA(s) and the acquired ACNA(s) as set forth in Section 25.1.3(C)(7) following.

(6) Surviving CDP Option

(a) This option consolidates the CDP of the existing ACNA(s) with one or more CDP(s) of the acquired ACNA(s). The CDP Customer must specify one CDP to be retained, and such CDP will be deemed the Surviving CDP. All other plans will be cancelled. The Surviving CDP shall be modified to include both the eligible services of the existing ACNA(s) and the acquired ACNA(s).

(b) A true-up will be conducted on each plan being cancelled to determine any applicable adjustments (shortfall and/or charge up). If such true-up occurs more than thirty (30) days outside of a regularly scheduled true-up, it shall be pro-rated. In this instance, all references to the true-up process under Section 25.1.7 following, and the calculations related thereto, shall refer to a pro-rated true-up. The pro-rated true-up shall include the time, in whole months, between the last regularly scheduled true-up and the cancellation date(s) of the plan(s) being cancelled.

(c) Termination liability charges as set forth in Section 25.1.9 following will not be applicable to the plans being cancelled.

(d) The true-up schedule of the Surviving CDP will not change. The true-up schedule(s) of the plan(s) being cancelled will be reset to the schedule of the Surviving CDP, after any applicable pro-rated true-up. (N)

ACCESS SERVICE

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.3 Plan Commitment Levels (Cont'd)

(C) Modifications to an Existing CDP (Cont'd) (N)

(6) Surviving CDP Option (Cont'd)

(e) Service Type Has Already Been Established under Surviving CDP

(i) The commitment period for the individual service type or combined service type under the Surviving CDP will not change. The Minimum Commitment level for each service type or combined service type under the Surviving CDP must be increased by an amount equal to the sum of the individual commitment levels under the plans being cancelled (after the pro-rated true-up specified in (6)(b) preceding).

(ii) If IEF services were included under the Surviving CDP, then all of the CDP Customer's IEF terminations must be combined with their Switched Access and Special Access DS3 channel terminations in the Surviving CDP, and a new commitment level must be established, as described in Section 25.1.3(A)(6) preceding.

(iii) The prevailing Renewal Option under the Surviving CDP, if any, as described in Section 25.1.8(H) following, will not change.

(iv) The prevailing TISC under the Surviving CDP, if any, as described in Section 25.1.8(F) following, will not change. (N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.3 Plan Commitment Levels (Cont'd)

(C) Modifications to an Existing CDP (Cont'd)

(6) Surviving CDP Option (Cont'd)

(f) Service Type Has Not Already Been Established under Surviving CDP

(i) The CDP Customer must choose a commitment period for each individual service type. Such commitment period may not be shorter than the commitment period of any of the plan(s) being cancelled for such service type.

(ii) The Minimum Commitment level for each of the new service type(s) being established under the Surviving CDP must be set at an amount equal to the sum of the individual commitment levels under the plan(s) being cancelled (after the pro-rated true-up specified in (6)(b) preceding).

(iii) If the CDP Customer had combined service types under any of the plan(s) being cancelled, and at least one (1) of those combined service type(s) was established as an individual service type in the Surviving CDP, the CDP Customer may establish such combined service types under the Surviving CDP. The Minimum Commitment level for the combined service types must be set at an amount equal to the sum of the individual commitment levels of the applicable combined service types under the plan(s) being cancelled plus the applicable individual service types that were established under the Surviving CDP. The CDP Customer must choose a commitment period for the newly established combined service types. Such commitment period may not be shorter than the commitment period of any of the plan(s) being cancelled for such combined service types.

(iv) If IEF services were included under one or more of the plans being cancelled, then all of the CDP Customer's IEF terminations must be combined with their Switched Access and Special Access DS3 channel terminations for the (N)
ACNA(s) included in the Surviving CDP, and a new (N)
commitment level must be established, as described in Section 25.1.3(A)(6) preceding.

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.3 Plan Commitment Levels (Cont'd)

(C) Modifications to an Existing CDP (Cont'd) (N)

(6) Surviving CDP Option (Cont'd)

(f) Service Type Has Not Already Been Established under Surviving CDP (Cont'd)

(v) The expiration date of a service type being newly established under the Surviving CDP will be set as detailed following:

- If the expiration date of a service type is prior to the next scheduled true-up of the Surviving CDP, the customer must extend the commitment period pursuant to Section 25.1.8(D) following; or
- If the expiration date of a service type is on the same date as the scheduled true-up of the Surviving CDP, the expiration date will not change; or
- If the next true-up scheduled for a service type would have occurred prior to the next scheduled true-up of the Surviving CDP, then the Telephone Company will shorten the commitment period by six minus the amount of time, in months, between the two true-ups and reset the expiration date accordingly; or
- If the next true-up scheduled for a service type would have occurred subsequent to the next scheduled true-up of the Surviving CDP, then the Telephone Company will shorten the commitment period by the amount of time, in months, between the two true-ups and reset the expiration date accordingly. (N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.3 Plan Commitment Levels (Cont'd)

(C) Modifications to an Existing CDP (Cont'd) (N)

(6) Surviving CDP Option (Cont'd)

(f) Service Type Has Not Already Been Established under Surviving CDP (Cont'd)

(vi) The customer will be granted the highest applicable Renewal Option, as described in Section 25.1.8(H) following, for each service type, if any, from the CDPs being cancelled.

(vii) The customer will be granted the highest applicable TISC, as described in Section 25.1.8(F) following, for each service type, if any, from the CDPs being cancelled. However, if Renewal Options apply on the Surviving CDP, no TISC will be granted.

(g) The effective date of the changes to the Surviving CDP resulting from the modification, and any changes in the application of the discount percentage and/or TPP rates, will be effective as specified following:

(i) If the CDP Customer requests the Surviving CDP Option on or before the twentieth (20th) calendar day of a month, the Surviving CDP shall begin the first (1st) calendar day of the month following the month in which the CDP Customer requested such Option. Application of discounts under the Surviving CDP shall begin with the first bill day of the bill period associated with the Surviving CDP Customer's BAN in the month following the month in which the CDP Customer requests the Surviving CDP Option. For example, assume a Surviving CDP customer's bill period begins on the eleventh (11th) calendar day of each month. Assume also that the date the CDP Customer requests the Surviving CDP Option is July 6th. Then, the discounts under the Surviving CDP shall begin on August 11th.

(ii) If the CDP Customer requests the Surviving CDP Option after the twentieth (20th) calendar day of a month, the Surviving CDP shall begin the 1st calendar day of the second calendar month following the month in which the requested such Option. Application of discounts under the Surviving CDP shall begin with the first bill day of the bill period associated with the Surviving CDP Customer's BAN in the second month following the month in which the CDP Customer requests the Surviving CDP Option. For example, assume a Surviving CDP Customer's bill period begins on the 11th calendar day of each month. Assume also that the date the CDP Customer requests the Surviving CDP Option is July 30th and discounts under the Surviving CDP shall begin on September 11th. (N)

25. Discount Plans (Cont'd)
25.1 Commitment Discount Plans (Cont'd)
25.1.3 Plan Commitment Levels (Cont'd)
(C) Modifications to an Existing CDP (Cont'd) (N)
(6) Surviving CDP Option (Cont'd)

(h) For an example of the Surviving CDP Option, assume the following:

Customer A's Plan	Customer B's Plan
Established January 2006	Established March 2003
25 DS3s (16,800 equiv. DS0s) 60 month commitment period 12 months of TISC Expires January 2011	N/A
100 DS1s (2,400 equiv. DS0s) 84 month commitment period 6 months of TISC Expires January 2013	100 DS1s (2,400 equiv. DS0s) 84 month commitment period 18 months of TISC Expires March 2010
1,000 DDS II circuits 60 month commitment period 3 months of TISC Expires January 2011	100 DDS II circuits 36 month commitment period N/A Expires March 2006
True-ups in July and January	True-ups in September and March

Customer A and B merge in August and choose to cancel Customer A's CDP and to designate Customer B's CDP as the Surviving CDP. The Surviving CDP would be comprised of:

Surviving Commitment Discount Plan:

25 DS3s (16,800 equiv. DS0s)
60 month commitment period
12 months of TISC
Expires September 2010

200 DS1s (4,800 equiv. DS0s)
84 month commitment period
18 months of TISC
Expires March 2010

1,100 DDS II circuits
36 month commitment period
TISC N/A
Expires March 2006

True-ups in September and March

(i) If the CDP Customer does not notify the Telephone Company of its selection prior to completion of the next scheduled true-up period, the Telephone Company will complete implementation of Section 25.1.3(C)(7) following, using the longest commitment period from the plans being cancelled. (N)

ACCESS SERVICE

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.3 Plan Commitment Levels (Cont'd)

(C) Modifications to an Existing CDP (Cont'd) (N)

(7) New CDP Option

This option combines the CDP of the existing ACNA(s) (Plan A) with the CDP(s) of the acquired ACNA(s) (for example, Plans B and C) into a new CDP (Plan D) that includes the ACNAs of Plans A, B and C.

(a) CDP Customer(s) must, by written notification to the Telephone Company as specified in Section 25.1 preceding, cancel Plans A, B and C and establish a new plan (Plan D).

(b) A true-up will not be conducted on the plans being cancelled.

(c) Termination liability charges as set forth in Section 25.1.9 following will not be applicable to the plans being cancelled.

(d) The CDP Customer is required to include all of the ACNA(s) from the plans being cancelled in Plan D.

(e) For the new Plan D being established, the CDP Customer must choose a commitment period that is no shorter than the commitment period of any of the plan(s) being cancelled for each service type as set forth in Section 25.1.4 following. The Minimum Commitment level(s) for the service type(s) under Plan D will be equal to the sum of the individual commitment levels, by service type, of the plans being cancelled.

(f) If TISC existed on at least one service type in one of the plan(s) being cancelled, then TISC will be granted on all service types in Plan D. In order to determine the applicable TISC, use the table set forth following.

Plan D Term	TISC for CDP
2 Years	3 months credit
3 Years	6 months credit
5 Years	12 months credit
7 Years	18 months credit

(g) Renewal Options on any of the plan(s) being cancelled will not be carried over to Plan D.

(h) All CDP terms and conditions, including termination liability, will apply to Plan D's commitment period(s). (N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.3 Plan Commitment Levels (Cont'd)

(D) Sale of Assets

(1) Sale of Telephone Company Operating Territory

(a) In the event of a Telephone Company sale during a CDP commitment period, the following applies:

(i) In the event the Telephone Company sells all or a portion of its assets in a specific state(s) and ceases to provide associated service(s) currently included under a CDP, the CDP Customer has the option to reduce its Minimum Commitment, by a percentage equal to the customer's actual number of in-service circuits for the (N) ACNA(s) included in CDP in the affected state(s) divided (N) by the total actual number of in-service circuits across all of the operating territories under this tariff for (N) the ACNA(s) included in CDP, for each service type, (N) without application of termination liability or shortfall adjustment due to such reduction. In addition, the CDP Customer will be relieved of its minimum period obligation for those circuits no longer provided by the Telephone Company. The CDP Customer must provide written notification to the Telephone Company of its election to decrease its Minimum Commitment prior to completion of the next scheduled true-up period. The decreased Minimum Commitment will apply from the date of the sale through the balance of the commitment period or until such time as a subsequent adjustment to the Minimum Commitment is requested or required.

(ii) For example, assume that a CDP Customer has a Minimum Commitment of fifteen (15) DS3 High Capacity Services (i.e., 10,080 equivalent DS0s) for the ACNA(s) included (N) in CDP. Further, assume that the CDP Customer has | seventeen (17) in-service DS3 High Capacity Services for | the ACNA(s) included in CDP across all of the operating (N) territories under this tariff, five (5) of which are in Maryland. The Telephone Company sells its assets in Maryland where the CDP Customer has five (5) DS3s (i.e., 3,360 equivalent DS0s). The CDP Customer's DS3 Minimum Commitment will be reduced by 5/17 of the total 10,080 equivalent DSOs, or 2,965 DSOs (i.e., 5 Maryland DS3s/17 total DS3s = 29.41176% times total 10,080 equivalent DSOs, which equals 2,964.7 DSOs, rounded up to the nearest equivalent DS0, or 2,965). The new reduced Minimum Commitment will be 7,115 equivalent DS0s (i.e., 10,080 – 2,965).

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.4 Commitment Periods by Service Type

(A) For each billing month, the Telephone Company will bill service under the CDP as follows:

(1) For CDPs established or renewed prior to November 16, 2018, for DDS and Voice Grade services, the TPP monthly rates shown in Sections 7.5.16 and 7.5.3 preceding for such services respectively, will apply to the commitment period selected by the CDP Customer from the table below. Such rates may change during the commitment period, subject to the regulations set forth in Section 25.1.6 following. (C)

(2) For Special Access DS1 and IEF services, the TPP monthly rates shown in Sections 7.5.16 and 7.5.21 preceding for such services respectively, will apply to the commitment period selected by the CDP Customer from the table below. Such rates may change during the commitment period, subject to the regulations set forth in Section 25.1.6 following. (T)

(3) For Switched Access DS3 and Special Access DS3 services, a discount percentage as set forth below will be applied to the Base Rates shown in Sections 6.9.1.1 and 7.5.9 preceding for Switched Access and Special Access services, respectively, for the commitment period selected by the CDP Customer from the table below. Base Rates and/or the discount percentage may change during the commitment period, subject to the regulations set forth in Sections 25.1.5 and 25.1.6 following. (T)

(4) For Switched Access DS1 services, a discount percentage as set forth below will be applied to the month-to-month rates shown in Section 6.9.1.1 preceding for the commitment period selected by the CDP Customer from the table below. Month-to-Month rates and/or the discount percentage may change during the commitment period, subject to the regulations set forth in Sections 25.1.5 and 25.1.6 following. (T)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.4 Commitment Periods by Service Type (Cont'd)

(B) Services included in a combined service type may have different commitment periods and rates associated with each individual service type.

(C) For services provided with Base Rates or month-to-month rates, discount percentages applied will be the discount shown below that is associated with the commitment period of the individual service type. For all other services, the TPP monthly rate will apply.

(D) TPP monthly rates and discount percentages differ based on the length of the commitment period selected by the CDP Customer and the service type. The CDP Customer must select an available commitment period from those offered following. (C)

Service Type	Commitment Period	Rate under CDP	
Switched DS1	2 Year###	10% off Mo-Mo Rate	(T)
	3 Year###	20% off Mo-Mo Rate	(T)
	5 Year##	30% off Mo-Mo Rate	
	7 Year##	35% off Mo-Mo Rate	
Switched DS3	3 Year###	10% off Base Rate	(T)
	5 Year##	35% off Base Rate	
Voice Grade Service#	3 Year	TPP Rate	
	5 Year	TPP Rate	
Digital Data Service#	2 Year	TPP Rate	
	3 Year	TPP Rate	
	5 Year	TPP Rate	
DS1 High Capacity/ 1.544 Mbps Service	2 Year###	TPP Rate	(T)
	3 Year###	TPP Rate	(T)
	5 Year##	TPP Rate	
	7 Year##	TPP Rate	
DS3 High Capacity/ 44.736 Mbps Service	3 Year###	10% off Base Rate	(T)
	5 Year##	35% off Base Rate	
IntelliLight Entrance Facility (Switched & Special Access)	3 Year###	TPP Rate	(T)
	5 Year##	TPP Rate	

Applicable only to customers who established or renewed CDP prior to November 16, 2018.

Applicable only to customers who established or renewed CDP prior to May 30, 2019.

Applicable only to customers who established or renewed CDP prior to November 15, 2022. (N)
(N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.5 Changes to the Discount Percentage

(A) For services using discount percentages, the discount percentage will not be subject to Telephone Company initiated decreases (D) during the commitment period. For example, if the Telephone Company initiates a decrease in the discount percentage for a (T) particular commitment period from twenty-five percent (25) to | twenty percent (20%), the existing discount percentage of twenty- | five percent (25%) will continue to be applied through the (T) balance of the CDP Customer's commitment period.

(B) For services using discount percentages, the discount percentage is subject to Telephone Company initiated increases during the commitment period. For example, if the Telephone Company initiates an increase in the discount percentage for a particular (T) commitment period from twenty-five percent (25%) to thirty | percent (30%), the new thirty percent (30%) discount will be (T) applied through the balance of the CDP Customer's commitment period.

25. Discount Plans (Cont'd)
25.1 Commitment Discount Plans (Cont'd)
25.1.6 Changes to the Base Rates/TPP Rates

(A) If the Telephone Company initiates a decrease in the TPP rates during the commitment period, the decreased rates shall apply to all services under the CDP which bill such TPP rates as set forth above. If the Telephone Company initiates an increase in the TPP rates during the commitment period, the increased rates shall apply to all services under the CDP which bill such TPP rates, subject to the applicable regulations set forth in this tariff, Sections 6.8.22(C)(1), 6.8.23(B)(6), 6.8.25(C)(5)(e), 7.2.15(E), 7.4.13(C), 7.4.17(C), and 7.4.18(C).

(B) The Base Rates to which the discount percentage is applied under the CDP as set forth above are subject to change over the commitment period selected by the CDP Customer. An increase in the Base Rate will result in an increase to the rates under the CDP for the applicable service type. A decrease in the Base Rate will result in a decrease to the rates under the CDP for the applicable service. In no event will the Base Rate exceed the non-discounted monthly rate for the service.

(C) For CDPs established prior to December 17, 2019, in the event the (C)
Telephone Company initiates a rate increase and the discounted (T)
monthly billing for the affected service type, in aggregate, (T)
increases by eight percent (8%) or more, the customer may cancel a CDP for the affected service type without the application of termination liability as set forth in 25.1.9 following. The CDP Customer must exercise its option to cancel the CDP for the affected service type by providing written notice to the Telephone Company within thirty (30) days of the date of the effective rate increase. The CDP for other services shall remain in effect.

25.1.7 Application of the Discount Percentage or TPP Rates

(A) The Telephone Company shall apply the discount percentage or TPP rate, as applicable, on a monthly basis during the commitment period to each monthly rate element specified in Section 25.1.1
preceding. Channel Mileage, Optional Features or Functions, and (N)
BSEs are detariffed. (N)

(1) During any true-up period as set forth below for DDS and/or Voice Grade under a CDP established or renewed prior to November 16, 2018, the customer may exceed its Minimum Commitment by up to fifty-six percent (56%) (i.e., the maximum service level). During any true-up period for all other services, the customer may exceed its Minimum Commitment by up to thirty percent (30%). In such event, the regulations set forth in Section 25.1.7(D) following shall apply.

For example, assume that a customer has a Minimum Commitment for its DS1 High Capacity service type of 12,000 equivalent DS0s for the ACNA(s) included in CDP, and the customer has in-service as of the applicable true-up period 24,000 equivalent DS0s for said ACNA(s). The maximum service level would be thirty percent (30%) or 15,600 equivalent DS0s which will receive the discount. Amounts in excess of 15,600 equivalent DS0s will be treated in accordance with Section 25.1.7(D) following.

25. Discount Plans (Cont'd)
25.1 Commitment Discount Plans (Cont'd)

25.1.7 Application of the Discount Percentage or TPP Rates (Cont'd)

(A) (Cont'd)
(1) (Cont'd)

For another example, assume that a CDP Customer has a Minimum Commitment for its DDS service type of fifty (50) equivalent DS0s for the ACNA(s) included in CDP, and the CDP Customer has in-service as of the applicable true-up period one hundred (100) equivalent DS0s for said ACNA(s). The maximum service level would be fifty-six percent (56%) or seventy-eight (78) equivalent DS0s which will receive the discount. Amounts in excess of 78 equivalent DS0s will be treated in accordance with Section 25.1.7(D) following.

(2) Subject to Section 1.1 preceding, the true-up process for each service type will determine if the CDP Customer (1) has not met its Minimum Commitment and is therefore subject to a shortfall adjustment, (2) has met its Minimum Commitment and no adjustment to the commitment level is necessary, or (3) has met its Minimum Commitment and exceeded its maximum service level. Beginning on month six (6) after the CDP Customer's subscription to CDP and every six (6) months thereafter, the Telephone Company will conduct a true-up which compares the average number of equivalent DS0s actually in service for the ACNA(s) included in CDP over the preceding six (6) months to the average number of equivalent DS0s which comprise the Minimum Commitment. (C)

(3) For CDP Customers subscribing to CDP on or before December 31, 2004, the first true-up will not occur until twelve (12) months after the CDP Customer subscribes to CDP. Thereafter, true-ups will be conducted on a six (6) month basis. All references to the true-up process and to the calculation thereof shall be deemed to refer to either the initial twelve (12) month true-up (for eligible CDP Customers as set forth in this paragraph) or the six (6) month true-up process, as applicable. During the first true-up for such CDP Customers, all references to six (6) months shall be substituted by twelve (12) months in the calculations set forth below.

(4) In the event the CDP Customer disputes the amount adjusted by the Telephone Company following the true-up process, the CDP Customer must notify the Telephone Company of the dispute within six (6) months of the adjustment being applied (i.e., prior to the next scheduled true-up).

(5) For purposes of applying the discount percentage or TPP rates, and administering the terms and conditions of the CDP, service provided as part of a Shared Use Arrangement is considered to be completely Switched Access or completely Special Access as determined by the type of facility ordered to the Hub.

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.7 Application of the Discount Percentage or TPP Rates (Cont'd)

(B) Customer Has Not Met its Minimum Commitment and is Subject to a Shortfall Adjustment

If the CDP Customer fails to maintain its Minimum Commitment for a service type or combined service type over the preceding six (6) months, the CDP Customer shall be assessed a Shortfall Adjustment. There are two methods (i.e., Option 1 or Option 2) of determining and calculating the Shortfall Adjustment. The Telephone Company will calculate the Shortfall Adjustment using both methods and apply the method that produces the lesser Shortfall Adjustment. (N)

(1) Option 1 Shortfall Adjustment Method and Calculation (N)

The Shortfall Adjustment will be an amount equal to the difference between (1) the average total dollar amount (T) associated with that service type or combined service type over the preceding six (6) months and (2) the average total dollar (T) amount associated with that service type or combined service type which would have been applied over the preceding six (6) months had the Minimum Commitment been satisfied. The Telephone Company will calculate the difference as follows:

(Step 1) The Telephone Company will calculate the average number of DS0 equivalent Channel Terminations which were in service over the preceding six (6) months by summing the actual number of DS0 equivalent Channel Terminations for each of the last six (6) months (including any DS0 equivalent Channel Terminations that were replaced by a Replacing Service(s) using the methodology for a Technology Migration specified in Section 2.9.4 preceding), adjusting the Minimum Commitment pursuant to Section 25.1.3 preceding, and dividing by six (6). The resulting number represents the average equivalent DS0 Channel Terminations per month (i.e., monthly equivalent DS0 count).

(Step 2) The Telephone Company will calculate the average rate assessed per DS0 equivalent by first summing the total monthly charges associated with all channel terminations, channel mileage, multiplexing arrangements, and IEF terminations or IEF interface rate elements for that service type or combined service type over the preceding six (6) months and dividing by six (6). The resulting amount is then divided by the average monthly equivalent DS0 count determined in Step 1.

(Step 3) The Telephone Company will calculate the average Minimum Commitment for that service type or combined service type by first summing the Minimum Commitment for each of the preceding six (6) months, adjusting the Minimum Commitment pursuant to Section 25.1.3 preceding, and dividing the resulting total by six (6). The resulting number represents the average Minimum Commitment for the preceding six (6) months.

25. Discount Plans (Cont’d)

25.1 Commitment Discount Plans (Cont’d)

25.1.7 Application of the Discount Percentage or TPP Rates (Cont'd)

(B) Customer Has Not Met its Minimum Commitment and is Subject to a Shortfall Adjustment (Cont'd)

(1) Option 1 Shortfall Adjustment Method and Calculation (Cont’d) (N)

(Step 4) The Telephone Company will determine the shortfall by subtracting the average number of equivalent DS0s in service as determined in Step 1 from the number of equivalent DS0s which comprise the average Minimum Commitment as determined by Step 3.

(Step 5) To determine the amount due from the CDP Customer, the Telephone Company will multiply the average rate per equivalent DS0 determined in Step 2 by the shortfall determined in Step 4 and multiply the resulting amount by six (6). The amount due is not subject to any late payment factor as specified in Section 2.4.1 preceding. However, a late payment factor will apply in accordance with Section 2.4.1 preceding if such amount is not paid by the bill due date of the month in which such amount first appears on the bill.

(2) Option 2 Shortfall Adjustment Method and Calculation (N)

The Shortfall Adjustment will be an amount equal to the difference between (1) the actual total dollar Channel Termination revenue associated with each service type or combined service type in each of the six (6) months of the true-up period and (2) the CT Revenue Cap (as defined in Step 1 following) for each service type or combined service type. The Telephone Company will calculate the difference as follows:

(Step 1) The Telephone Company will first determine the monthly channel termination revenue cap by multiplying the total discounted monthly revenues associated with all in-service channel termination and IEF termination rate elements for that service type or combined service type for month one of the CDP by the appropriate Commitment Level percentage (e.g., 90% for DS1 and DS3)(CT Revenue Cap). In the event the Minimum Commitment changes (e.g. as a result of the CDP Customer exceeding its Maximum Service Level), the Telephone Company will make a commensurate adjustment to the CT Revenue Cap. The adjusted CT Revenue Cap will be used beginning with the month in which the Minimum Commitment was changed.

(Step 2) The Telephone Company will then determine the actual channel termination revenues by calculating the total discounted monthly revenues associated with all in-service channel termination and IEF termination rate elements for that service type or combined service type for each month of the six (6) month true-up period. (N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.7 Application of the Discount Percentage or TPP Rates (Cont'd)

(B) Customer Has Not Met its Minimum Commitment and is Subject to a Shortfall Adjustment (Cont'd)

(2) Option 2 Shortfall Adjustment Method and Calculation (Cont'd) (N)

(Step 3) For each service type or combined service type, and for each month of the six (6) month true-up period, subtract the actual channel termination revenues from the CT Revenue Cap.

(Step 4) To determine the amount due from the CDP Customer, the Telephone Company will sum the amounts calculated in Step 3 for the six (6) months of the true-up period. If the sum of the amounts calculated in Step 3 is a positive amount, then such amount shall be the amount due for purposes of this Option 2. The amount due is not subject to any late payment factor as specified in Section 2.4.1 preceding. However, a late payment factor will apply in accordance with Section 2.4.1 preceding if such amount is not paid by the bill due date of the month in which such amount first appears on the bill. (N)

25. Discount Plans (Cont'd)
25.1 Commitment Discount Plans (Cont'd)
25.1.7 Application of the Discount Percentage or TPP Rates (Cont'd)

(C) Customer has met its Minimum Commitment

If the CDP Customer has satisfied its Minimum Commitment and is below the maximum service level for the preceding six (6) months, no corrective action will be taken.

(D) Customer has met its Minimum Commitment and Exceeded its Maximum Service Level

If the CDP Customer has satisfied its Minimum Commitment for the preceding six (6) months but exceeded its maximum service level, the Telephone Company will apply an adjustment in order to true-up the discount percentages or TPP rates that were applied in excess of that allowed by the maximum service level. The true-up will result in an adjustment (charge up) of the discounted excess amount back to standard, non-discounted rates, unless the CDP Customer elects to increase its Minimum Commitment upward to at least seventy-five percent (75%) for DDS and/or Voice Grade services in CDPs established or renewed prior to November 16, (N)
2018, and ninety percent (90%) for all other service types of the (N)
total number of DS0 equivalent Channel Terminations for the ACNA(s) included in CDP for the service type or combined service type involved at the time the true-up was performed. If an adjustment is to be applied, the Telephone Company will calculate the adjustment as follows:

(Step 1) The Telephone Company will calculate the average number of equivalent DS0 Channel Terminations that were in service for the ACNA(s) included in CDP over the preceding six (6) months by summing the actual number of equivalent DS0s for said ACNA(s) for each of the last six (6) months, and dividing the resulting total by six (6). The resulting number represents the average monthly equivalent DS0 Channel Termination count (i.e., monthly equivalent DS0 count.)

(Step 2) The Telephone Company will calculate the average rate assessed per equivalent DS0 by first summing the total reduced monthly charges associated with all channel termination and channel mileage rate elements for the preceding six (6) months and dividing by six (6). The resulting amount is then divided by the average monthly equivalent DS0 count determined in Step 1.

(Step 3) The Telephone Company will calculate the average Minimum Commitment by first summing the Minimum Commitment for each of the preceding six (6) months, adjusting the Minimum Commitment pursuant to Section 25.1.3 preceding, and dividing by six (6). The resulting number represents the average Minimum Commitment for the preceding six (6) months.

(Step 4) The Telephone Company will determine the applicable maximum service level by multiplying the Minimum Commitment determined in Step 3 by 1.56 (i.e., the Minimum Commitment plus fifty-six percent (56%)) for DDS and/or Voice Grade services in (N)
CDPs established or renewed prior to November 16, 2018; or by (N)
multiplying the Minimum Commitment determined in Step 3 by 1.3 (i.e., the Minimum Commitment plus thirty percent (30%)) for all other services.

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.7 Application of the Discount Percentage or TPP Rates (Cont'd)

(D) Customer has met its Minimum Commitment and Exceeded its Maximum Service Level (Cont'd)

(Step 5) The Telephone Company will determine the number of equivalent DS0s that already received a discount over the preceding six (6) months, but were in excess of the maximum service level by subtracting the maximum service level calculated in Step 4 from the average equivalent DS0 Channel Termination count determined in Step 1.

(Step 6) To determine the total dollar amount associated with the equivalent DS0s that received a discount in excess of the maximum service level, the Telephone Company will multiply the excess equivalent DS0 Channel Terminations in Step 5 by the average total rate per DS0 equivalent in Step 2 and multiply the result by six (6).

(Step 7) To determine the non-discounted total dollar amount for the equivalent DS0s which were in excess of the maximum service level, the Telephone Company will recalculate the amount determined in Step 6 back to standard, non-discounted rates as follows. First, the Telephone Company will multiply the average total rate per equivalent DS0 determined in Step 2 by the number of equivalent DS0s which were in excess of the maximum service level in Step 5 and divide the result by the discount factor or equivalent (i.e., one (1) minus the discount percentage or equivalent). The resulting amount is then multiplied by six (6). (T)

The equivalent discount factor can be determined by the percent differential between the month-to-month channel termination rate and the applicable TPP channel termination rate. To obtain the percent differential, subtract the TPP channel termination rate from the month-to-month channel termination rate, and divide the result by the month-to-month channel termination rate. For combined DS3 and IEF services, the equivalent discount factor will be the percent differential between the DS3 month-to-month channel termination rate and the applicable DS3 TPP channel termination rate. For example, a ten percent (10%) discount would result in a calculation of one (1) minus .1 for a discount factor of .9.

(Step 8) To determine the amount due from the CDP Customer, the Telephone Company will subtract the amount paid in Step 6 from the amount owed in Step 7. The resulting amount will be the amount adjusted (charged up) as a result of the true-up process. The amount due from the CDP Customer is not subject to any late payment factor as specified in Section 2.4.1 preceding. However, a late payment factor will apply in accordance with Section 2.4.1 preceding if such amount is not paid by the bill due date of the month in which such amount first appears on the bill.

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.8 Commitment Periods

The commitment period for each service is the actual number of months for which the CDP will be in effect for such service during which period the percentage discount or TPP rates will be applied.

(A) Selection of a Commitment Period

(1) When establishing a CDP, the CDP Customer must select a commitment period for each service type included in CDP. Services included in a combined service type may have different commitment periods associated with each individual service type. The commitment period will be the number of months over which the percentage discount or TPP rates associated with that commitment period will apply. The commitment periods and any associated percentage discounts or TPP rates, as applicable, are specified in Section 25.1.4 preceding. (T)

(2) CDP Customers will have the option of establishing coterminous end dates for DS3 and IEF service types. CDP Customers choosing this option must select a commitment period for the IEF service type equal to the longest commitment period of the CDP Customer's DS3 service type under CDP. The expiration date of the IEF service type under CDP will equal the existing expiration date of the CDP Customer's DS3 service type under CDP with the longest commitment period. CDP Customers who choose this option shall receive the IEF rates associated with the IEF commitment period that matches the longest DS3 commitment period. (T)

For example, assume that the CDP Customer has Switched Access DS3 service on a 5 year plan and Special Access DS3 service on a 3 year plan, and the CDP Customer wants to include IEF service with a coterminous end date. Assume further that there are 2 years remaining on the Switched Access DS3 commitment period. The CDP Customer must choose the IEF commitment period that is equal to the Switched Access DS3 commitment period that is the longer of the two DS3 commitment periods in this example. The expiration date for the IEF service and the Switched Access DS3 service will be the same (i.e., 2 years from the date of establishment of the IEF plan under CDP). The CDP Customer will receive the TPP rates associated with the 5 year commitment period for IEF service. (T)

(a) There shall be no change to the DS3 commitment period or DS3 rates. Minimum period obligations as set forth in Section 25.1.10 following shall apply regardless of the end date chosen. (T)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.8 Commitment Periods (Cont'd)

(B) Effective Date of Commitment Period

(1) The customer must subscribe to CDP by providing the Telephone Company with written notification. (T)

(2) Where the CDP is requested to be provided coincident with the connection of new services or on existing services, the commitment period will begin as determined below: (T)

(a) If the customer subscribes to CDP on or before the twentieth (20th) calendar day of a month, the CDP commitment period shall begin the first (1st) calendar day of the month following the month in which the customer subscribes to CDP. Application of discounts under the CDP shall begin with the first bill day of the bill period associated with the CDP customer's BAN in the month following the month in which the customer subscribes to CDP. For example, assume a CDP customer's bill period begins on the eleventh (11th) calendar day of each month. Assume also that the date the customer subscribes to CDP is July 6th. Then, the CDP commitment period start date is August 1 and discounts under the CDP shall begin on August 11th. (C)

(b) If the customer subscribes to CDP after the twentieth (20th) calendar day of a month, the CDP commitment period shall begin the 1st calendar day of the second calendar month following the month in which the customer subscribes to CDP. Application of discounts under the CDP shall begin with the first bill day of the bill period associated with the CDP customer's BAN in the second month following the month in which the customer subscribes to CDP. For example, assume a CDP customer's bill period begins on the eleventh (11th) calendar day of each month. Assume also that the date the customer subscribes to CDP is July 30th. Then, the CDP commitment period start date is September 1st and discounts under the CDP shall begin on September 11th. (C)

25. Discount Plans (Cont'd)

(D)

(D)

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25. Discount Plans (Cont’d)
25.1 Commitment Discount Plans (Cont’d)
25.1.8 Commitment Periods (Cont'd)
(C) Expiration of a Commitment Period (D)

(D)

(2) With the exception of IEF, at the expiration of its selected commitment period, service will be converted to a month-to-month term plan at the then prevailing month-to-month service rates. (T) (C) (C)

(3) If all commitment periods for all services under the CDP are expiring, the CDP Customer has the following option: (C) (C)

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25. Discount Plans (Cont'd)
25.1 Commitment Discount Plans (Cont'd)
25.1.8 Commitment Periods (Cont'd)
(C) Expiration of a Commitment Period (Cont'd)

(3) (Cont'd)
(i) Continue receiving service at month-to-month rates without a discount plan; (ii) Discontinue service; or (iii) For IEF only, select an available term plan as set forth in Section 7.2.15 for IEF. (T)

(D)

25. Discount Plans (Cont'd)

(D)

(D)

25. Discount Plans (Cont'd)

(D)

(D)

25. Discount Plans (Cont'd)

(D)

(D)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.8 Commitment Periods (Cont'd)

(D) Cancellations (T)

(1) Except as set forth in Sections 25.1.3(C)(6) or (7), and 25.1.6(C) preceding, and in Section 25.1.8(H) following, cancellation of a CDP will result in the application of termination liability as set forth in Section 25.1.9 following. (D)

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25. Discount Plans (Cont'd)

(D)

(D)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.8 Commitment Periods (Cont'd)

(F) Time In-Service Credit

(1) TISC will be granted for each service type being converted from a TPP to the CDP if at least one (1) of the services of the type being converted has been under its TPP for at least two (2) years. (T)

(2) TISC will be applied to the end of the CDP commitment period. TISC reduces the number of months from the end of the selected commitment period to which termination liability charges are applicable. There will be no change to the CDP commitment period. For example, a commitment period of five (5) years with one (1) year of TISC granted is still a commitment period of five (5) years, however, the CDP Customer will not be subject to (T) termination liability after month forty-eight (48) (i.e., 5 years minus TISC of 1 year = 4 years) if the CDP Customer (T) cancels or terminates the CDP prior to the end of the commitment period. The amount of TISC granted for each eligible service type is determined as follows.

(3) In order to calculate the applicable TISC, first, determine the amount of time spent under a TPP in the table following. (T) Second, determine the customer's selected CDP commitment period. Third, determine the TISC using the table and criteria set forth below. If the customer selects a CDP commitment period of equal or greater length than the amount of time spent under a TPP, the TISC associated with the Time In-Service for the TPP shall apply. If the customer selects a CDP with a shorter term than the amount of time spent under a TPP, the TISC associated with the CDP term shall apply.

For example, if a customer has service under a TPP for thirty-eight (38) months, but chooses a CDP with a commitment period of only three (3) years (i.e., three (3) year term for CDP is less than the thirty-eight (38) months spent under TPP), the TISC would be six (6) months which is the maximum TISC for a three (3) year CDP commitment period. Alternatively, as an example, if the customer had two (2) years of service under a TPP, but chooses a CDP commitment period for that service type of seven (7) years (i.e., seven (7) year CDP commitment period is longer than the two (2) year time spent under TPP), the TISC would be three (3) months credit, which is the maximum TISC available having satisfied a two (2) year TPP commitment period.

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.8 Commitment Periods (Cont'd)

(F) Time In-Service Credit (Cont'd)

Time In-Service for TPP	CDP Term	Time In-Service Credit for CDP
24 months	2 Years or Longer	3 months credit
25 to 36 months	3 Years or Longer	6 months credit
37 to 60 months	5 Years or Longer	12 months credit*
61 months or greater	5 Years	18 months credit*

(G) Nonrecurring Charges

When service is newly installed under a CDP, the channel termination nonrecurring charge that applies is $1.00, which applies in lieu of any applicable nonrecurring charge specified in Section 6.8 preceding for Switched Access, Section 7.5.16 preceding for Special Access, or Section 7.5.21(C) preceding for IEF.

(H) Renewal Option# (T)

(1) Description - Renewal Option is an option under CDP which allows a CDP Customer to terminate its renewed CDP without the application of termination liability charges if the renewed CDP meets the terms and conditions set forth in this section (H). There will be no change to the CDP commitment period that the customer commits to under CDP. Renewal Option applies to commitment periods by service type. Effective November 16, 2018, Renewal Option is no longer available for Voice Grade or DDS service types.

(2) Customer Subscription to Renewal Option - Renewal Option must be requested by the CDP Customer by providing written notification to the Telephone Company.

(3) Eligibility - Renewal Option is available to a CDP Customer who meets either one of the conditions set forth in (H)(3)(a) or (b) following:

* Applies only to customers who were granted TISC upon subscription to a 5-year or 7-year commitment period which began prior to May 30, 2019. (N)

\# Effective May 30, 2019, requests for Renewal Option will no longer be accepted. (N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.8 Commitment Periods (Cont'd)

(H) Renewal Option# (Cont'd) (T)

(3) Eligibility (Cont'd)

(a) Customer with a Currently Expiring CDP

Customer must meet all of the requirements set forth in (a)(i) and (a)(ii) following:

(i) Customer completes one of the following:

(A) A full 5-year or 7-year commitment period (pursuant to Section 25.1.8(C)(1)(a) preceding), including CDP Customers in a coterminous plan (pursuant to Section 25.1.11 following) with actual time spent on plan under this tariff equal to the full commitment period; or
(B) An extension of a commitment period (pursuant to Sections 25.1.8(D)(2) or (3) preceding) with at least five (5) years actually spent on the plan regardless of the selected commitment period; or
(C) A coterminous plan established prior to May 10, 2006 with a 5-year or 7-year commitment period (pursuant to Section 25.1.11 following), but with less time spent on the plan than the actual commitment period due to the election of the coterminous option; and

(ii) The CDP Customer chooses to establish a new CDP commitment period for the service type involved, including combined service types, with an equal or longer commitment period (i.e., CDP Customer renews its existing 5-year commitment period for a new 5-year or 7-year commitment period, or CDP Customer renews its existing 7-year commitment period for a new 7-year commitment period).

(A) If a CDP Customer completed an extension of a commitment period pursuant to Sections 25.1.8(D)(2) or (3) preceding with at least five (5) years actually spent on the plan, the commitment period of the renewed CDP must be of equal or greater length than the actual time spent by the customer on the prior plan. If the actual time spent by the CDP Customer on the prior plan was between five (5) years and seven (7) years (i.e., time spent was more than 60 months but less than 84 months), the CDP Customer must renew such CDP for a new commitment period of at least five (5) years.

\# Effective May 30, 2019, requests for Renewal Option will no longer be accepted. (N)
(N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.8 Commitment Periods (Cont'd)

(H) Renewal Option# (Cont'd) (T)

(3) Eligibility (Cont'd)

(a) Customer with a Currently Expiring CDP (Cont'd)

(ii) (Cont'd)

(B) For example, assume that a CDP Customer completed a 3-year commitment period and extended it for an additional two (2) years for total time spent on the plan of five years. The CDP Customer must renew such CDP for a new commitment period of at least five (5) years. As another example, assume that a CDP Customer completed a 5-year commitment period and extended it for an additional one (1) year for total time spent on the plan of six (6) years. The CDP Customer must renew such CDP for a new commitment period of at least five (5) years.

(D)

(D)

Effective May 30, 2019, requests for Renewal Option will no longer be accepted. (N)
(N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.8 Commitment Periods (Cont'd)

(H) Renewal Option# (Cont'd) (T)

(D)

(D)

(4) Renewal Option Period

(a) The applicable Renewal Option Period granted for each eligible service type is determined as follows:

Expiring CDP Commitment Period (including actual time spent on plan pursuant to 25.1.8(H)(3)(a)(i) or 25.1.8(H)(3)(b)(i)	Renewed (i.e., new) CDP Term	Renewal Option Period
5 years	5 or 7 Years	24 months
7 years	7 Years	24 months

Effective May 30, 2019, requests for Renewal Option will no longer be accepted. (N)
(N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.8 Commitment Periods (Cont'd)

(H) Renewal Option# (Cont'd) (T)

(4) Renewal Option Period (Cont'd)

(b) The Renewal Option Period will be applied to the end of the renewed CDP commitment period.

For example, assume that a CDP Customer renews a 7-year commitment period for another 7-year commitment period and elects the Renewal Option. The Telephone Company will grant a Renewal Option Period of twenty-four (24) months to that CDP Customer. The CDP Customer is still subject to a commitment period of seven (7) years; however, termination liability charges as set forth in Section 25.1.9 following will not apply after month sixty (60) if the CDP Customer cancels or terminates the CDP prior to the end of the commitment period (i.e., 7-year commitment period (84 months) minus 24 months Renewal Option Period = 60 months, or 5 years).

(c) When a CDP is cancelled or terminated during the Renewal Option Period, a final true-up will be conducted pursuant to Section 25.1.7 preceding in order to determine any applicable shortfall adjustments. The shortfall will be calculated as specified in Section 25.1.7(B) preceding, on a pro-rated basis, for the number of months elapsed since last true-up. No charge ups applicable under Section 25.1.7(D) preceding will be assessed as a result of the final true-up.

(d) If a CDP is cancelled or terminated during the Renewal Option Period, the CDP Customer will be treated as if it has completed a full commitment period.

For example, assume that a CDP Customer completes a full 7-year commitment period under CDP, renews CDP with a 7-year commitment period and elects the Renewal Option. After completing 5 years and 3 months (i.e., during the Renewal Option Period), the CDP Customer terminates the CDP without termination liability. After such termination, the CDP Customer may renew such CDP for another 7-year commitment period and be eligible for the Renewal Option on the renewed CDP.

(5) Except as otherwise specified in this Section 25.1.8(H), all terms and conditions of CDP, including establishing an initial minimum commitment period set forth in Section 25.1.3(A) preceding and the bi-annual true-up process set forth in Section 25.1.7 preceding, will apply to the new CDP commitment period during the entire time that such CDP is maintained (i.e., even during the Renewal Option Period).

\# Effective May 30, 2019, requests for Renewal Option will no longer be accepted. (N)
(N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.9 Termination Liability

(A) Termination liability applies to all services included in the CDP (1) when one or more service types in the CDP are disconnected, cancelled, or terminated prior to the end of the CDP Customer selected commitment period for each such service type; or (2) when all services in the CDP are disconnected, cancelled, or terminated prior to the end of the CDP Customer selected commitment period. The only exceptions to the foregoing shall be:

(i) termination by the CDP Customer in accordance with Section 25.1.6(C) preceding for which the CDP Customer shall not be charged termination liability in accordance with this section for the specific service type terminated. If the CDP Customer terminates another service type not subject to Section 25.1.6(C) preceding, then the CDP Customer shall be subject to termination liability for the other service types in accordance with this section; or

(ii) termination by the CDP Customer in accordance with Renewal Options set forth in Section 25.1.8(H) preceding; or

(D)
|
(D)

(iii) termination by the CDP Customer in accordance with Section 25.1.3(C)(6) or (7) preceding in order to consolidate multiple CDPs. (T)

(B) The termination liability charge applies in addition to any applicable minimum period charges as set forth in Section 25.1.10 following.

(C) CDPs established or renewed prior to January 1, 2021

There are two methods (i.e., Option 1 or Option 2) of determining and calculating the termination liability charge, except for IEF services for which termination liability charges shall be calculated using Option 1 only. The Telephone Company will calculate the charge using both methods, and apply the method that produces the lesser termination liability charge.

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.9 Termination Liability (Cont'd)

(C) CDPs established or renewed prior to January 1, 2021 (Cont'd) (N)

(1) Option 1 Termination Liability Charge Method and Calculation

(a) Under Option 1, the termination liability charge is fifty percent (50%) of the applicable monthly rates for each month or fraction thereof remaining in the selected commitment period, less any TISC or Renewal Option which may be applicable. The termination liability charge applies in addition to the charge associated with satisfying the minimum period requirement as set forth in Section 25.1.10 following.

(b) The termination liability charge will be calculated as follows:

(Step 1) The Telephone Company will conduct a final true-up to determine the average number of equivalent DS0 Channel Terminations in service for the ACNA(s) included in CDP since the last true-up was performed and the total dollar amount for each service type since the last true-up was performed.

(Step 2) Using the data from Step 1, the Telephone Company will calculate an average rate per equivalent DS0 by dividing the total dollar amount from Step 1 by the DS0 channel terminations, each as calculated in accordance with Step 1 above.

(Step 3) The Telephone Company will multiply the following: (A) the average rate per equivalent DS0 from Step 2 times (B) 50 percent (50%) times (C) the number of equivalent DS0s which comprise Minimum Commitment times (D) the number of months from the end of the minimum period requirement to the end of the commitment period, less any TISC which may be applicable.

For example, assume the average rate per equivalent DS0 is $1, the number of DS0s which comprise the Minimum Commitment is 10,000, and the number of months from the end of the minimum period requirement to the end of the five (5) year commitment period, less any TISC or Renewal Option which may be applicable, is two (2) years. The calculation would be as follows:

(($1 times 50%) times 10,000 DS0 equivalents) times 24 months = $120,000)

(c) The amount due from the CDP Customer is not subject to any late payment factor as specified in Section 2.4.1 preceding. However, a late payment factor will apply in accordance with Section 2.4.1 preceding if such amount is not paid by the bill due date of the month in which such amount first appears on the bill.

25. Discount Plans (Cont’d)

25.1 Commitment Discount Plans (Cont’d)

25.1.9 Termination Liability (Cont'd)

(C) CDPs established or renewed prior to January 1, 2021 (Cont'd) (N)

(2) Option 2 Termination Liability Charge Method and Calculation

(a) Termination liability under Option 2 will be calculated using either Method A or Method B as set forth following.

Method A: Where the CDP Customer has not maintained the service for the lowest available commitment period offered under CDP for a particular service type (e.g., less than two (2) years for Switched Access DS1 service), the termination liability charge will be the difference between (1) the total dollar amount of the full (non-discounted) monthly rates; and (2) the total dollar amount of the discounted monthly rates for the period of time that the plan was in effect.

For example, assume a CDP Customer with a five (5) year commitment period for Switched Access DS1 service is billed $10,000 per month in discounted monthly charges for these services. In accordance with Section 25.1.4 preceding, this monthly rate reflects a thirty percent (30%) discount from non-discounted monthly rates. Also assume that the CDP Customer disconnects all Switched Access DS1 services in CDP after eighteen (18) months. Hence, the CDP Customer's termination liability is calculated in accordance with Method A since the customer has not met any CDP commitment for Switched Access DS1 service. The non-discounted monthly rate is $14,286. This is calculated using the following equation:

$10,000 divided by (1 minus .30) = $14,286

The CDP Customer would be charged termination liability of $77,148, which is the difference between $14,286 (the non-discounted monthly rate) and $10,000 (the monthly discounted five (5) year rate) for each of the eighteen (18) months the customer was subscribed to CDP.

($14,286 minus $10,000) times 18 months = $77,148

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.9 Termination Liability (Cont'd)

(C) CDPs established or renewed prior to January 1, 2021 (Cont'd) (N)

(2) Option 2 Termination Liability Charge Method and Calculation (Cont'd)

(a) (Cont'd)

Method B: Where there is a CDP commitment period for the particular service type that is less than or equal to the actual time the service type under CDP has been in effect, the termination liability charge will be the difference between (1) the total dollar amount of the discounted monthly rates resulting from the highest CDP commitment period that could have been satisfied prior to disconnection of service or cancellation of the plan; and (2) the total dollar amount of the discounted monthly rates resulting from the CDP which was selected by the customer for the period of time that the plan was in effect.

For example, assume a CDP Customer with a five (5) year commitment period for Switched Access DS1 service is billed $10,000 per month in discounted monthly charges for these services. In accordance with Section 25.1.4 preceding, this monthly rate reflects a thirty percent (30%) discount from non-discounted monthly rates. Also assume that the CDP Customer disconnects all Switched Access DS1 services in CDP after three (3) years. Hence, the CDP Customer's termination liability is calculated in accordance with Method B since the CDP Customer has not met the three (3) year CDP commitment for Switched Access DS1 service. The discount associated with a three (3) year term for Switched Access DS1 service is twenty percent (20%). The non-discounted monthly rate is $14,286. This is calculated using the following equation:

$10,000 divided by (1 minus .30) = $14,286

To determine the monthly rate for the three (3) year period the service was in effect, use the following equation (Z)

$14,286 times (1 minus 0.2) = $11,429

The CDP Customer would be charged termination liability of $51,444, which is the difference between $11,429 (monthly discounted three (3) year rate) and $10,000 (monthly discounted five (5) year rate) for each of the three (3) years they were subscribed to CDP.

($11,429 minus $10,000) times 36 months = $51,444

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25. Discount Plans (Cont’d)

25.1 Commitment Discount Plans (Cont’d)

25.1.9 Termination Liability (Cont'd)

(C) CDPs established or renewed prior to January 1, 2021 (Cont'd) (N)

(2) Option 2 Termination Liability Charge Method and Calculation (Cont'd) (M)

(b) The above steps will be repeated for each service type included in the CDP plan. Upon determining the total termination liability for all service types under Option 2, the Telephone Company will compare the termination liability charge calculated under Option 2 with the termination liability charge calculated under Option 1, and shall apply the method that produces the lesser termination liability charge. For example, if the termination liability charge under Option 1 were calculated at $120,000 and the termination liability charge calculated under Option 2 (Method B) was $51,444; the $51,444 under Option 2 (Method B) would apply.

(c) For services based on TPP rates, the discount percentage is calculated as one (1) minus the percentage difference between the discounted channel termination rate applied and the month-to-month rate for the channel termination.

(i) Prior to subtracting the percentage difference from the number one (1), the percentage difference shall be converted to a positive (+) number.

For example, assume that the month to month TPP rate for Special Access DS1 service is $100 and that the discounted TPP rate is $70. The percentage difference is calculated by the following equation:

(70 minus 100) divided by 100 = -0.3.

(ii) To calculate the discount percentage, the percentage discount -0.3 shall be converted to a positive (+) number prior to subtracting it from number one (1). In this example, the calculation of the discount percentage shall be 1 minus (+0.3) which equals 0.7. (M)

Certain material on this page formerly appeared on 1st Revised Page 25-29.

ACCESS SERVICE

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.9 Termination Liability (Cont'd)

(D) CDPs established or renewed on or after January 1, 2021 (N)

(1) Termination Liability Charge Method and Calculation

(a) The termination liability charge is fifty percent (50%) of the applicable monthly rates for each month or fraction thereof remaining in the selected commitment period, less any TISC or Renewal Option which may be applicable. The termination liability charge applies in addition to the charge associated with satisfying the minimum period requirement as set forth in Section 25.1.10 following.

(b) The termination liability charge will be calculated as follows:

(Step 1) The Telephone Company will conduct a final true-up to determine the average number of equivalent DS0 Channel Terminations in service for the ACNA(s) included in CDP since the last true-up was performed and the total dollar amount for each service type since the last true-up was performed.

(Step 2) Using the data from Step 1, the Telephone Company will calculate an average rate per equivalent DS0 by dividing the total dollar amount from Step 1 by the DS0 channel terminations, each as calculated in accordance with Step 1 above.

(Step 3) The Telephone Company will multiply the following: (A) the average rate per equivalent DS0 from Step 2 times (B) 50 percent (50%) times (C) the number of equivalent DS0s which comprise Minimum Commitment times (D) the number of months from the end of the minimum period requirement to the end of the commitment period, less any TISC which may be applicable.

For example, assume the average rate per equivalent DS0 is $1, the number of DS0s which comprise the Minimum Commitment is 10,000, and the number of months from the end of the minimum period requirement to the end of the five (5) year commitment period, less any TISC or Renewal Option which may be applicable, is two (2) years. The calculation would be as follows:

(($1 times 50%) times 10,000 DS0 equivalents) times 24 months = $120,000)

(c) The amount due from the CDP Customer is not subject to any late payment factor as specified in Section 2.4.1 preceding. However, a late payment factor will apply in accordance with Section 2.4.1 preceding if such amount is not paid by the bill due date of the month in which such amount first appears on the bill. (N)

Certain material previously found on this page can now be found on Original Page 25-28.1.

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.10 Minimum Period

The minimum period for any service provided under the CDP is one (1) year from the date that such service is installed. When a service is disconnected prior to the expiration of the minimum period, the CDP Customer shall be responsible for charges for the balance of the minimum period. The calculation for the Minimum Period Charge will be determined as set forth in Section 5.2.6 preceding. (T)

As an illustrative example, assume that customer establishes a DS1 High Capacity/1.544 Mbps Special Access Service under a term payment plan (TPP) on 1/1/2001. On 1/1/2005, customer establishes a CDP with a five year commitment period for its DS1 High Capacity service type. On 2/1/2005, the CDP Customer disconnects the DS1 High Capacity circuit originally installed on 1/1/2001. Since the service was installed on 1/1/2001, and the disconnection date was 2/1/2005, the minimum period under CDP of one year has been met. Therefore, the CDP Customer is not required to pay any minimum period charges. (T) (T) (T)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.11 Coterminous Plans

(A) Upon establishment of a new commitment period under CDP under this tariff, a customer will have the option to match the plan's expiration date with the expiration date for each service type offered under a CDP in the operating territories of Verizon New England Inc. and Verizon New York Inc., provided that, the selected services are under the same length term plan, and provided further that, there is at least fifty percent (50%) of the time remaining in the CDP term in the operating territories of Verizon New England Inc. and Verizon New York Inc. If the same term plan lengths are not available (e.g., DS3), the selected service must be the longest term plan length available in this tariff. The rates, terms, and conditions associated with each service will be provided pursuant to the tariff/product guide from which the service was ordered. (C)

(B) TISC, when applicable, will be adjusted when the customer elects coterminous plans. The number of months of TISC shall be the difference between (a) the TISC available to the customer on the new CDP under this tariff calculated in accordance with Section 25.1.8(F) preceding; and (b) the number of months or fraction thereof that the new CDP commitment period under this tariff is reduced in order to make that date coterminous with the expiration date of the customer's commitment period under CDP in Tariff F.C.C. No. 11. No TISC will be applied if the difference from the prior sentence (i.e., (a) minus (b)) results in a net TISC that is less than or equal to zero (0).

25. Discount Plans (Cont'd)

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25. Discount Plans (Cont'd)

25.2 Reserved for Future Use (C)

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25. Discount Plans (Cont'd)

(D)

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25. Discount Plans (Cont'd)

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(Issued under Transmittal No. 1400)
Issued: December 2, 2019 Effective: December 17, 2019

Vice President, Federal Regulatory
1300 I Street, NW, Washington, D.C. 20005

25. Discount Plans (Cont'd)

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25. Discount Plans (Cont'd)

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25. Discount Plans (Cont'd)

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25. Discount Plans (Cont'd)

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25. Discount Plans (Cont'd)

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25. <u>Discount Plans</u> (Cont'd)

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ACCESS SERVICE

25. Discount Plans (Cont'd)

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(D)

25. Discount Plans (Cont'd)

25.3 National Discount Plan#

25.3.1 General

(A) Overview

The National Discount Plan (**NDP**) is an optional discount plan that allows the NDP Customer to aggregate its Qualifying Services on a national basis. The NDP provides discounts on certain rate elements of Qualifying Services. The level of discount received by the NDP Customer corresponds to the NDP Customer's quantities of Qualifying Services, the customer's selection of a Commitment Matrix Option, and the Plan Year.

Subject to Section 1.1 preceding, the Telephone Company manages an NDP as a single plan and applies tariffed and detariffed rates, terms and conditions as applicable. Any references to detariffed services are solely to assist in understanding the overall plan and shall not be construed to mean that such services are offered under this tariff or are subject to Section 203 of the Act. (N)

(B) Specific Terms and References

Unless otherwise defined in this tariff, the following terms are used in this Section 25.3. References to other sections of Section 25.3 are provided for further information on each term.

(1) **Achieved Discount Tier**: shall mean the Discount Tier (as determined in the Annual True-Up) that the NDP Customer could have achieved during the Annual True-Up Period.

(2) **ACNA**: shall mean Access Customer Name Abbreviation, as such term is generally understood in the Telecommunications Industry to be the name abbreviation for a purchaser of Special Access Services and Facilities for Interstate Access.

(3) **Actual Increase**: shall mean a measurement used in calculating the CBB Discount, that measures the difference between (i) the number of Equivalent DS1 CTs or Equivalent DS1 CMs (as applicable) in month one (1) of the Annual True-Up Period; and (ii) the number of Equivalent DS1 CTs or Equivalent DS1 CMs (as applicable) in month twelve (12) of the Annual True-Up Period.

(4) **Anniversary Date**: shall mean each twelve (12) month anniversary of the NDP Start Date during the Term.

(5) **Annual True-Up**: shall mean the true-up conducted by the Telephone Company following the end of each Plan Year during which the Telephone Company shall measure, among other things, whether the NDP Customer has met and/or exceeded the Commitment Level and the Discount Tier for the Annual True-Up Period, as more specifically described in Section 25.3.7 following. A **Final True-Up** shall be conducted in accordance with Section 25.3.14(B)(1) following.

Effective May 30, 2019, subscription to a new NDP is no longer permitted. Subject to Section 1.1. preceding, the Telephone Company will continue to provide NDP pursuant to this Section 25.3 on any existing NDP that was in-service as of May 30, 2019 (Existing NDPs), subject to the following conditions: (C) (T)

- The Telephone Company will continue to provide Existing NDPs until (i) the customer discontinues NDP; or (ii) the current commitment period expires, whichever comes first.
- Renewal of an Existing NDP is not permitted.

25. Discount Plans (Cont'd)
25.3 National Discount Plan# (Cont'd)
25.3.1 General (Cont'd)

(B) Specific Terms and References (Cont'd)

(6) **Annual True-Up Period**: shall mean the most recent Plan Year that has just been completed for which the Annual True-Up is being conducted.

(7) **Assigned Discount Tier**: shall mean the applicable Discount Tier that was in effect during an Annual True-Up Period.

(8) **Average Monthly Rate Per Equivalent DS1 CM**: shall mean the rate as calculated in accordance with Section 25.3.7(C)(2) following.

(9) **Average Monthly Rate Per Equivalent DS1 CT**: shall mean the rate as calculated in accordance with in Section 25.3.7(C)(1) following.

(10) **Channel Termination(s)**: shall mean the applicable Special Access channel terminations for Qualifying Services (as used in this tariff and the Telephone Company's Tariff F.C.C. No. 11 (**FCC11**), the applicable Special Access Lines (SAL(s)) for Qualifying Services (as used in the Telephone Company's Tariff F.C.C. No. 14 (**FCC14**), and the applicable Circuit Terminations for Qualifying Services (as used in the Telephone Company's Tariff F.C.C. No. 16 (**FCC16**) as follows.

(a) Channel Terminations for Special Access DS1 Services are described in Section 7.2.9 preceding of this tariff, Section 7.2.9 of FCC11, Section 5.3.6 of FCC14, and Section 7.11.1 of FCC16; and

(b) Channel Terminations for Special Access DS3 Services using electrical and optical interfaces are described in Section 5.3.6 of FCC14, and Section 7.11.1 of FCC16; and

(c) Secondary Channel Terminations for Special Access DS3 Services using electrical and optical interfaces are set forth in Section 7.2.9 preceding of this tariff, and Section 7.2.9 of FCC11; and (D)

(d) Channel Terminations for IEF Services.

(11) **Channel Termination Revenue Cap**: shall mean the total discounted monthly revenues associated with all in-service channel termination rate elements for Equivalent DS1 CTs for month one of the NDP multiplied by the appropriate Commitment Level percentage (e.g., 92% for Deluxe). In the event the Commitment Level changes (e.g., as a result the NDP Customer exceeding its Maximum Service Level), the Telephone Company will make a commensurate adjustment to the Channel Termination (CT) Revenue Cap.

Service availability limited. Refer to # footnote on Page 25-40.

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.1 General (Cont'd)

(B) Specific Terms and References (Cont'd)

(12) **Channel Mileage**: shall mean the applicable channel mileage for Qualifying Services, the applicable Special Transport for Qualifying Services, and the applicable Circuit Mileage for Qualifying Services . (D)

(D)

(13) **Channel Mileage Revenue Cap**: shall mean the total discounted monthly revenues associated with all in-service channel mileage rate elements for Equivalent DS1 CMs for month one of the NDP multiplied by the appropriate Commitment Level percentage (e.g., 92% for Deluxe). In the event the Commitment Level changes (e.g., as a result the NDP Customer exceeding its Maximum Service Level), the Telephone Company will make a commensurate adjustment to the Channel Mileage (CM) Revenue Cap.

(14) **Commitment Buy Up Bonus**: shall mean an option available to the NDP Customer which allows the NDP Customer to increase (buy-up) their CT Commitment Level and/or their CM Commitment Level, and receive a discount on one or both Commitment Levels, as described in Section 25.3.7(E) following.

(15) **CBB Discount:** shall mean the Commitment Buy-Up Bonus Discount as described in Section 25.3.7(E) following.

(16) **Commitment Level**: shall mean the CM Commitment Level (i.e., the total number of Equivalent DS1 CMs) and/or the CT Commitment Level (i.e., the total number of Equivalent DS1 CTs) that the NDP Customer must commit to the NDP, as described further in Section 25.3.4 following. If the NDP Customer has Channel Terminations and Channel Mileage, then the NDP Customer must establish a separate Commitment Level for Channel Terminations (**CT Commitment Level**) and a separate Commitment Level for Channel Mileage (**CM Commitment Level**).

(17) **Commitment Matrix**: shall mean the Premier Commitment Matrix, the Standard Commitment Matrix or the Deluxe Commitment Matrix as each is described in Section 25.3.4(C) following.

Service availability limited. Refer to # footnote on Page 25-40.

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.1 General (Cont'd)

(B) Specific Terms and References (Cont'd)

(18) **Discount Tier**: shall mean the tier in each of the tables set forth in Section 25.3.4(B) following into which the NDP Customer falls based on the actual quantities of Equivalent DS1 CTs or Equivalent DS1 CMs, as applicable.

(19) **Discount Tier Adjustment**: shall mean the adjustment (if applicable) to a higher or a lower Discount Tier based on the difference (if any) between the NDP Customer's Achieved Discount Tier and Assigned Discount Tier, as calculated during the Annual True-Up Period. See Section 25.3.7(D) for further explanation.

(20) **Discounted Rate Elements**: shall mean those rate elements of the Qualifying Services that receive a discount under the NDP. A listing of the Discounted Rate Elements is set forth in Section 25.3.5(A) following.

(21) **Equivalent DS1 CTs**: shall mean the total number of equivalent DS1 Channel Terminations for Qualifying Services for the ACNA(s) included in NDP as determined in accordance with Section 25.3.4 following.

(22) **Equivalent DS1 CMs**: shall mean the total number of equivalent DS1 Channel Miles for Qualifying Services for the ACNA(s) included in NDP as determined in accordance with Section 25.3.4 following.

(23) Reserved.

(24) **IEF Services**: shall mean, as applicable, either (a) Special Access IntelliLight® Entrance Facilities STS1 terminations (excluding interface options) as described in Section 7.2.15 preceding of this tariff, Section 26.1.4 of FCC11, Section 20.4 of FCC14, and Section 20.4 of FCC16; or (b) Telephone Company provided SONET entrance facility STS1 terminations (excluding interface options) provided by the Telephone Company where such service is technically and operationally feasible, as determined by the Telephone Company.

(25) **Initial Term**: shall mean the five (5) year initial term of the NDP.

(26) **Monthly Average Count of Equivalent DS1 CMs**: shall mean the average number of Equivalent DS1 CMs that were in-service during each month of the Annual True-Up Period, as calculated in accordance with Section 25.3.7(B)(1) following.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.1 General (Cont'd)

(B) Specific Terms and References (Cont'd)

(27) **Monthly Average Count of Equivalent DS1 CTs**: shall mean the average number of Equivalent DS1 CTs that were in-service during each month of the Annual True-Up Period, as calculated in accordance with Section 25.3.7(B)(1) following.

(28) **Monthly Charges**: shall mean the dollar amount of monthly recurring charges billed by the Telephone Company for Discounted Rate Elements.

(29) **Monthly Shortage**: shall mean the difference between(i) the Monthly Average Count of Equivalent DS1 CTs or Monthly Average Count of Equivalent DS1 CMs, as applicable; and (ii) the NDP Customer's CT Commitment Level or CM Commitment Level, respectively.

(30) **NDP Customer**: shall mean collectively the subscribing customer (as defined in Section 2.6 preceding) and all Persons that are included in the same NDP.

(31) **NDP Start Date**: shall mean the start date of the NDP Customer's NDP, as described in Section 25.3.2(A)(1) following.

(32) **Non-Discounted Billed Amounts**: shall mean the Monthly Charges for the Discounted Rate Elements that would have been billed if the discount percentages of the NDP had not been applied, as calculated in accordance with Section 25.3.7(D).

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.1 General (Cont'd)

(B) Specific Terms and References (Cont'd)

(33) **Person**: shall mean any individual, corporation, association, partnership (general or limited), joint venture, trust, estate, limited liability company, or other legal entity or organization.

(34) **Plan Year**: shall mean each 12 month period during the Term of the NDP commencing on the NDP Start Date and each Anniversary Date thereafter, as applicable.

(35) **Qualifying Services**: shall mean Special Access DS1 Services, Special Access DS3 Services, and IEF Services provided by the Telephone Company to the NDP Customer as more specifically described in Section 25.3.3 following of this tariff, Section 25.2.3 of FCC11, Section 23.1.3 of FCC14, and Section 22.1.3 of FCC16.

(36) **Renewal Term**: shall mean any renewed 5-year period of the NDP.

(37) **Sale Adjustment**: shall mean an adjusted amount of Equivalent DS1 CTs and an adjusted amount of Equivalent DS1 CMs which are no longer provided to the NDP Customer as a result of a Telephone Company Sale.

(38) **Shortfall Penalty**: shall mean a penalty assessed against the NDP Customer when it fails to meet its CT Commitment Level and/or CM Commitment Level, as applicable, during an Annual True-Up Period, as further described in Section 25.3.7(C) following.

(39) **Special Access DS3 Service**: shall mean Special Access DS3 High Capacity/44.736 Mbps Service as described in Section 7.2.9 preceding of this tariff, Special Access High Capacity 44.736 Mbps Service as described in Section 7.2.9 of FCC11, Special Access High Capacity Digital DS3 Service as described in Section 5.3.6(E) of FCC14, and Special Access DS3 High Capacity Service as described in Section 7.11 of FCC16, and detariffed interstate (C)
Special Access DS3/44.736 Mbps Services provided by the |
Telephone Company. (C)

(40) **Special Access DS1 Service**: shall mean Special Access DS1 High Capacity/1.544 Mbps Service as described in Section 7.2.9 preceding of this tariff, Special Access High Capacity 1.544 Mbps Service as described in Section 7.2.9 of FCC11, Special Access High Capacity Digital DS1 Service as described in Section 5.3.6(A) of FCC14, and Special Access DS1 High Capacity Service as described in Section 7.11 of FCC16, and detariffed interstate (C)
Special Access DS1 High Capacity/1.544 Mbps Service provided by |
the Telephone Company. (C)

Service availability limited. Refer to # footnote on Page 25-40.

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.1 General (Cont'd)

(B) Specific Terms and References (Cont'd)

(41) **Subscription Date**: shall mean the date that the Telephone Company receives an executed and completed subscription document from the NDP Customer.

(42) **Telephone Company Sale**: shall mean the sale or other divestiture of an operating territory or a portion of an operating territory of a Telephone Company, whereby the Telephone Company no longer provides Qualifying Services in such operating territory or portion of an operating territory.

(43) **Term**: shall mean the Initial Term and any Renewal Term(s).

(44) **Upgrade or Upgraded**: shall mean the replacement of (i) a Qualifying Service with a Qualifying Service of a higher bandwidth or capacity (e.g., replacement of a Special Access DS3 Service with an IEF Service); or (ii) a Qualifying Service with another Telephone Company provided service of a higher bandwidth or capacity that is not a Qualifying Service (e.g., replacement of a Special Access DS3 Service with an Ethernet Service of a higher bandwidth).

(45) **Upgrade Adjustment**: shall mean an adjusted number of Equivalent DS1 CTs and an adjusted number of Equivalent DS1 CMs that were Upgraded by the NDP Customer during the Annual True-Up Period.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont’d)

25.3 National Discount Plan# (Cont'd) (T)

25.3.1 General (Cont'd)

(C) ACNAs Subscribing to NDPs Established Prior to July 16, 2016

(1) At the time of subscription to NDP, the subscribing customer must include all of its ACNAs in the NDP. The NDP Customer also has the option to include the ACNA(s) of one or more Person(s) in its NDP (subject to written authorization from the NDP Customer and the applicable Person(s)). In this case, the NDP Customer’s NDP shall include (1) all of the subscribing customer’s ACNA(s); and (ii) all of the ACNA(s) of the Person(s) that the subscribing customer wishes to include in its NDP (subject to written authorization from the NDP Customer and the applicable Person(s)).

(2) If, subsequent to the NDP Start Date, the NDP Customer wishes to add one or more ACNA(s) to its NDP for one of the following reasons, then all such ACNA(s) of the NDP Customer or Person(s), as applicable, shall be added to the NDP Customer’s NDP at the time of the next Annual True-Up, in accordance with the terms set forth in Section 25.3.11 following.

(a) NDP Customer (at its option) wishes to include one or more Person(s) into its NDP that are not currently included in the NDP Customer’s NDP (subject to written authorization from the NDP Customer and the applicable Person(s)); or

(b) NDP Customer or one of the Person(s) who is currently included in the NDP (at its option) has acquired one or more new ACNA(s) and wishes to include such ACNA(s) in the NDP Customer’s NDP; or

(c) NDP Customer has acquired one or more ACNA(s) through merger, acquisition, or other transaction that are not currently included in the NDP Customer’s NDP only when such ACNA(s) were already included in an NDP acquired by such merger, acquisition or other transaction. NDP Customer is not required to include ACNA(s) acquired through merger, acquisition, or other transaction that were not currently included in another NDP.

(3) No later than thirty (30) calendar days prior to each Anniversary Date, the NDP Customer must provide written notice to the Telephone Company indicating its intent to add such ACNA(s) to the NDP, and setting forth the affected ACNA(s) and the name of the Person (if applicable) who owns such ACNA(s).

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont’d)

25.3 National Discount Plan# (Cont'd) (T)

25.3.1 General (Cont'd)

(C) ACNAs Subscribing to NDPs Established Prior to July 16, 2016 (Cont’d)

(4) Once an ACNA is included in the NDP, it cannot concurrently be included in any other NDP. Combination or addition of ACNAs are further described in Section 25.3.11 following.

(5) For example, assume that a customer who has only one ACNA (ABC) subscribes to the NDP. Assume further that such NDP Customer has five (5) affiliates, but only wishes to include three (3) affiliates in its NDP as of the NDP Start Date. Assume also that each of the three (3) included affiliates each have one ACNA respectively (ACNAs LLL, MMM, and NNN, respectively). In this case, a single NDP will be established for the NDP Customer that includes the following ACNAs: ABC, LLL, MMM, and NNN. Assume further that during Plan Year 2, the NDP Customer decides to include its remaining two (2) affiliates in its NDP. Then, in accordance with this Section 25.3.1 and Section 25.3.11 following, the NDP Customer will include all of the ACNAs of such affiliates into the NDP.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont’d)

25.3 National Discount Plan# (Cont'd) (T)

25.3.1 General (Cont'd)

(D) ACNAs Subscribing to NDPs Established on or after July 16, 2016

(1) At the time of subscription to NDP, the subscribing customer must designate to the Telephone Company its ACNA(s) that it wishes to include in the NDP. The NDP Customer also has the option to include some or all of the ACNA(s) of one or more Person(s) in its NDP (subject to written authorization from the NDP Customer and the applicable Person(s)).

(2) If, subsequent to the NDP Start Date, the NDP Customer adds one or more ACNA(s) to its NDP for one of the following reasons, then the subscribing customer must designate to the Telephone Company those ACNA(s) it wishes to have added to its NDP at the time of the next Annual True-Up, in accordance with the terms set forth in Section 25.3.11 following.

(a) NDP Customer (at its option) may include one or more Person(s) into its NDP that are not currently included in the NDP Customer’s NDP (subject to written authorization from the NDP Customer and the applicable Person(s)); or

(b) NDP Customer or one of the Person(s) who is currently included in the NDP has acquired one or more new ACNA(s) and (at its option) wishes to include such ACNA(s) in the NDP Customer’s NDP; or

(c) NDP Customer (at its option) may include one or more of its ACNA(s) into its NDP that are not currently included in the NDP Customer’s NDP; or

(d) NDP Customer has acquired one or more ACNA(s) through merger, acquisition, or other transaction that is not currently included in the NDP Customer’s NDP and such ACNA(s) was already included in an NDP acquired by such merger, acquisition or other transaction. NDP Customer is not required to include ACNA(s) owned by a Person that is not included in the NDP Customer’s NDP or ACNA(s) acquired through merger, acquisition, or other transaction that was not currently included in another NDP.

(3) No later than thirty (30) calendar days prior to each Anniversary Date, the NDP Customer must provide written notice to the Telephone Company indicating its intent to add such ACNA(s) to the NDP, and setting forth the affected ACNA(s) and the name of the Person (if applicable) who owns such ACNA(s).

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont’d)

25.3 National Discount Plan# (Cont'd) (T)

25.3.1 General (Cont'd)

(D) ACNAs Subscribing to NDPs Established on or after July 16, 2016 (Cont’d)

(4) Once an ACNA is included in the NDP, it cannot concurrently be included in any other NDP. Combination or addition of ACNAs are further described in Section 25.3.11 following.

(5) For example, assume that a customer who has only one ACNA (ABC) subscribes to the NDP. Assume further that such NDP Customer has five (5) affiliates, but only wishes to include three (3) affiliates in its NDP as of the NDP Start Date. Assume also that each of the three (3) included affiliates each have one ACNA respectively (ACNAs LLL, MMM, and NNN, respectively). In this case, a single NDP will be established for the NDP Customer that includes the following ACNAs: ABC, LLL, MMM, and NNN. Assume further that during Plan Year 2, the NDP Customer decides to include its remaining two (2) affiliates in its NDP. Then, in accordance with this Section 25.3.1 and Section 25.3.11 following, the NDP Customer will include all of the ACNAs of such affiliates into the NDP.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.1 General (Cont'd)

(E) Subscription to Other Arrangements (D)

(1) At any time during the Term of the NDP, the NDP Customer may not simultaneously subscribe the Discounted Rate Elements for the ACNA(s) included in the NDP Customer's NDP to other existing or new arrangements (including a contract option, an individual (D) case basis arrangement, specialized service arrangement (or the | like), or other discount plan, such as Term Payment Plans and | Commitment Discount Plans, subject to the exceptions set forth (D) in Section 25.3.1(D)(1) following. Except as set forth in (D)(1)(a) through (e) following, if the NDP Customer subscribes to such other arrangement, then the NDP Customer shall be deemed (D) to have terminated the NDP, and termination liability (as set forth in Section 25.3.13 following) shall apply.

(a) Unless specifically prohibited under a contract option, the (D) NDP Customer may concurrently subscribe to and receive the benefits of the NDP and any existing or new contract option (D) that provides discounts on a circuit specific basis on any (D) Qualifying Service (including discounts or credits on Discounted Rate Elements); or

(b) Unless specifically prohibited under a contract option, the (D) NDP Customer may concurrently subscribe to and receive the benefits of NDP and any existing or new contract option that (D) provides discounts for achieving certain aggregate volume or (D) revenue targets for IEF Services; or

(c) The specific arrangement (including the contract option) (D) specifically permits concurrent subscription to the NDP and the applicable contract option; or (D)

(d) Reserved.

(e) The NDP Customer may subscribe concurrently to the NDP and an IEF term plan or an IEF Commitment Discount Plan.

(f) The NDP Customer may concurrently subscribe Qualifying Services ordered on or after July 16, 2016 to other existing or new arrangements as long as said Qualifying Services are (D) for an ACNA that is not included in the NDP Customer's NDP.

Service availability limited. Refer to # footnote on Page 25-40.

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.2 Subscription

(A) Subscription Requirements

The NDP Customer's request for subscription to the NDP must be in writing, must be signed by an authorized representative of the NDP Customer, and must be in a manner prescribed by the Telephone Company. In addition, the written request must include all of the following:

(1) NDP Start Date

Notwithstanding a different Subscription Date, the NDP shall start on one of the following dates as determined below:

(a) If the NDP Customer's Subscription Date to NDP is on or before the fifteenth (15th) calendar day of a month, the NDP Start Date shall be the first (1st) calendar day of the month following the Subscription Date. Application of discounts under the NDP shall begin with the first bill day of the bill period associated with the NDP Customer's BAN in the month following the Subscription Date. For example, assume a NDP Customer's bill period begins on the eleventh (11th) calendar day of each month. Assume also that the NDP Customer's Subscription Date to NDP is July 6th. Then, the NDP Start Date is August 1 and discounts under the NDP shall begin on August 11th.

(b) If the NDP Customer's Subscription Date to NDP is after the 15th calendar day of a month, the NDP Start Date shall be the 1st calendar day of the second calendar month following the Subscription Date. Application of discounts under the NDP shall begin with the first bill day of the bill period associated with the NDP Customer's BAN in the second month following the Subscription Date. For example, assume a NDP Customer's bill period begins on the 11th calendar day of each month. Assume also that the NDP Customer's Subscription Date to NDP is July 17th. Then, the NDP Start Date is September 1st and discounts under the NDP shall begin on September 11th.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)
25.3 National Discount Plan# (Cont'd) (T)
25.3.2 Subscription (Cont'd)
(A) (Cont'd)
(2) Actual Quantities of Channel Terminations and Channel Mileage for Qualifying Services

The Telephone Company shall calculate and provide to the NDP Customer the actual quantities of Channel Terminations and Channel Mileage for the ACNA(s) included in the NDP Customer's NDP during the month prior to the Subscription Date. The Telephone Company's records regarding the actual number of Channel Terminations and Channel Mileage for the ACNA(s) included in the NDP Customer's NDP shall be deemed accurate in the case of any discrepancy between the NDP Customer's records and the Telephone Company's records. In accordance with Section 25.3.4 following, the Telephone Company shall derive the Equivalent DS1 CTs and the Equivalent DS1 CMs from the actual quantities of Channel Terminations and Channel Mileage for the ACNA(s) included in the NDP Customer's NDP.

(3) Discount Tier

Based on the Equivalent DS1 CTs and Equivalent DS1 CMs determined in (2) above, the Telephone Company will determine the Discount Tier that the NDP Customer falls into in each of the applicable tables set forth in Section 25.3.4(B) following.

(4) Commitment Matrix and Commitment Levels

The NDP Customer must specify a Commitment Level by selecting from one of the following three (3) Commitment Matrix options: (1) Premier Commitment Matrix, as described in Section 25.3.4(C)(1) following; (2) Standard Commitment Matrix, as described in Section 25.3.4(C)(2) following; and (3) Deluxe Commitment Matrix, as described in 25.3.4(C)(3) following. The NDP Customer's choice of the Commitment Matrix determines (a) the number of Equivalent DS1 CTs and/or Equivalent DS1 CMs that the NDP Customer must commit to the NDP; and (b) the discount on Discounted Rate Elements provided under the NDP.

(5) BANs

The NDP Customer must specify a BAN, per state (for each operating territory included in this tariff), against which the Telephone Company will apply adjustments (including Shortfall Penalties as set forth in Section 25.3.7(C) following, Discount Tier Adjustments as set forth in Section 25.3.7(D) following, and CBB Discounts as set forth in Section 25.3.7(E) following) associated with the NDP.

(6) ACNA(s)

For customers subscribing to NDP on or after July 16, 2016, the NDP Customer must specify the ACNA(s) it wishes to include in NDP in accordance with Section 25.3.1(D)(1) preceding.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont’d)

25.3 National Discount Plan# (Cont’d)

25.3.3 Qualifying Services

(A) Inclusion of Qualifying Services in NDP

The Qualifying Services are included in the NDP for purposes of determining the Equivalent DS1 CTs and Equivalent DS1 CMs.

(1) If the NDP Customer purchases one or more of the Qualifying Services under this tariff, and/or under FCC11, and/or FCC14
and/or FCC16, and/or on a detariffed basis and subscribes to the (C)
NDP, the NDP Customer’s NDP must include the Qualifying Services in the quantities set forth in (B) following that are purchased
for the ACNA(s) included in NDP. For each Qualifying Service, (D)
the NDP Customer must include all quantities (i.e., one hundred
percent (100%)) of such Qualifying Services purchased for the (D)
ACNA(s) included in NDP.

(2) The NDP will be administered as a single discount plan across
all of the Telephone Company’s operating territories for which a (C)
single set of Commitment Levels, Discount Tiers, and Term shall apply.

For example, assume an NDP Customer purchases Special Access DS3
Services under this tariff and under FCC11 and FCC14, as well as (C)
detariffed interstate DS3 services provided by the Telephone |
Company in the same operating territories. In this case, the (C)
NDP Customer must subscribe to the NDP all (i.e., 100%) of such
Special Access DS3 Services for the ACNA(s) included in the NDP (D)
Customer’s NDP. The NDP Customer’s NDP shall be administered as one discount plan across all of these operating territories
(both under this tariff and on a detariffed basis). Assume (C)
further that in Plan Year 2, the NDP Customer purchases Special |
Access DS1 Services in FCC16, and/or detariffed interstate |
Special Access DS1 Services provided by the Telephone Company in |
the same operating territories. Then, the Telephone Company (C)
shall include all (i.e., 100% of such Special Access DS1 Services for the ACNA(s) included in the NDP Customer’s NDP.

Service availability limited. Refer to # footnote on Page 25-40.

ACCESS SERVICE

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.3 Qualifying Services

(B) Qualifying Services

Subject to the terms of Section 25.3.1(D) preceding, the applicable percentage (as listed below) of each Qualifying Service provided by the Telephone Company to the NDP Customer pursuant to this tariff, FCC 11, FCC 14, FCC 16, and on a detariffed basis for the ACNA(s) (C) included in the NDP Customer's NDP, shall be included in the NDP at the time of subscription to NDP and, as applicable, at any time during the Term when the NDP Customer purchases additional quantities of such Qualifying Services.

(1) All quantities (one hundred percent (100%)) of Special Access DS1 Service Channel Terminations;

(2) All quantities (one hundred percent (100%)) of Special Access DS3 Service Channel Terminations (including Individual System, 3 System, and Unlimited System configurations, and 12 Capacity (D) System configurations) (see Note 1); (D)

(3) All quantities (one hundred percent (100%)) of Special Access DS1 Service Channel Mileage (see Notes 1 and 3);

(4) All quantities (one hundred percent (100%)) of Special Access DS3 Service Channel Mileage (including Individual System, 3 System, and Unlimited System configurations, and Individual (D) System, 3 Capacity System, 12 Capacity System and Unlimited System configurations) (see Note 3); (D)

(5) All quantities (one hundred percent (100%)) of IEF STS1 Channel Terminations.

Note 1: Channel Terminations and Channel Mileage for 12 and 24 Group Systems are not Qualifying Services. (D)
Note 3: The MetroLAN Optional Arrangement is not a Qualifying Service. (D)

Service availability limited. Refer to # footnote on Page 25-40.

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.3 Qualifying Services (Cont'd)

(C) Shared Use Arrangements

For Qualifying Services that are provided as part of a Shared Use Arrangement as set forth in Section 5.2.8 preceding, the Special Access DS3 Service, Special Access DS1 Service, or IEF Service will be included in the NDP. The Switched Access Portion for such services of the Shared Use Arrangement will not be included in the NDP or be subject to discounting under the NDP.

(D) Reserved for Future Use (C)

(D)

(D)

Service availability limited. Refer to # footnote on Page 25-40.

25. Discount Plans (Cont'd)
25.3 National Discount Plan# (Cont'd) (T)
25.3.3 Qualifying Services (Cont'd)
(E) Addition of Services and Removal of Services

(1) Addition of Services

(a) The NDP Customer may add Special Access DS3 Service and Special Access DS1 Service for the ACNA(s) included in the NDP Customer's NDP at any time during the Term of the NDP. Qualifying Services are added to the NDP for the remainder of the Term (i.e., on a coterminous basis). The NDP Customer may add Special Access DS3 Service and Special Access DS1 Service for ACNA(s) not included in NDP only if it adds the ACNA(s) to the NDP Customer's NDP pursuant to Section 25.3.11 following.

(b) When the NDP Customer adds one or more Special Access DS3 Services or Special Access DS1 Services to NDP at any time during the Term, the Channel Termination nonrecurring charge which applies for such service is $1.00 per Channel Termination added.

(c) When the NDP Customer adds one or more IEF Services during the Term of the NDP, the added IEF Service will be added to the NDP solely for the purpose of calculating the number of Equivalent DS1 CTs and/or the number of Equivalent DS1 CMs used to administer the NDP.

(2) Removal of Services

(a) When the NDP Customer removes one or more Special Access DS3 Services or Special Access DS1 Services for the ACNA(s) included in the NDP Customer's NDP, but not all Special Access DS3 Services and Special Access DS1 Services for the ACNA(s) included in the NDP Customer's NDP, from NDP at any time during the Term, no termination liability charge applies.

(b) When the NDP Customer removes one or more IEF Services for the ACNA(s) included in the NDP Customer's NDP, no termination liability under this Section 25.3 applies. However, the NDP Customer may be subject to termination liability under its applicable term plan for IEF Service.

(c) When the NDP Customer removes all Special Access DS3 Services and all Special Access DS1 Services for the ACNA(s) included in the NDP Customer's NDP from the NDP (i.e., the NDP Customer cancels its NDP in its entirety), termination liability applies in accordance with Section 25.3.13 following.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.4 Commitment Levels and Discount Tiers

(A) Calculation of Equivalent DS1 CTs and Equivalent DS1 CMs

In order to establish Commitment Levels and Discount Tiers, Equivalent DS1 CTs and Equivalent DS1 CMs must be determined. Based on the actual quantities of Channel Terminations and Channel Mileage for the ACNA(s) included in the NDP Customer's NDP, and the percentage of each Qualifying Service that must be included in the NDP (i.e., 100% or 75%, as applicable), as set forth in Section 25.3.3(B) preceding, the Telephone Company will calculate the Equivalent DS1 CTs and Equivalent DS1 CMs.

(1) The Equivalent DS1 CTs shall be calculated as follows:

(Step 1) Determine the actual quantity of Channel Terminations for each Qualifying Service for the ACNA(s) included in the NDP Customer's NDP. (D)

(Step 2) Multiply the actual quantity of Channel Terminations for such Qualifying Service by 100% if the Qualifying Service is Special Access DS1 Service, Special Access DS3 Services, or an IEF Service.

(Step 3) Using Table 1, below, multiply (a) the applicable number in the column entitled "DS1 CT Multiplier" below; by (b) the number derived in Step 2 above.

(Step 4) Repeat the process in Steps (1) through (3) for each Qualifying Service.

(Step 5) Add the product of all of the equivalent Channel Terminations for all of the Qualifying Services derived in Steps (1) through (4) above.

Table 1: Calculation of Equivalent DSI CTs.

Qualifying Service	DS1 CT Multiplier
STS1 level	28
DS3 level	28
DS1 level	1

Service availability limited. Refer to # footnote on Page 25-40.

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.4 Commitment Levels and Discount Tiers (Cont'd)

(A) Calculation of Equivalent DS1 CTs and Equivalent DS1 CMs (Cont'd)

(2) The Equivalent DS1 CMs shall be calculated as follows:

(Step 1) Determine the actual quantity of Channel Mileage for each Qualifying Service for the ACNA(s) included in the NDP Customer's NDP. (D)

(Step 2) Multiply the actual quantity of Channel Mileage for such Qualifying Service by 100% if the Qualifying Service is a Special Access DS1 Service or a Special Access DS3 Services.

(Step 3) Using Table 2, below, multiply (a) the applicable number in the column entitled "DS1 CM Multiplier" below; by (b) the number derived in Step 2 above.

(Step 4) Repeat the process in Steps (1) through (3) for each Qualifying Service.

(Step 5) Add the product of all of the equivalent Channel Mileage for all of the Qualifying Services derived in Steps (1) through (4) above.

Table 2: Equivalent DSI CMs.

Qualifying Service	DS1 CM Multiplier
STS1 level	N/A
DS3 level	28
DS1 level	1

Service availability limited. Refer to # footnote on Page 25-40.

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.4 Commitment Levels and Discount Tiers (Cont'd)

(A) Calculation of Equivalent DS1 CTs and Equivalent DS1 CMs (Cont'd)

(2) (Cont'd)

As an example of the above, assume that NDP Customer has Channel Terminations for the ACNA(s) included in the NDP Customer's NDP in the following quantities:

- 200 IEF STS1 Channel Terminations
- 800 DS3 Channel Terminations
- 3,000 DS1 Channel Terminations

The Equivalent DS1 CTs would be determined as follows:

Channel Termination		**DS1 CT Multiplier**		**Equivalent DS1 CTs**
200 IEF STS1s	X	28	=	5,600
800 DS3 CTs	X	28	=	22,400
3000 DS1 CTs	X	1	=	3,000
Total Equivalent DS1 CTs			=	31,000

Further assume that NDP Customer has Channel Mileage for the ACNA(s) included in the NDP Customer's NDP in the following quantities:

- 5,000 DS3 Channel Miles
- 75,000 DS1 Channel Miles

The Equivalent DS1 CMs would be determined as follows:

Channel Mileage		**DS1 CM Multiplier**		**Equivalent DS1 CMs**
5,000 DS3 CMs	X	28	=	140,000
75,000 DS1 CMs	X	1	=	75,000
Total Equivalent DS1 CMs			=	215,000

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont’d)

25.3 National Discount Plan# (Cont’d) (T)

25.3.4 Commitment Levels and Discount Tiers (Cont'd)

(B) Discount Tier Tables

(1) The Equivalent DS1 CTs calculated in (A) preceding determine the Discount Tier into which the NDP Customer falls pursuant to the table below:

Equivalent DS1 CTs	Discount Tier
0 – 30,000	A
30,001 – 60,000	B
60,001 - 120,000	C
120,001 - 195,000	D
195,001 - 275,000	E
275,001 - 350,000	F
350,001 - 420,000	G
420,001 - 485,000	H
485,001 - 550,000	I
550,001 or more	J

The Discount Tier determines the discount percentage (as set forth in Section 25.3.5(B) following) to be applied to the Channel Termination and multiplexer Discounted Rate Elements. The Discount Tier determined at the NDP Start Date will remain in effect for each Plan Year of the NDP, unless otherwise adjusted at the Annual True-Up in accordance with Section 25.3.7 following.

(2) The Equivalent DS1 CMs calculated in (A) preceding determine the Discount Tier into which the NDP Customer falls pursuant to the table below:

Equivalent DS1 CMs	Discount Tier
0 – 125,000	A
125,001 - 250,000	B
250,001 - 500,000	C
500,001 - 950,000	D
950,001 - 1,550,000	E
1,550,001 - 2,150,000	F
2,150,001 - 2,850,000	G
2,850,001 - 3,450,000	H
3,450,001 - 3,850,000	I
3,850,001 or more	J

The Discount Tier determines the discount percentage (as set forth in Section 25.3.5(B) following) to be applied to the Channel Mileage Discounted Rate Elements. The Discount Tier determined at the NDP Start Date will remain in effect for each Plan Year of the NDP, unless otherwise adjusted at the Annual True-Up in accordance with Section 25.3.7 following.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.4 Commitment Levels and Discount Tiers (Cont'd)

(C) As of the Subscription Date, and at the beginning of any Renewal Term (unless the NDP Customer chooses the Renewal Benefit Option as described in Section 25.3.14(C) following), the NDP Customer must specify a Commitment Matrix by selecting from one of the following three (3) Commitment Matrix options. The NDP Customer's selection of the Commitment Matrix option shall apply to both the CT Commitment Level and to the CM Commitment Level. The NDP Customer may not select a different Commitment Matrix for the CT Commitment Level and a different Commitment Matrix for the CM Commitment Level.

(i) Premier Commitment Matrix, as described in Section (C)(1) following;

(ii) Standard Commitment Matrix, as described in Section (C)(2) following; and

(iii) Deluxe Commitment Matrix, as described in Section (C)(3) following.

The NDP Customer's choice of the Commitment Matrix determines (a) the number of Equivalent DS1 CMs and/or Equivalent DS1 CTs (as calculated in Section 25.3.4(A) preceding) that the NDP Customer must commit to the NDP; and (b) the discount on Discounted Rate Elements provided under the NDP.

(1) If Premier Commitment Matrix is selected by the NDP Customer, the Telephone Company will establish the CT Commitment Level by multiplying the total number of Equivalent DS1 CTs (as calculated in accordance with Section 25.3.4(A) preceding) by 90%, and the CM Commitment Level by multiplying the total number of Equivalent DS1 CMs (as calculated in accordance with Section 25.3.4(A) preceding) by 90%. If the NDP Customer chooses the Premier Commitment Matrix, the NDP Customer shall receive the applicable discounts set forth in the table in Section 25.3.5(B)(2) following.

(2) If Standard Commitment Matrix is selected by the NDP Customer, the Telephone Company will establish the CT Commitment Level by multiplying the total number of Equivalent DS1 CTs (as calculated in accordance with Section 25.3.4(A) preceding) by 85%, and the CM Commitment Level by multiplying the total number of Equivalent DS1 CMs (as calculated in accordance with Section 25.3.4(A) preceding) by 85%. If the NDP Customer chooses the Standard Commitment Matrix, the NDP Customer shall receive the applicable discounts set forth in the table in Section 25.3.5(B)(1) following.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.4 Commitment Levels and Discount Tiers (Cont'd)

(C) (Cont'd)

(3) If Deluxe Commitment Matrix is selected by the NDP Customer, the Telephone Company will establish the CT Commitment Level by multiplying the total number of Equivalent DS1 CTs (as calculated in accordance with Section 25.3.4(A) preceding) by 92%, and the CM Commitment Level by multiplying the total number of Equivalent DS1 CMs (as calculated in accordance with Section 25.3.4(A) preceding) by 92%. If the NDP Customer chooses the Deluxe Commitment Matrix, the NDP Customer shall receive the applicable discounts set forth in the table in Section 25.3.5(B)(3) following.

\# Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.4 Commitment Levels and Discount Tiers (Cont'd)

(C) (Cont'd)

(4) Where the calculation in (1), (2) or (3) preceding results in a fraction of an Equivalent DS1 CT or a fraction of an Equivalent DS1 CM, standard rounding practices shall apply. For example, if there are 9,999.4 Equivalent DS1 CTs, the Telephone Company will round down to 9,999 whole Equivalent DS1 CTs. Similarly, if there are 9,999.5 Equivalent DS1 CTs, the Telephone Company will round up to 10,000 whole Channel Terminations.

(5) As an example, assume that at the time of subscription to the NDP, the NDP Customer had 31,020.04 Equivalent DS1 CTs, and 215,125.17 Equivalent DS1 CMs. In this case, the NDP Customer would fall into Discount Tier B for Channel Terminations and Discount Tier B for Channel Mileage. Assume further that the NDP Customer chose the Standard Commitment Matrix. Using the table in Section 25.3.5(B)(1) following, in Plan Year 1, the NDP Customer would receive a discount of 33% (i.e., Discount Tier B) on its Special Access DS1 Channel Terminations, and 31% (i.e., Discount Tier B) on its Special Access DS3 Channel Mileage. The Telephone Company would also establish a Commitment Level for Channel Terminations at 26,367 (i.e., 85% multiplied by 31,020.04, with the result rounded down), and a Commitment Level for Channel Mileage at 182,856 (i.e., 85% multiplied by 215,125.17, with the result rounded down).

(6) Changes to the Commitment Matrix

(a) Changes during an Initial Term or a Renewal Term, as applicable.

If the NDP Customer has selected the Premier Commitment Matrix at the beginning of the Initial Term or the Renewal Term, as applicable, the NDP Customer may not change such Commitment Matrix during the Initial Term, or during a Renewal Term, as applicable. If the NDP Customer has selected either the Standard Commitment Matrix or the Deluxe Commitment Matrix at the beginning of the Initial Term or the Renewal Term, as applicable, the NDP Customer may, at its option, change its Commitment Matrix selection to Premier Commitment Matrix at an Annual True-Up as set forth in Section 25.3.7(G) following.

(b) Changes at the end of an Initial Term or a Renewal Term, as applicable.

At the end of the Initial Term or any Renewal Term, as applicable, an NDP Customer that renews its NDP is permitted to pick a different Commitment Matrix for the Renewal Term, so long as such NDP Customer does not also concurrently select the Renewal Benefit Option as set forth in Section 25.3.14(C) following.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.4 Commitment Levels and Discount Tiers (Cont'd)

(D) Although IEF Services are used in determining the DS1 Equivalent CTs, rate elements for IEF Services are not Discounted Rate Elements (i.e., rate elements for such services are not discounted under NDP).

(E) The initial Commitment Level(s) established as of the NDP Start Date, or upon renewal of the NDP, as applicable, will not change during the Term of the NDP, unless one of the following is in effect:

(1) If the NDP Customer's count of Equivalent DS1 CTs and/or count of Equivalent DS1 CMs exceeds one hundred sixty percent (160%) of the applicable Commitment Level in effect for the then applicable Annual True-Up Period, as described in Section 25.3.7 following, in which case, the Commitment Level(s) will be adjusted in accordance with Section 25.3.7(B)(2)(b) following; or

(2) The NDP Customer is permitted to change its Commitment Matrix as set forth in Section 25.3.4(C)(5) preceding; or

(3) If the NDP Customer elects to exercise the Commitment Buy-Up Bonus Option as described in Section 25.3.7(E) following; or

(4) If the NDP Customer adds or removes an ACNA, then Commitment Levels will be adjusted in accordance with Section 25.3.11 following or Section 25.3.12 following, respectively.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)
25.3 National Discount Plan# (Cont'd)
25.3.5 Application of Discount

(A) Discounted Rate Elements

The discounts provided under the NDP shall only be provided for the ACNA(s) included in the NDP Customer's NDP on the following Discounted Rate Elements:

(1) The following Discounted Rate Elements offered in the operating territories of Verizon Delaware LLC, Verizon Maryland LLC, Verizon New Jersey Inc., Verizon Pennsylvania LLC, Verizon Virginia LLC and Verizon Washington, D.C. Inc. are included in NDP (C)

(a) Special Access DS1 Service Channel Terminations, Basic Service, Section 7.5.9(A) preceding, as determined in accordance with Section 14.8 preceding, and/or on a detariffed basis. (C)

(b) Detariffed Special Access DS1 Service Channel Mileage, Basic Service. (C) (D)

(c) Detariffed Special Access DS1 Service DS1 to Voice Multiplexing, Basic Service. (C) (D)

(d) Detariffed Special Access DS1 Service DS1 to Digital Multiplexing, Basic Service. (C) (D)

(e) Detariffed Special Access DS1 Service DS1 to DS0 Multiplexing, Basic Service. (C) (D)

(f) Detariffed Special Access DS3 Service primary Channel Terminations, Base Rates. (C)

(g) Special Access DS3 Service secondary Channel Terminations, Base Rates, Section 7.5.9(A) preceding, as determined in accordance with Section 14.8 preceding, and/or on a detariffed basis. (D) (C)

(h) Detariffed Special Access DS3 Service Channel Mileage, Banded Base Rates, as applicable. (C) (D)

(i) Detariffed Special Access DS3 Service Channel Mileage, Base Rates. (C) (D)

(j) Detariffed Special Access DS3 Service DS3 to DS1 Multiplexing, Base Rates. (C) (D)

Service availability limited. Refer to # footnote on Page 25-40.

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.5 Application of Discount

(A) Discounted Rate Elements (Cont'd)

(2) The following Discounted Rate Elements offered in the operating territories of Verizon New England Inc. and Verizon New York Inc. are included in NDP. (C) | (C)

(a) Special Access DS1 Service Channel Terminations, Section 31.7.9(A)(1)(a) of FCC11, as determined in accordance with Section 15.4 of FCC11, and/or on a detariffed basis. (D) (C)

(b) Detariffed Special Access DS1 Service Channel Mileage. (C)

(c) Detariffed Special Access DS1 Service DS1 to Voice Multiplexing in New York/Connecticut. (C) (D)

(d) Detariffed Special Access DS1 Service DS1 to DS0 Multiplexing in New York/Connecticut. (C) (D)

(e) Detariffed Special Access DS3 Service primary Channel Terminations with optical and electrical interfaces, Base Rates. (C) (D)

(f) Special Access DS3 Service secondary Channel Terminations with optical and electrical interfaces, Base Rates, Section 31.7.9(A)(1)(c) of FCC11, as determined in accordance with Section 15.4 of FCC11, and/or on a detariffed basis. (T) (D) (T) (C)

(g) Detariffed Special Access DS3 Service optical and electrical Channel Mileage, Banded Base Rates, as applicable. (C) (D)

(h) Detariffed Special Access DS3 Service optical and electrical Channel Mileage, Base Rates, as applicable. (C) (D)

(i) Detariffed Special Access DS3 Service DS3 to DS1 Multiplexing, Base Rates. (C) (D)

Service availability limited. Refer to # footnote on Page 25-40.

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.5 Application of Discount

(A) Discounted Rate Elements (Cont'd)

(3) The following Discounted Rate Elements offered in the operating territories of Verizon North LLC (0169) and Verizon South Inc. (4337) are included in NDP. (C)

(a) Special Access High Capacity DS1 (1.544 Mbps) Facilities - SAL rate elements of a Standard Arrangement as specified in Section 5.7.7 of FCC14, as determined in accordance with Section 19.2 of FCC14, and/or on a detariffed basis. (C)

(b) Detariffed Special Access High Capacity DS1 (1.544 Mbps) Facilities - Special Transport Facility and Termination rate elements of a Standard Arrangement (see Note 2). (C) (D)

(c) Special Access High Capacity DS3 (44.736 Mbps) Facilities - SAL rate elements of an Individual System or a 3 System configuration (with or without Telephone Company electronics) as specified in Sections 5.7.10 and 5.7.12 of FCC14, respectively, as determined in accordance with Section 19.2 of FCC14, and/or on a detariffed basis (see Note 3). (C)

(d) Detariffed Special Access High Capacity DS3 (44.736 Mbps) Facilities - Banded Special Transport rate elements of an Individual System, a 3 System, or an Unlimited System configuration. (C) (D)

(e) Detariffed Special Access High Capacity DS3 (44.736 Mbps) Facilities - Special Transport Facilities and detariffed 44.736 Mbps Terminations of an Individual System, a 3 System or an Unlimited System configuration. (C) (C) (D) (D)

Note 2: All Special Transport rate elements of the MetroLAN Optional Arrangement are not Discounted Rate Elements.
Note 3: All SAL rate elements of an Unlimited System are not Discounted Rate Elements.

Service availability limited. Refer to # footnote on Page 25-40.

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.5 Application of Discount

(A) Discounted Rate Elements (Cont'd)

(4) The following Discounted Rate Elements offered in the operating territories of Verizon North LLC (0170, 0201) and Verizon South Inc. (0864F, 0233) are included in NDP. (C)

(a) Special Access High Capacity DS1 Service – Circuit Termination rate elements as specified in Section 7.11.5(A) of FCC16, and/or on a detariffed basis. (C)

(b) Detariffed Special Access High Capacity DS1 Service – Fixed and Per Mile Circuit Mileage rate elements (see Note 2). (C) (D)

(c) Special Access High Capacity DS3 Service - Circuit Termination rate elements of an Individual System or a 3 Capacity System configuration (with or without Telephone Company electronics) as specified Section 7.11.5(E) of FCC16, and/or on a detariffed basis (see Note 3). (C)

(d) Detariffed Special Access High Capacity DS3 Service - Banded Circuit Mileage rate elements of an Individual System, an Unlimited System, a 3 Capacity System or a 12 Capacity System configuration. (C) (D)

(e) Detariffed Special Access High Capacity DS3 Service - Fixed and Per Mile Circuit Mileage rate elements of an Individual System, an Unlimited System, a 3 Capacity System or a 12 Capacity System configuration. (C) (D)

Note 2: All Circuit Mileage rate elements of the MetroLAN Optional Arrangement are not Discounted Rate Elements.
Note 3: All Circuit Termination rate elements of an Unlimited System, a 12 Capacity System, or a 24 Capacity System are not Discounted Rate Elements.

Service availability limited. Refer to # footnote on Page 25-40.

ACCESS SERVICE

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.5 Application of Discount (Cont'd)

(B) The percentage of the discount applied to the Discounted Rate Elements set forth below during the Term is determined by the Discount Tier, NDP Customer's selection of the Standard Commitment Matrix, the Premier Commitment Matrix, or the Deluxe Commitment Matrix, and the Plan Year. Discount Tiers may change at an Annual True-Up as set forth in Section 25.3.7 following (e.g., Discount Tier may change at an Annual True-Up).

(1) **Standard Commitment Level Discount Percentages & Plan Year**

Tier	Year 1	Year 2	Year 3	Year 4	Year 5
Discount Tier A					
DS1 CT	32.00%	32.25%	32.35%	32.45%	32.55%
DS3 CT	29.00%	29.25%	29.35%	29.45%	29.55%
DS1 Mux	27.00%	27.25%	27.35%	27.45%	27.55%
DS3 Mux	25.00%	25.25%	25.35%	25.45%	25.55%
DS1 CM	29.00%	29.25%	29.35%	29.45%	29.55%
DS3 CM	29.00%	29.25%	29.35%	29.45%	29.55%
Discount Tier B					
DS1 CT	33.00%	33.25%	33.35%	33.45%	33.55%
DS3 CT	31.50%	31.75%	31.85%	31.95%	32.05%
DS1 Mux	29.00%	29.25%	29.35%	29.45%	29.55%
DS3 Mux	27.00%	27.25%	27.35%	27.45%	27.55%
DS1 CM	32.00%	32.25%	32.35%	32.45%	32.55%
DS3 CM	31.00%	31.25%	31.35%	31.45%	31.55%
Discount Tier C					
DS1 CT	34.00%	34.25%	34.35%	34.45%	34.55%
DS3 CT	33.50%	33.75%	33.85%	33.95%	34.05%
DS1 Mux	31.00%	31.25%	31.35%	31.45%	31.55%
DS3 Mux	29.00%	29.25%	29.35%	29.45%	29.55%
DS1 CM	35.00%	35.25%	35.35%	35.45%	35.55%
DS3 CM	33.00%	33.25%	33.35%	33.45%	33.55%

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.5 Application of Discount (Cont'd)

(B) (Cont'd)

(1) **Standard Commitment Level Discount Percentages & Plan Year** (Cont'd)

Tier	Year 1	Year 2	Year 3	Year 4	Year 5
Discount Tier D					
DS1 CT	35.00%	35.25%	35.35%	35.45%	35.55%
DS3 CT	35.50%	35.75%	35.85%	35.95%	36.05%
DS1 Mux	32.00%	32.25%	32.35%	32.45%	32.55%
DS3 Mux	30.00%	30.25%	30.35%	30.45%	30.55%
DS1 CM	38.00%	38.25%	38.35%	38.45%	38.55%
DS3 CM	35.00%	35.25%	35.35%	35.45%	35.55%
Discount Tier E					
DS1 CT	36.00%	36.25%	36.35%	36.45%	36.55%
DS3 CT	36.50%	36.75%	36.85%	36.95%	37.05%
DS1 Mux	33.00%	33.25%	33.35%	33.45%	33.55%
DS3 Mux	31.00%	31.25%	31.35%	31.45%	31.55%
DS1 CM	41.00%	41.25%	41.35%	41.45%	41.55%
DS3 CM	36.50%	36.75%	36.85%	36.95%	37.05%
Discount Tier F					
DS1 CT	37.00%	37.25%	37.35%	37.45%	37.55%
DS3 CT	37.50%	37.75%	37.85%	37.95%	38.05%
DS1 Mux	34.00%	34.25%	34.35%	34.45%	34.55%
DS3 Mux	32.00%	32.25%	32.35%	32.45%	32.55%
DS1 CM	42.00%	42.25%	42.35%	42.45%	42.55%
DS3 CM	37.50%	37.75%	37.85%	37.95%	38.05%
Discount Tier G					
DS1 CT	38.00%	38.25%	38.35%	38.45%	38.55%
DS3 CT	38.50%	38.75%	38.85%	38.95%	39.05%
DS1 Mux	35.00%	35.25%	35.35%	35.45%	35.55%
DS3 Mux	33.00%	33.25%	33.35%	33.45%	33.55%
DS1 CM	43.00%	43.25%	43.35%	43.45%	43.55%
DS3 CM	38.50%	38.75%	38.85%	38.95%	39.05%

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

(T)

25.3 National Discount Plan# (Cont'd)

25.3.5 Application of Discount (Cont'd)

(B) (Cont'd)

(1) **Standard Commitment Level Discount Percentages & Plan Year** (Cont'd)

Tier	Year 1	Year 2	Year 3	Year 4	Year 5
Discount Tier H					
DS1 CT	39.00%	39.25%	39.35%	39.45%	39.55%
DS3 CT	39.00%	39.25%	39.35%	39.45%	39.55%
DS1 Mux	35.50%	35.75%	35.85%	35.95%	36.05%
DS3 Mux	33.50%	33.75%	33.85%	33.95%	34.05%
DS1 CM	44.00%	44.25%	44.35%	44.45%	44.55%
DS3 CM	39.00%	39.25%	39.35%	39.45%	39.55%
Discount Tier I					
DS1 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS3 CT	39.50%	39.75%	39.85%	39.95%	40.05%
DS1 Mux	36.00%	36.25%	36.35%	36.45%	36.55%
DS3 Mux	34.00%	34.25%	34.35%	34.45%	34.55%
DS1 CM	44.50%	44.75%	44.85%	44.95%	45.05%
DS3 CM	39.50%	39.75%	39.85%	39.95%	40.05%
Discount Tier J					
DS1 CT	41.00%	41.25%	41.35%	41.45%	41.55%
DS3 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS1 Mux	36.50%	36.75%	36.85%	36.95%	37.05%
DS3 Mux	34.50%	34.75%	34.85%	34.95%	35.05%
DS1 CM	45.00%	45.25%	45.35%	45.45%	45.55%
DS3 CM	40.00%	40.25%	40.35%	40.45%	40.55%

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

(T)

25.3 National Discount Plan# (Cont'd)

25.3.5 Application of Discount (Cont'd)

(B) (Cont'd)

(2) **Premier Commitment Level Discount Percentages & Plan Year**

Tier	Year 1	Year 2	Year 3	Year 4	Year 5
Discount Tier A					
DS1 CT	33.00%	33.25%	33.35%	33.45%	33.55%
DS3 CT	30.00%	30.25%	30.35%	30.45%	30.55%
DS1 Mux	28.00%	28.25%	28.35%	28.45%	28.55%
DS3 Mux	26.00%	26.25%	26.35%	26.45%	26.55%
DS1 CM	30.00%	30.25%	30.35%	30.45%	30.55%
DS3 CM	30.00%	30.25%	30.35%	30.45%	30.55%
Discount Tier B					
DS1 CT	34.00%	34.25%	34.35%	34.45%	34.55%
DS3 CT	32.50%	32.75%	32.85%	32.95%	33.05%
DS1 Mux	30.00%	30.25%	30.35%	30.45%	30.55%
DS3 Mux	28.00%	28.25%	28.35%	28.45%	28.55%
DS1 CM	33.00%	33.25%	33.35%	33.45%	33.55%
DS3 CM	32.00%	32.25%	32.35%	32.45%	32.55%
Discount Tier C					
DS1 CT	35.00%	35.25%	35.35%	35.45%	35.55%
DS3 CT	34.50%	34.75%	34.85%	34.95%	35.05%
DS1 Mux	32.00%	32.25%	32.35%	32.45%	32.55%
DS3 Mux	30.00%	30.25%	30.35%	30.45%	30.55%
DS1 CM	36.00%	36.25%	36.35%	36.45%	36.55%
DS3 CM	34.00%	34.25%	34.35%	34.45%	34.55%

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

(T)

25.3 National Discount Plan# (Cont'd)

25.3.5 Application of Discount (Cont'd)

(B) (Cont'd)

(2) **Premier Commitment Level Discount Percentages & Plan Year** (Cont'd)

Tier	Year 1	Year 2	Year 3	Year 4	Year 5
Discount Tier D					
DS1 CT	36.00%	36.25%	36.35%	36.45%	36.55%
DS3 CT	36.50%	36.75%	36.85%	36.95%	37.05%
DS1 Mux	33.00%	33.25%	33.35%	33.45%	33.55%
DS3 Mux	31.00%	31.25%	31.35%	31.45%	31.55%
DS1 CM	39.00%	39.25%	39.35%	39.45%	39.55%
DS3 CM	36.00%	36.25%	36.35%	36.45%	36.55%
Discount Tier E					
DS1 CT	37.00%	37.25%	37.35%	37.45%	37.55%
DS3 CT	37.50%	37.75%	37.85%	37.95%	38.05%
DS1 Mux	34.00%	34.25%	34.35%	34.45%	34.55%
DS3 Mux	32.00%	32.25%	32.35%	32.45%	32.55%
DS1 CM	42.00%	42.25%	42.35%	42.45%	42.55%
DS3 CM	37.50%	37.75%	37.85%	37.95%	38.05%
Discount Tier F					
DS1 CT	38.00%	38.25%	38.35%	38.45%	38.55%
DS3 CT	38.50%	38.75%	38.85%	38.95%	39.05%
DS1 Mux	35.00%	35.25%	35.35%	35.45%	35.55%
DS3 Mux	33.00%	33.25%	33.35%	33.45%	33.55%
DS1 CM	43.00%	43.25%	43.35%	43.45%	43.55%
DS3 CM	38.50%	38.75%	38.85%	38.95%	39.05%
Discount Tier G					
DS1 CT	39.00%	39.25%	39.35%	39.45%	39.55%
DS3 CT	39.50%	39.75%	39.85%	39.95%	40.05%
DS1 Mux	36.00%	36.25%	36.35%	36.45%	36.55%
DS3 Mux	34.00%	34.25%	34.35%	34.45%	34.55%
DS1 CM	44.00%	44.25%	44.35%	44.45%	44.55%
DS3 CM	39.50%	39.75%	39.85%	39.95%	40.05%

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.5 Application of Discount (Cont'd)

(B) (Cont'd)

(2) **Premier Commitment Level Discount Percentages & Plan Year** (Cont'd)

Tier	Year 1	Year 2	Year 3	Year 4	Year 5
Discount Tier H					
DS1 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS3 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS1 Mux	36.50%	36.75%	36.85%	36.95%	37.05%
DS3 Mux	34.50%	34.75%	34.85%	34.95%	35.05%
DS1 CM	45.00%	45.25%	45.35%	45.45%	45.55%
DS3 CM	40.00%	40.25%	40.35%	40.45%	40.55%
Discount Tier I					
DS1 CT	41.00%	41.25%	41.35%	41.45%	41.55%
DS3 CT	40.50%	40.75%	40.85%	40.95%	41.05%
DS1 Mux	37.00%	37.25%	37.35%	37.45%	37.55%
DS3 Mux	35.00%	35.25%	35.35%	35.45%	35.55%
DS1 CM	45.50%	45.75%	45.85%	45.95%	46.05%
DS3 CM	40.50%	40.75%	40.85%	40.95%	41.05%
Discount Tier J					
DS1 CT	42.00%	42.25%	42.35%	42.45%	42.55%
DS3 CT	41.00%	41.25%	41.35%	41.45%	41.55%
DS1 Mux	37.50%	37.75%	37.85%	37.95%	38.05%
DS3 Mux	35.50%	35.75%	35.85%	35.95%	36.05%
DS1 CM	46.00%	46.25%	46.35%	46.45%	46.55%
DS3 CM	41.00%	41.25%	41.35%	41.45%	41.55%

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.5 Application of Discount (Cont'd)

(B) (Cont'd)

(3) **Deluxe Commitment Level Discount Percentages & Plan Year**

Tier	Year 1	Year 2	Year 3	Year 4	Year 5
Discount Tier A					
DS1 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS3 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS1 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS3 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS1 CM	50.00%	50.25%	50.35%	50.45%	50.55%
DS3 CM	46.00%	46.25%	46.35%	46.45%	46.55%
Discount Tier B					
DS1 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS3 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS1 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS3 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS1 CM	50.00%	50.25%	50.35%	50.45%	50.55%
DS3 CM	46.00%	46.25%	46.35%	46.45%	46.55%
Discount Tier C					
DS1 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS3 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS1 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS3 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS1 CM	50.00%	50.25%	50.35%	50.45%	50.55%
DS3 CM	46.00%	46.25%	46.35%	46.45%	46.55%

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.5 Application of Discount (Cont'd)

(B) (Cont'd)

(3) **Deluxe Commitment Level Discount Percentages & Plan Year (Cont'd)**

Tier	Year 1	Year 2	Year 3	Year 4	Year 5
Discount Tier D					
DS1 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS3 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS1 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS3 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS1 CM	50.00%	50.25%	50.35%	50.45%	50.55%
DS3 CM	46.00%	46.25%	46.35%	46.45%	46.55%
Discount Tier E					
DS1 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS3 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS1 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS3 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS1 CM	50.00%	50.25%	50.35%	50.45%	50.55%
DS3 CM	46.00%	46.25%	46.35%	46.45%	46.55%
Discount Tier F					
DS1 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS3 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS1 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS3 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS1 CM	50.00%	50.25%	50.35%	50.45%	50.55%
DS3 CM	46.00%	46.25%	46.35%	46.45%	46.55%
Discount Tier G					
DS1 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS3 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS1 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS3 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS1 CM	50.00%	50.25%	50.35%	50.45%	50.55%
DS3 CM	46.00%	46.25%	46.35%	46.45%	46.55%

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.5 Application of Discount (Cont'd)

(B) (Cont'd)

(3) **Deluxe Commitment Level Discount Percentages & Plan Year (Cont'd)**

Tier	Year 1	Year 2	Year 3	Year 4	Year 5
Discount Tier H					
DS1 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS3 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS1 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS3 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS1 CM	50.00%	50.25%	50.35%	50.45%	50.55%
DS3 CM	46.00%	46.25%	46.35%	46.45%	46.55%
Discount Tier I					
DS1 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS3 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS1 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS3 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS1 CM	50.00%	50.25%	50.35%	50.45%	50.55%
DS3 CM	46.00%	46.25%	46.35%	46.45%	46.55%
Discount Tier J					
DS1 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS3 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS1 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS3 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS1 CM	50.00%	50.25%	50.35%	50.45%	50.55%
DS3 CM	46.00%	46.25%	46.35%	46.45%	46.55%

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont’d)

25.3 National Discount Plan# (Cont’d)

25.3.6 Special Access DS3 Service Channel Mileage Rates

Special Access DS3 Service Channel Mileages Rates are detariffed. (C)

(D)

(D)

Service availability limited. Refer to # footnote on Page 25-40.

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.7 Annual True-Up

After each Anniversary Date during the Term, the Telephone Company will conduct an Annual True-Up which shall be used to determine the NDP Customer's compliance with its established Commitment Levels and Discount Tiers for the Annual True-Up Period.

(A) The Annual True-Up shall consist of the following steps which shall be conducted by the Telephone Company in the following order:

(1) Calculate the Monthly Average Count of Equivalent DS1 CTs and Monthly Average Count of Equivalent DS1 CMs, each as described in Section 25.3.7(B) following; and

(2) Compare the Monthly Average Count of Equivalent DS1 CMs against the CM Commitment Level, and the Monthly Average Count of Equivalent DS1 CTs against the CT Commitment Level to determine if the NDP Customer (a) has met its applicable Commitment Level(s); or (b) has exceeded its applicable Commitment Level(s), as each is described in (B) following; and

(3) If the NDP Customer has not met its CT Commitment Level and/or CM Commitment Level, as applicable, then calculate the Shortfall Penalty that is due in accordance with Section 25.3.7(C) following. If the NDP Customer has exceeded its CT Commitment Level or CM Commitment Level, as applicable, then calculate any adjustment to one or both Commitment Level(s) in accordance with Section 25.3.7(B) following; and

(4) Determine if the Achieved Discount Tier is the same as the Assigned Discount Tier. For an NDP Customer under a Standard Commitment Matrix or Premier Commitment Matrix, if the Assigned Discount Tier is different than the Achieved Discount Tier, then the Telephone Company shall calculate the applicable Discount Tier Adjustment in accordance with Section 25.3.7(D) following. No Discount Tier Adjustment is calculated for an NDP Customer under a Deluxe Commitment Matrix; and

(5) Assuming the NDP Customer is eligible for the Commitment Buy-Up Bonus for either its CT Commitment Level or CM Commitment Level, or both, and the NDP Customer elects to exercise such Commitment Buy-Up Bonus Option, the Telephone Company will calculate the applicable CBB Discount in accordance with Section 25.3.7(E) following. No later than thirty (30) calendar days prior to the Anniversary Date of its NDP, the NDP Customer must notify the Telephone Company in writing of its intent to exercise the Commitment Buy-Up Bonus Option.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.7 Annual True-Up (Cont'd)

(A) (Cont'd)

(6) If the NDP Customer added or removed one or more ACNA(s) under Section 25.3.11 or Section 25.3.12 following, respectively, during the Annual True-Up Period, the Telephone Company will adjust the CT Commitment Level and/or CM Commitment Level, as applicable, to reflect such added or removed ACNA(s). No later than thirty (30) calendar days prior to the Anniversary Date of the NDP Customer's NDP, the NDP Customer must notify the Telephone Company in writing of any such changes to its ACNAs.

(7) Subject to the requirements set forth in Section 25.3.7(F) following, assign the Discount Tiers applicable to the next Plan Year; and

(8) Assuming the NDP Customer qualifies for a change from the Standard Commitment Matrix to the Deluxe Commitment Matrix or the Premier Commitment Matrix, or for a change from the Deluxe Commitment Matrix to the Premier Commitment Matrix, and the NDP Customer elects to make such change, the Telephone Company will calculate and set the new Commitment Levels associated with the choice of a Deluxe Commitment Matrix or a Premier Commitment Matrix, as applicable, and Discount Tiers in accordance with Section 25.3.7(G) following.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.7 Annual True-Up (Cont'd)

(B) Calculation of Monthly Counts and Measuring Monthly Counts Against Commitment Levels

(1) The Telephone Company will calculate the Monthly Average Count of Equivalent DS1 CTs and the Monthly Average Count of Equivalent DS1 CMs for the Qualifying Services purchased under the NDP that were in service for each month of the Annual True-Up Period. The Monthly Average Count of Equivalent DS1 CTs is calculated as follows:

(Step 1) add the actual number of Equivalent DS1 CTs for Qualifying Services purchased for the ACNA(s) included under the NDP for each month of the Annual True-Up Period (including any Equivalent DS1 CTs that were replaced by a Replacing Service(s) using the methodology for a Technology Migration specified in Section 2.9.5 preceding);

(Step 2) add the result from Step 1 preceding to the quantities of Equivalent DS1 CTs determined in (i) and (ii) following:

(i) the Upgrade Adjustment, as calculated in accordance with Section 25.3.7(H) following, for any Qualifying Service(s) that has been Upgraded ; and/or

(ii) the Sale Adjustment, as calculated in accordance with Section 25.3.10 following, for any Qualifying Service(s) which are affected by a Telephone Company Sale;

(Step 3) divide the number derived in Step 2 preceding by 12 months.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.7 Annual True-Up (Cont'd)

(B) Calculation of Monthly Counts and Measuring Monthly Counts Against Commitment Levels (Cont'd)

(1) (Cont'd)

A similar calculation is performed by the Telephone Company for calculating the Monthly Average Count of Equivalent DS1 CMs for the Qualifying Services purchased under the NDP by using Equivalent DS1 CMs for the ACNA(s) included in the NDP Customer's NDP instead of using Equivalent DS1 CTs.

(2) The Telephone Company will compare the Monthly Average Count of Equivalent DS1 CTs against the CT Commitment Level, and the Monthly Average Count of Equivalent DS1 CMs against the CM Commitment Level. If the NDP Customer's Monthly Average Count of Equivalent DS1 CTs is equal to or greater than (subject to certain restrictions as set forth in (a) following) the CT Commitment Level, then the NDP Customer shall be deemed to have met its CT Commitment Level. If the NDP Customer's Monthly Average Count of Equivalent DS1 CMs is equal to or greater than (subject to certain restrictions as set forth in (a) following) the CM Commitment Level, then the NDP Customer shall be deemed to have met its CM Commitment Level.

(a) Where the NDP Customer has met its CT Commitment Level and/or CM Commitment Level, as applicable, but has not exceeded such Commitment Level by more than sixty percent (i.e., the NDP Customer's Monthly Average Count of Equivalent DS1 CTs and/or Monthly Average Count of Equivalent DS1 CMs, as applicable, is less than 160% of the applicable Commitment Level), no action is required. An NDP Customer who elected the Premier Commitment Matrix may be eligible to voluntarily increase (buy up) its CT Commitment Level and/or its CM Commitment Level as specified in Section 25.3.7(E) following.

(b) Where the NDP Customer has exceeded its CT Commitment Level and/or its CM Commitment Level, as applicable, by more than sixty percent (i.e., the NDP Customer's Monthly Average Count of Equivalent DS1 CTs and/or Monthly Average Count of Equivalent DS1 CMs, as applicable, is more than 160% of its applicable Commitment Level), the exceeded Commitment Level(s) will be adjusted as follows:

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.7 Annual True-Up (Cont'd)

(B) (Cont'd)

(2) (Cont'd)

(b) (Cont'd)

(1) Where the NDP Customer elected the Standard Commitment Matrix, and exceeded its CT Commitment Level and/or exceeded its CM Commitment Level by more than 60%, the exceeded Commitment Level(s) will be adjusted to eighty-five percent (85%) of the Monthly Average Count of Equivalent DS1 CTs or Monthly Average Count of Equivalent DS1 CMs, as applicable, for the Annual True-Up Period. Any adjustments to the CT Commitment Level, as described in this Section (B)(2)(b)(1), is made independent of any adjustment to the CM Commitment Level.

(2) Where the NDP Customer elected the Premier Commitment Matrix and exceeded its CT Commitment Level and/or exceeded its CM Commitment Level by more than 60%, the exceeded Commitment Level(s) will be adjusted to ninety percent (90%) of the Monthly Average Count of Equivalent DS1 CTs or Monthly Average Count of Equivalent DS1 CMs, as applicable, for the Annual True-Up Period. An adjustment to the CT Commitment Level, as described in this Section (B)(2)(b)(2), is made independent of an adjustment to the CM Commitment Level.

(3) Where the NDP Customer elected the Deluxe Commitment Matrix and exceeded its CT Commitment Level and/or exceeded its CM Commitment Level by more than 60%, the exceeded Commitment Level(s) will be adjusted to ninety-two percent (92%) of the Monthly Average Count of Equivalent DS1 CTs or Monthly Average Count of Equivalent DS1 CMs, as applicable, for the Annual True-Up Period. An adjustment to the CT Commitment Level, as described in this Section (B)(2)(b)(3), is made independent of an adjustment to the CM Commitment Level.

(3) Where the NDP Customer has not met its CT Commitment Level and/or has not met its CM Commitment Level, as applicable, a Shortfall Penalty as set forth in Section 25.3.7(C) following applies to each missed Commitment Level.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.7 Annual True-Up (Cont'd)

(C) Shortfall Penalty

A Shortfall Penalty is assessed against (i) the CT Commitment Level when the NDP Customer's Monthly Average Count of Equivalent DS1 CTs is less than the CT Commitment Level; or (ii) the CM Commitment Level is less than the NDP Customer's Monthly Average Count of Equivalent DS1 CMs. There are two methods (i.e., Option 1 or Option 2) of determining and calculating the Shortfall Penalty. The Telephone Company will calculate the Shortfall Penalty using both methods and apply the method that produces the lesser Shortfall Penalty.

(1) Option 1 Shortfall Penalty Method and Calculation

(Step 1) Calculate the Monthly Average Count of Equivalent DS1 CTs and the Monthly Average Count of Equivalent DS1 CMs during the Annual True-Up Period as set forth in Section 25.3.7(B)(1) preceding.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.7 Annual True-Up (Cont'd)

(C) Shortfall Penalty (Cont'd)

(1) Option 1 Shortfall Penalty Method and Calculation (Cont'd)

(Step 2) Determine the Monthly Shortage of Equivalent DS1 CTs and/or the Monthly Shortage of Equivalent DS1 CMs, as applicable.

(a) The NDP Customer's Monthly Shortage of Equivalent DS1 CTs will be determined by subtracting (i) the Monthly Average Count of Equivalent DS1 CTs determined in Step 1; from (ii) the CT Commitment Level.

(b) The NDP Customer's Monthly Shortage of Equivalent DS1 CMs will be determined by subtracting (i) the Monthly Average Count of Equivalent DSM CTs determined in Step 1; from (ii) the CM Commitment Level.

(Step 3) Calculate the Average Monthly Rate per Equivalent DS1 CT and/or the Average Monthly Rate per Equivalent DS1 CM, as applicable.

(a) The Average Monthly Rate per Equivalent DS1 CT is calculated by (i) adding the total Monthly Charges billed for all Channel Termination and multiplexing (multiplexing is excluded in the (C)
operating territories of Verizon North LLC and |
Verizon South Inc.) Discounted Rate Elements, (C)
during each month of the Annual True-Up Period; and (ii) dividing the result in (i) preceding by twelve months; and (iii) dividing the result in (ii) preceding by the Average Monthly Count of Equivalent DS1 CTs calculated in Step 1.

(b) The Average Monthly Rate per Equivalent DS1 CM is calculated by (i) adding the total Monthly Charges billed for all Channel Mileage Discounted Rate Elements, during each month of the Annual True-Up Period; and (ii) dividing the result in (i) preceding by twelve months; and (iii) dividing the result in (ii) preceding by the Average Monthly Count of Equivalent DS1 CMs calculated in Step 1.

Service availability limited. Refer to # footnote on Page 25-40.

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.7 Annual True-Up (Cont'd)

(C) Shortfall Penalty (Cont'd)

(1) Option 1 Shortfall Penalty Method and Calculation (Cont'd)

(Step 4) Calculate the Shortfall Penalty for the CT Commitment Level and/or the CM Commitment Level, as applicable.

(a) The Telephone Company will calculate the Shortfall Penalty for the CT Commitment Level by multiplying (i) the Monthly Shortage determined in Step 2; by (ii) the Average Monthly Rate per Equivalent DS1 CT calculated in Step 3; and by (iii) twelve (12) months.

(b) The Telephone Company will calculate the Shortfall Penalty for the CM Commitment Level by multiplying (i) the Monthly Shortage determined in Step 2; by (ii) the Average Monthly Rate per Equivalent DS1 CM calculated in Step 3; and by (iii) twelve (12) months.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.7 Annual True-Up (Cont'd)

(C) Shortfall Penalty (Cont'd)

(2) As an illustrative example of the Option 1 Shortfall Penalty calculation for the CT Commitment Level, assume that at an Annual True-Up, an NDP Customer who selected the Premier Commitment Matrix had the following results: (i) the NDP Customer has met but has not exceeded by more than 60% its CM Commitment Level of 75,000 Equivalent DS1 CMs; (ii) the NDP Customer has not met its CT Commitment Level of 120,000 Equivalent DS1 CTs; and (iii) the Monthly Average Count of Equivalent DS1 CTs is 118,000. No Shortfall Penalty is applicable to the NDP Customer's CM Commitment Level since the NDP Customer has met its CM Commitment Level. Shortfall Penalty is due on the CT Commitment Level and is calculated as follows (using Steps 1-4 above):

(Step 1) Calculate the Monthly Average Count of Equivalent DS1 CTs. In this example, this number is 118,000 Equivalent DS1 CTs.

(Step 2) Calculate the Monthly Shortage of Equivalent DS1 CTs. [120,000 Commitment Level - 118,000 Monthly Average Count of Equivalent DS1 CTs = 2,000 Equivalent DS1 CTs]

(Step 3) Calculate the Average Monthly Rate per Equivalent DS1 CT. In this example, assume that the sum of the total Monthly Charges billed for all Channel Termination and multiplexing Discounted Rate Elements during each month of the Annual True-Up Period is $150,000,000. The Average Monthly Rate per Equivalent DS1 CT is $105.93. [$150,000,000/12 months/118,000 Monthly Average Count of Equivalent DS1 CTs]

(Step 4) Calculate the Shortfall Penalty. The Shortfall Penalty is $2,542,320 (the Monthly Shortage of 2,000 Equivalent DS1 CTs x $105.93 Average Monthly Rate per Equivalent DS1 CT x 12 months).

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.7 Annual True-Up (Cont'd)

(C) Shortfall Penalty (Cont'd)

(3) Option 2 Shortfall Penalty Method and Calculation

The Shortfall Penalty for Equivalent DS1 CTs will be an amount equal to the difference between (1) the Channel Termination Revenue Cap and (2) the actual total dollar Channel Termination revenue for Equivalent DS1 CTs in each of the twelve (12) months of the true-up period. The Shortfall Penalty for Equivalent DS1 CMs will be an amount equal to the difference between (1) the Channel Mileage Revenue Cap and (2) the actual total dollar Channel Mileage revenue for Equivalent DS1 CMs in each of the twelve (12) months of the true-up period. The Telephone Company will calculate the difference as follows:

(Step 1) The Telephone Company will first determine the Channel Termination Revenue Cap by multiplying the total discounted monthly revenues associated with all in-service channel termination rate elements for Equivalent DS1 CTs for month one of the NDP by the appropriate Commitment Level percentage (e.g., 92% for Deluxe)(CT Revenue Cap). In the event the Commitment Level changes (e.g., as a result the NDP Customer exceeding its Maximum Service Level), the Telephone Company will make a commensurate adjustment to the CT Revenue Cap. The adjusted CT Revenue Cap will be used beginning with the month in which the Commitment Level was changed.

(Step 2) The Telephone Company will then determine the actual channel termination revenues by calculating the total discounted monthly revenues associated with all in-service Equivalent DS1 CT rate elements for each month of the twelve (12) month true-up period.

(Step 3) For each month of the twelve (12) month true-up period, subtract the actual channel termination revenues from the CT Revenue Cap.

(Step 4) The Telephone Company will determine the Channel Mileage Revenue Cap by multiplying the total discounted monthly revenues associated with all in-service channel mileage rate elements for Equivalent DS1 CMs for month one of NDP by the appropriate Commitment Level percentage (e.g., 92% for Deluxe) (CM Revenue Cap). In the event the Commitment Level changes (e.g., as a result the NDP Customer exceeding its Maximum Service Level), the Telephone Company will make a commensurate adjustment to the CM Revenue Cap. The adjusted CM Revenue Cap will be used beginning with the month in which the Commitment Level was changed.

Service availability limited. Refer to # footnote on Page 25-40. (N)

ACCESS SERVICE

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.7 Annual True-Up (Cont'd)

(C) Shortfall Penalty (Cont'd)

(3) Option 2 Shortfall Penalty Method and Calculation (Cont'd)

(Step 5) The Telephone Company will then determine the actual channel mileage revenues associated with all in-service Equivalent DS1 CM rate elements for each month of the twelve (12) month true-up period.

(Step 6) For each month of the twelve (12) month true-up period, subtract the actual channel mileage revenues from the CM Revenue Cap.

(Step 7) To determine the amount due from the NDP Customer, the Telephone Company will sum the amounts calculated in Step 3 and Step 6. The amount due is not subject to any late payment factor as specified in Section 2.4.1 preceding. However, a late payment factor will apply in accordance with Section 2.4.1 preceding if such amount is not paid by the bill due date of the month in which such amount first appears on the bill.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.7 Annual True-Up (Cont'd)

(C) Shortfall Penalty (Cont'd)

(4) The Telephone Company will apply the lesser Shortfall Penalty calculated in (C)(1) or (C)(3) preceding to the BANs designated by the NDP Customer under Section 25.3.2(C)(5) preceding. The Shortfall Penalty is not subject to late payment penalty under Section 2.4.1 preceding, except when the bill containing such Shortfall Penalty is not paid by the payment date.

(D) Discount Tier Adjustment

(1) At each Annual True-Up, the Telephone Company will automatically adjust the Discount Tier(s) if the Achieved Discount Tier is a higher or a lower Discount Tier than the Assigned Discount Tier that was in effect during the Annual True-Up Period. Such action shall be referred to as the Discount Tier Adjustment. The Achieved Discount Tier and the Assigned Discount Tier are independently determined for Channel Terminations and Channel Mileage. For NDP Customers who elected either the Standard Commitment Matrix or the Premier Commitment Matrix, the Discount Tier Adjustment is set forth in Step 1 through Step 6 of (D)(2) following, the result of which may be an increase or decrease in the discount percentage that was applied during the Annual True-Up Period, and shall be reflected as a credit or debit on the NDP Customer's bill.

(2) A Discount Tier Adjustment is calculated as follows:

(Step 1) Calculate the Monthly Average Count of Equivalent DS1 CTs and the Monthly Average Count of Equivalent DS1 CMs during the Annual True-Up Period as set forth in Section 25.3.7(B)(1) preceding.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.7 Annual True-Up (Cont'd)

(D) Discount Tier Adjustment (Cont'd)

(2) (Cont'd)

(Step 2) Determine the Achieved Discount Tiers for the Monthly Average Count of Equivalent DS1 CTs and Monthly Average Count of Equivalent DS1 CMs, respectively.

(a) Using the Equivalent DS1 CT table set forth in Section 25.3.4(B)(1) preceding, (a) find the Achieved Discount Tier for the Monthly Average Count of Equivalent DS1 CTs determined in Step 1 above; and

(b) Using the Equivalent DS1 CM table set forth in Section 25.3.4(B)(2) preceding, find the Achieved Discount Tier for the Monthly Average Count of Equivalent DS1 CMs determined in Step 1 above.

If an Achieved Discount Tier for Channel Terminations or Channel Mileage, as applicable, is the same Discount Tier as the Assigned Discount Tier for Channel Terminations or Channel Mileage, as applicable, no Discount Tier Adjustment will be made. In this case, Step 3 through Step 6 following do not apply.

For NDP Customers who elected the Standard Commitment Matrix or the Premier Commitment Matrix, if an Achieved Discount Tier for Channel Terminations or Channel Mileage, as applicable, is a higher or lower Discount Tier than the Assigned Discount Tier for Channel Terminations or Channel Mileage, as applicable, a Discount Tier Adjustment (as calculated in Steps 3 through Step 6) following applies.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.7 Annual True-Up (Cont'd)

(D) Discount Tier Adjustment (Cont'd)

(2) (Cont'd)

(Step 3) Calculate the Non-Discounted Billed Amounts.

The Non-Discounted Billed Amount(s) are (a) the total Monthly Charges for the Channel Termination and multiplexer Discounted Rate Elements that the NDP Customer would have paid during the Annual True-Up Period if the discount percentages as set forth in Section 25.3.5(B) preceding were not applied; or (b) the total Monthly Charges for the Channel Mileage Discounted Rate Elements that the NDP Customer would have paid during the Annual True-Up Period, if the discount percentages as set forth in Section 25.3.5(B) preceding were not applied. Discounted Rate Elements are specified in Section 25.3.5(A) preceding. The Non-Discounted Billed Amount(s) are calculated as follows.

(1) Calculate the Non-Discounted Billed Amount for Special Access DS1 Service Channel Termination Discounted Rate Elements (multiplexing is (C)
excluded in the operating territories of Verizon |
North LLC and Verizon South Inc.) by (i) adding (C)
the billed Monthly Charges for all such Channel Terminations in each month of the Annual True-Up Period; and (ii) then dividing the number derived in (i) preceding by one (1) minus the discount percentage associated with the Assigned Discount Tier for such Discounted Rate Element.

As an illustrative example, assume the total Monthly Charges billed for such Channel Terminations was $12,000,000 and, pursuant to the discount tables set forth in Section 25.3.5(B) preceding, the Assigned Discount Tier yielded a discount percentage of 36%. The total Non-Discounted Billed Amount would have been $12,000,000/(1 - 0.36) = $18,750,000.

Service availability limited. Refer to # footnote on Page 25-40.

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.7 Annual True-Up (Cont'd)

(D) Discount Tier Adjustment (Cont'd)

(2) (Cont'd)

(Step 3) (Cont'd)

(2) Calculate the Non-Discounted Billed Amount for the Special Access DS1 Service multiplexer Discounted Rate Elements (multiplexing is excluded in the operating territories of Verizon New England Inc., Verizon North LLC and Verizon South Inc.) by (i) adding the billed Monthly Charges for all such multiplexers in each month of the Annual True-Up Period; and (ii) then dividing the number derived in (i) preceding by one (1) minus the discount percentage associated with the Assigned Discount Tier for such Discounted Rate Element. (C)

(3) Calculate the Non-Discounted Billed Amount for Special Access DS3 Service Channel Termination Discounted Rate Elements (excluding the operating territories of Verizon North LLC and Verizon South Inc.) by (i) adding the billed Monthly Charges for all such Channel Terminations in each month of the Annual True-Up Period; and (ii) then dividing the number derived in (i) preceding by one (1) minus the discount percentage associated with the Assigned Discount Tier for such Discounted Rate Element. (C)

(4) Calculate the Non-Discounted Billed Amount for Special Access DS3 Service multiplexer Discounted Rate Elements (multiplexing is excluded in the operating territories of Verizon North LLC and Verizon South Inc.) by (i) adding the billed Monthly Charges for all such multiplexers in each month of the Annual True-Up Period; and (ii) then dividing the number derived in (i) preceding by one (1) minus the discount percentage associated with the Assigned Discount Tier for such Discounted Rate Element. (C)

Service availability limited. Refer to # footnote on Page 25-40.

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.7 Annual True-Up (Cont'd)

(D) Discount Tier Adjustment (Cont'd)

(2) (Cont'd)

(Step 3) (Cont'd)

(5) Calculate the Non-Discounted Billed Amount for Special Access DS1 Service SAL Discounted Rate Elements and Special Access DS1 Service Circuit (D) Termination Discounted Rate Elements in the (C) operating territories of Verizon North LLC and | Verizon South Inc. by (i) adding the billed (C) Monthly Charges for all such SALs and Circuit Terminations in each month of the Annual True-Up Period; and (ii) then dividing the number derived in (i) preceding by one (1) minus the discount percentage associated with the Assigned Discount Tier for such Discounted Rate Element.

(6) Calculate the Non-Discounted Billed Amount for Special Access DS3 SAL Discounted Rate Elements and Special Access DS3 Service Circuit (D) Termination Discounted Rate Elements in the (C) operating territories of Verizon North LLC and | Verizon South Inc. by (i) adding the billed (C) Monthly Charges for all such SALs and Circuit Terminations in each month of the Annual True-Up Period; and (ii) then dividing the number derived in (i) preceding by one (1) minus the discount percentage associated with the Assigned Discount Tier for such Discounted Rate Element.

(7) Calculate the Non-Discounted Billed Amount for Special Access DS1 Service Channel Mileage Discounted Rate Elements (excluding the operating (C) territories of Verizon North LLC and Verizon | South Inc.) by (i) adding the billed Monthly (C) Charges for all such Channel Mileage in each month of the Annual True-Up Period; and (ii) then dividing the number derived in (i) preceding by one (1) minus the discount percentage associated with the Assigned Discount Tier for such Discounted Rate Element.

Service availability limited. Refer to # footnote on Page 25-40.

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.7 Annual True-Up (Cont'd)

(D) Discount Tier Adjustment (Cont'd)

(2) (Cont'd)

(Step 3) (Cont'd)

(8) Calculate the Non-Discounted Billed Amount for Special Access DS3 Service Channel Mileage (including Banded Channel Mileage and Base Rate Channel Mileage) Discounted Rate Elements (excluding Verizon North LLC and Verizon South (C) Inc.) by (i) adding the billed Monthly Charges (C) for all such Channel Mileage in each month of the Annual True-Up Period; and (ii) then dividing the number derived in (i) preceding by one (1) minus the discount percentage associated with the Assigned Discount Tier for such Discounted Rate Element.

(9) Calculate the Non-Discounted Billed Amount for Special Access DS1 Service Special Transport Discounted Rate Elements and Special Access DS1 (D) Service Circuit Mileage in the operating (C) territories of Verizon North LLC and Verizon | South Inc. by (i) adding the billed Monthly (C) Charges for all such Special Transport and Circuit Mileage in each month of the Annual True-Up Period; and (ii) then dividing the number derived in (i) preceding by one (1) minus the discount percentage associated with the Assigned Discount Tier for such Discounted Rate Element.

(10) Calculate the Non-Discounted Billed Amount for Special Access DS3 Service Special Transport (including Banded Special Transport and Special Transport) Discounted Rate Elements and Special (D) Access DS3 Service Circuit Mileage (including Banded Circuit Mileage and Circuit Mileage) in (C) the operating territories of Verizon North LLC | and Verizon South Inc. by (i) adding the billed (C) Monthly Charges for all such Special Transport and Circuit Mileage in each month of the Annual True-Up Period; and (ii) then dividing the number derived in (i) preceding by one (1) minus the discount percentage associated with the Assigned Discount Tier for such Discounted Rate Element.

Service availability limited. Refer to # footnote on Page 25-40.

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.7 Annual True-Up (Cont'd)

(D) Discount Tier Adjustment (Cont'd)

(2) (Cont'd)

(Step 4) Calculate the difference in the discount percentages.

For each of the Discounted Rate Element categories specified in (1) through (10) of Step 3 above, using the discount percentages set forth in 25.3.5(B) preceding, individually calculate the difference between (i) the discount percentage of the Achieved Discount Tier; and (ii) the discount percentage of the Assigned Discount Tier.

For example, if the Assigned Discount Tier for Channel Terminations under category (1) of Step 3 preceding has a discount percentage of 36% and the Achieved Discount Tier for category (1) of Step 3 preceding has a discount percentage of 35%, then the difference in the discount percentages is 1%. (D)

(Step 5) Individually calculate the dollar amount of the Discount Tier Adjustments.

For each Discounted Rate Element category specified in (1) through (10) of Step 3 above, individually calculate the dollar amount of the Discount Tier Adjustment by multiplying (i) the Non-discounted Billed Amount calculated for each Discounted Rate Element category in Step 3 above; by (ii) the difference in the discount percentage determined in Step 4 above for such Discounted Rate Element category.

Service availability limited. Refer to # footnote on Page 25-40.

25. Discount Plans (Cont’d)

25.3 National Discount Plan# (Cont’d) (T)

25.3.7 Annual True-Up (Cont’d)

(D) Discount Tier Adjustment (Cont’d)

(2) (Cont’d)

(Step 6) Calculate the total Discount Tier Adjustment for the NDP.

(1) Add the total of the Discount Tier Adjustments for the Channel Termination and multiplexer rate elements as calculated in Step 5. The resulting total is the Discount Tier Adjustment for Channel Terminations and multiplexers.

(2) Add the total of the Discount Tier Adjustments for the Channel Mileage rate elements as calculated in Step 5. The resulting total is the Discount Tier Adjustment for Channel Mileage.

(3) For NDP Customers who elected the Standard Commitment Matrix or the Premier Commitment Matrix, Discount Tier Adjustments may result in a debit adjustment or credit adjustment to the NDP Customer’s bill. The Telephone Company will apply the Discount Tier Adjustment calculated in (D)(2)(a) preceding to the BAN(s) designated by the NDP Customer under Section 25.3.2(C)(5) preceding. The Discount Tier Adjustment is not subject to late payment penalty under Section 2.4.1 preceding, except when the bill containing a debit Discount Tier Adjustment is not paid by the payment date.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.7 Annual True-Up (Cont'd)

(D) Discount Tier Adjustment (Cont'd)

(4) As an illustrative example of an adjustment to a higher Discount Tier for Channel Terminations, assume that (i) the NDP Customer is under the Premier Commitment Matrix; and (ii) the Assigned Discount Tier for Channel Terminations is Discount Tier D (120,001 to 195,000 Equivalent DS1 CTs) which provides a 36% discount for DS1 Channel Terminations; and (iii) no Discount Tier Adjustment is required for Channel Mileage because the NDP Customer's Achieved Discount Tier is the same as the Assigned Discount Tier for the Annual True-Up Period (i.e., the Telephone Company will disregard categories (7) through (10) of Step 3 in Section 25.3.7(D)(3) preceding).

(Step 1) Calculate the Monthly Average Count of Equivalent DS1 CTs in accordance with Section 25.3.7(B)(1) preceding. In this example, assume that this number is calculated as 201,000 Equivalent DS1 CTs.

(Step 2) Determine the Achieved Discount Tier in accordance with category (1) of Step 3 in Section 25.3.7(D)(2)(a) preceding. For purposes of this example, assume that Achieved Discount Tier for Channel Terminations (excluding the operating (C)
territories of Verizon North LLC and Verizon South |
Inc. is Tier E (195,001 to 275,000 which has a 37% (C)
discount). Since the Monthly Average Count of Equivalent DS1 CTs is 201,000 Equivalent DSI CTs, the corresponding Achieved Discount Tier for Channel Terminations is Tier E (195,001 to 275,000 which has a corresponding discount percentage of 37% discount).

Since the Achieved Discount Tier (Tier E) is a higher Discount Tier than the Assigned Discount Tier (Tier D), proceed with Steps 3 through 6 of Section 25.3.7(D)(2)(a) preceding.

Service availability limited. Refer to # footnote on Page 25-40.

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.7 Annual True-Up (Cont'd)

(D) Discount Tier Adjustment (Cont'd)

(4) (Cont'd)

(Step 3) Calculate the Non-Discounted Billed Amounts for each Channel Termination and multiplexer Discounted Rate Element category specified in Step 3 of Section 25.3.7(D)(2)(a) preceding.

The Non-Discounted Billed Amount for DS1 Channel Terminations (i.e., category (1) of Step 3 in Section 25.3.7(D)(2)(a) preceding), is calculated as follows: (D)

(1) For this example, assume the total billed Monthly Charges for DS1 Channel Terminations is $12,000,000. (D)

(ii) Remove the discount associated with the Assigned Discount Tier [$12,000,000 / (1 - 0.36) = $18,750,000].

The monthly Non-Discounted Billed Amount for DS1 Channel Terminations (i.e., category (1) of Step 3 in Section 25.3.7(D)(2)(a) preceding) is $18,750,000. (D)

In accordance with Step 3 of Section 25.3.7(D)(2)(a) preceding, calculate the monthly Non-Discounted Billed Amount for each of the remaining Channel Termination and multiplexer Discounted Rate Elements (categories (2) through (6) of Step 3 in Section 25.3.7(D)(2)(a) preceding).

Service availability limited. Refer to # footnote on Page 25-40.

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.7 Annual True-Up (Cont'd)

(D) Discount Tier Adjustment (Cont'd)

(4) (Cont'd)

(Step 4) Calculate the difference in the discount percentage between the Assigned Discount Tier and the Achieved Discount Tier for the Channel Termination Discounted Rate Elements (i.e., category (1) of Step 3 in Section 25.3.7(D)(2)(a) preceding). For this Discounted Rate Element category, the difference is calculated as follows: [37% Achieved Discount Tier - 36% Assigned Discount Tier = 1% difference] (D)

In accordance with Step 4 of Section 25.3.7(D)(2))a preceding, calculate the difference in the discount percentage between the Assigned Discount Tier and the Achieved Discount Tier for each of the remaining Channel Termination and multiplexer Discounted Rate Elements (i.e., categories (2) through (6) of Step 3 in Section 25.3.7(D)(2)(a) preceding).

(Step 5) Calculate the dollar amount of the Discount Tier Adjustments for the Channel Termination Discounted Rate Elements (i.e., category (1) of Step 3 in Section 25.3.7(D)(2)(a) preceding). For this Discounted Rate Element category, the dollar amount is calculated as follows [18,750,000 Non-Discounted Billed Amount from Step 3 x 1% difference in discount percentage from Step 4 = $187,500]. (D)

In accordance with Step 5 of Section 25.3.7(D)(2)(a) preceding, calculate the dollar amount for each of the remaining Channel Termination and multiplexer Discounted Rate Elements (i.e., categories (2) through (6) of Step 3 in Section 25.3.7(D)(2)(a) preceding).

Service availability limited. Refer to # footnote on Page 25-40.

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.7 Annual True-Up (Cont'd)

(D) Discount Tier Adjustment (Cont'd)

(4) (Cont'd)

(Step 5) (Cont'd)

Assume the calculations in Steps 3 through 5 preceding are done for each of the remaining Channel Termination and multiplexer Discounted Rate Elements (i.e., categories (2) through (6) of Step 3 in Section 25.3.7(D)(2)(a) preceding). Further assume the calculations yield the following Discount Tier Adjustments:

DS1 Multiplexer	$100,000	(D)
DS3 CT	$200,000	|
DS3 Multiplexer	$150,000	(D)
DS1 CT (Verizon North LLC		(C)
and Verizon South Inc.	$100,000	|
DS3 CT (Verizon North LLC		|
and Verizon South Inc.	$200,000	(C)

(Step 6) Calculate the Total Discount Tier Adjustment in accordance with Step 6 of Section 25.3.7(D)(2)(a) preceding. The total Discount Tier Adjustment for Channel Termination and multiplexer Discounted Rate Elements is equal to $937,500 [$187,500 + $100,000 + $200,000 + $150,000 + $100,000 + $200,000]. The NDP Customer would receive a credit of $937,500 on its BANs for this Discount Tier Adjustment.

(5) No change will be made to the NDP Customer's Commitment Levels, regardless of whether or not the Discount Tier was adjusted upward or downward. An NDP Customer subscribed to the Premier Commitment Matrix may qualify for the Commitment Buy-Up Bonus Option and receive a CBB Discount under Section 25.3.7(E) following.

Service availability limited. Refer to # footnote on Page 25-40.

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.7 Annual True-Up (Cont'd)

(E) Commitment Buy-Up Bonus

During an Annual True-Up, an NDP Customer that meets the following criteria may choose to exercise the Commitment Buy-Up Bonus option. The CBB Discount is provided in connection with the Annual True-Up Period, and is in addition to any other discounts provided under NDP.

(1) If the NDP Customer meets all of the requirements of (a) through (c) following, the NDP Customer is eligible to exercise the Commitment Buy-Up Bonus Option with respect to either or both Commitment Levels:

(a) the NDP Customer subscribed to the Premier Commitment Matrix during the Annual True-Up Period; and

(b) the NDP Customer has met both its CT Commitment Level and its CM Commitment Level (assuming it established both such Commitment Levels) under Section 25.3.7(B) preceding; and

(c) the actual quantity of Equivalent DS1 CTs or Equivalent DS1 CMs, as applicable, in month twelve (12) of the Annual True-Up Period is five percent (5%) or more greater than the actual quantity of Equivalent DS1 CTs or CMs, as applicable, in month one (1) of the Annual True-Up Period.

(2) If the NDP Customer elects to increase its CT Commitment Level and/or CM Commitment Level, the new Commitment Level(s) for the NDP will be set at ninety (90%) of the month 12 count of Equivalent DS1 CTs; or at ninety (90%) of the month 12 count of Equivalent DS1 CMs, as applicable. In determining the month 12 counts, the Telephone Company will include any Upgrade Adjustment or Sale Adjustment as set forth in Sections 25.3.7(H) and 25.3.10 following, respectively.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

(T)

25.3 National Discount Plan# (Cont'd)

25.3.7 Annual True-Up (Cont'd)

(E) Commitment Buy-up Option (Cont'd)

(3) Where an increase in (E)(2) above occurs, the CBB Discount shall be calculated in accordance with (E)(4) following, and such calculation shall use the Percent Increase and corresponding CBB Discount Percentage achieved by the NDP Customer in accordance with the table below:

Percent Increase	CBB Discount Percentage
Less than 5%	No Discount
5% - 9.99%	1%
10% – 14.99%	2%
15% - 19.99%	3%
20% - 24.99%	4%
25% or more	5%

(4) The CBB Discount is calculated as follows.

(Step 1) Calculate the Percent Increase and Corresponding CBB Discount Percentage

A Percent Increase will be calculated for the Equivalent DS1 CTs and a separate Percent Increase will be calculated for the Equivalent DS1 CMs.

(a) The Percent Increase for the Equivalent DS1 CTs is calculated as follows:

(1) subtract (i) the actual count of Equivalent DS1 CTs in month one (1) of the Annual True-Up Period; from (ii) the actual count of Equivalent DS1 CTs in month twelve (12) of the Annual True-Up Period; and

(2) divide the result from (a)(1) preceding by the actual count of Equivalent DS1 CTs in month one (1) of the Annual True-Up Period.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.7 Annual True-Up (Cont'd)

(E) Commitment Buy-up Option (Cont'd)

(4) (Cont'd)

(Step 1) Calculate the Percent Increase and Corresponding CBB Discount Percentage (Cont'd)

(b) The Percent Increase for the Equivalent DS1 CM is calculated as follows:

(1) subtract (i) the actual count of Equivalent DS1 CMs in month one (1) of the Annual True-Up Period; from (ii) the actual count of Equivalent DS1 CMs in month twelve (12) of the Annual True-Up Period; and

(2) divide the result from (b)(1) preceding by the actual count of Equivalent DS1 CMs in month one (1) of the Annual True-Up Period.

The applicable CBB Discount Percentage is derived from the table in Section 25.3.7(E)(3) preceding by using the Percent Increase as calculated in this Step 1. The CBB Discount Percentage is separately derived for Channel Terminations and Channel Mileage from the table in Section 25.3.7(E)(3) preceding.

For example, if the Percent Increase (as calculated in Step 1) for Equivalent DS1 CTs is 11%, and the Percent Increase for Equivalent DS1 CMs is 23%, then the corresponding CBB Discount Percentage from the table in (E)(3) preceding is 2% for Equivalent DS1 CTs and 4% for Equivalent DS1 CMs.

(Step 2) Calculate the Monthly Average Count of Equivalent DS1 CTs or Monthly Average Count of Equivalent DS1 CMs

Calculate the Monthly Average Count of Equivalent DS1 CTs in accordance with Step 1 of Section 25.3.7(B)(1) preceding and/or the Monthly Average Count of Equivalent DS1 CMs in accordance with Step 1 of Section 25.3.7(B)(1) preceding, as applicable.

Service availability limited. Refer to # footnote on Page 25-40. (N)

ACCESS SERVICE

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.7 Annual True-Up (Cont'd)

(E) Commitment Buy-up Option (Cont'd)

(4) (Cont'd)

(Step 3) Calculate the Average Monthly Rate per Equivalent DS1 CTs or Equivalent DS1 CMs

The Average Monthly Rate per Equivalent DS1 CT is calculated in accordance with Step 3 of Section 25.3.7(C)(1) preceding.

The Average Monthly Rate per Equivalent DS1 CM is calculated in accordance with Step 3 of Section 25.3.7(C)(2) preceding.

(Step 4) Calculate the Actual Increase in Equivalent DS1 CTs and Equivalent DS1 CMs

The Actual Increase in the count of Equivalent DS1 CTs or Equivalent DS1 CMs, as applicable, is calculated by subtracting (i) the number of Equivalent DS1 CTs or Equivalent DS1 CMs (as applicable) in month one (1) of the Annual True-Up Period; from (ii) the number of Equivalent DS1 CTs or Equivalent DS1 CMs (as applicable) in month twelve (12) of the Annual True-Up Period.

(Step 5) Calculate the CBB Discount

The CBB Discount is equal to the product of the following:

(a) the Average Monthly Rate per Equivalent DS1 CT or Equivalent DS1 CM, as applicable, as determined in Step 3 preceding; multiplied by

(b) the Actual Increase determined in Step 4 preceding; multiplied by

(c) the applicable CBB Discount Percentage determined in Step 1; multiplied by

(d) 12 months.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.7 Annual True-Up (Cont'd)

(E) Commitment Buy-up Option (Cont'd)

(5) As an illustrative example of the Commitment Buy-Up Bonus and the calculation of the CBB Discount for the CT Commitment Level, assume that the actual number of Equivalent DS1 CTs in month one (1) of the Annual True-Up Period was 6,046 Equivalent DS1 CTs and the actual number of Equivalent DS1 CTs in month twelve (12) of the Annual True-Up Period was 7,001.

(Step 1) Calculate the Percent Increase and corresponding CBB Discount Percentage in accordance with Step 1 of Section 25.3.7(E)(4) preceding.

In this example, the Percent Increase for Equivalent DS1 CTs is 16% [(7,001 – 6,046)/6,046]. The corresponding CBB Discount Percentage per the table in Section 25.3.7(E)(3) preceding is 3%.

(Step 2) Calculate the Monthly Average Count of Equivalent DS1 CTs in accordance with Step 2 of Section 25.3.7(E)(4) preceding. For this example, assume that the Monthly Average Count of Equivalent DS1 CTs is 6,350 Equivalent DS1 CTs.

(Step 3) Calculate the Average Monthly Rate per Equivalent DS1 CT in accordance with Step 3 of Section 25.3.7(E)(4) preceding. For this example, assume that the total charges over the Annual True-Up Period were $9,475,000 which results in an average of $124.34 per Equivalent DS1 CT. [(9,475,000 divided by 12 months) = $789,583] ($789,583 divided by 6,350 = an Average Monthly Rate of Equivalent DS1 CTs is $124.34 per Equivalent DS1 CT]

(Step 4) Determine the Actual Increase in Equivalent DS1 CTs in accordance with Step 4 of Section 25.3.7 (E)(4)preceding. In this example, the Actual Increase for Equivalent DS1 CTs is 955 Equivalent DS1 CTs (7,001 – 6046).

(Step 5) Determine the CBB Discount for the CT Commitment Level in accordance with Step 5 of Section 25.3.7(E)(4) preceding. In this example, the CBB Discount is $42,748 [955 Actual Increase x $124.34 Average Rate per Equivalent DS1 CT x 3% Percent Increase x 12 months = $42,748 CBB Discount].

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.7 Annual True-Up (Cont'd)

(F) Assign the Discount Tier(s) for the Next Plan Year

The Telephone Company will assign the Discount Tier(s) applicable to the next Plan Year (i.e., from the most recent Anniversary Date to the next successive Anniversary Date) if the Achieved Discount Tier in month twelve (12) of the Annual True-Up Period (taking into account any (i) Upgrade Adjustment, as calculated in accordance with Section 25.3.7(H) following, for any Qualifying Service(s) that has been Upgraded; and (ii) any Sale Adjustment, as calculated in accordance with Section 25.3.10 following, for any Qualifying Service(s) for the ACNA(s) included in the NDP Customer's NDP which are affected by a Telephone Company Sale) is a higher or lower Discount Tier than the Assigned Discount Tier for the Annual True-Up Period. With respect to either Channel Terminations or Channel Mileage, the new Discount Tier for the next Plan Year (i.e., the new Assigned Discount Tier) shall result in an increased or decreased discount percentage pursuant to Section 25.3.5(B) preceding. If the Achieved Discount Tier (as determined in accordance with Section 25.3.7(D) preceding) is the same as the Assigned Discount Tier for the Annual True-Up, no action will be taken.

For example, assume that the NDP Customer's Assigned Discount Tier in Plan Year 2 for Channel Mileage Discounted Rate Elements was Discount Tier B. Further assume that the NDP Customer's Achieved Discount Tier for such Channel Mileage Discounted Rate Elements in month 12 of the Annual True-Up Period was Discount Tier C. In this case, the Telephone Company will assign Discount Tier C as the Discount Tier for the next Plan Year.

\# Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.7 Annual True-Up (Cont'd)

(G) Changes to Commitment Matrix During an Annual-True-Up

(1) Permitted Changes

If the NDP Customer has selected the Standard Commitment Matrix at the beginning of the Initial Term or the Renewal Term, as applicable, the NDP Customer may, at its option, change its Commitment Matrix selection to either the Deluxe Commitment Matrix or the Premier Commitment Matrix at an Annual True-Up. If the NDP Customer has selected the Deluxe Commitment Matrix at the beginning of the Initial Term or the Renewal Term, as applicable, the NDP Customer may, at its option, change its Commitment Matrix selection to the Premier Commitment Matrix at an Annual True-Up. Such request must be in writing and made no later than thirty (30) calendar days prior to the Anniversary Date of the NDP Customer's NDP. The Telephone Company will set the new Commitment Levels based on the Commitment Matrix selected in accordance with Section 25.3.4(C) preceding. Such new Commitment Levels shall apply on a going forward basis for the balance of the Initial Term or Renewal Term, as applicable.

(2) Prohibited Changes

If the NDP Customer has selected the Premier Commitment Matrix at the beginning of the Initial Term or the Renewal Term, as applicable, the NDP Customer may not change such Commitment Matrix during the Initial Term, or during a Renewal Term, as applicable, including during an Annual True-Up. If the NDP Customer has selected the Deluxe Commitment Matrix at the beginning of the Initial Term or the Renewal Term, as applicable, the NDP Customer may not change such Commitment Matrix to the Standard Commitment Matrix during the Initial Term, or during a Renewal Term, as applicable, including during an Annual True-Up.

(3) Certain Other Changes to the Commitment Matrix

As described further in Section 25.3.14 following, at the end of the Initial Term or any Renewal Term, as applicable, an NDP Customer that renews its NDP is permitted to pick a different Commitment Matrix for the Renewal Term, so long as the NDP Customer does not also concurrently select the Renewal Benefit Option.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.7 Annual True-Up (Cont'd)

(H) Upgrades

(1) For customers who subscribe to NDP on or after December 2, 2010, or renew their subscription to NDP on or after December 2, 2010, the NDP customer may disconnect a Qualifying Service in order to replace such Qualifying Service with a Replacing Service pursuant to Section 2.9 preceding.

For customers who subscribed to an NDP prior to December 2, 2010, this Section 25.3.7(H) includes replacements of Qualifying Services with Telephone Company provided Ethernet private line service or a Telephone Company provided switched Ethernet service. However, the customer may, at its option, replace a Qualifying Service with a Replacing Service pursuant to Section 2.9 preceding in lieu of this Section 25.3.7(H).

(2) During the Term of the NDP, an NDP Customer may Upgrade a Qualifying Service to a service that is (a) a Qualifying Service of a higher capacity/bandwidth (e.g., an Upgrade of a Special Access DS3 Service to an IEF Service); or (b) a non-Qualifying Service of a higher bandwidth/capacity (e.g., an Upgrade of a Special Access DS3 Service to a Telephone Company provided optical service of a greater bandwidth). An Upgrade under (a) above shall result in no change to the NDP Customer's NDP.

(3) Except as otherwise specified in Sections 2.9.5 and 2.9.6 preceding for a Technology Migration, an Upgrade must meet all of the following conditions:

(a) Both the Qualifying Service being Upgraded (the existing service) and the replacing Qualifying Service or non-Qualifying Service, as applicable, (the new service), must be provided solely by the Telephone Company;

(b) at least one of the terminating locations of the new service must be the same location as one of the terminating locations of the existing service; and

(c) the total bandwidth or capacity of the new service must be equal to or greater than the total bandwidth or capacity of the existing service; and

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont’d)

25.3 National Discount Plan# (Cont’d) (T)

25.3.7 Annual True-Up (Cont’d)

(H) Upgrades (Cont'd)

(3) (Cont'd)

(d) the NDP Customer must submit order(s) for the disconnect of the existing service and the installation of the new service, such that the installation date of the new service is within ninety (90) days of the disconnection of the existing service. The orders must be related by related purchase order number (RPON); and

(e) The commitment period for the new service must be at least five (5) years, except where a commitment period of at five (5) years or longer is not available, in which case the longest available commitment period must be selected; and

(f) At each next Annual True-Up following the Upgrade, the new service must be installed and still in-service to be eligible for an Upgrade Adjustment as set forth in (H)(3) following.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.7 Annual True-Up (Cont'd)

(H) Upgrades (Cont'd)

(3) (Cont'd)

(g) No later than thirty (30) days prior to the Anniversary Date of the NDP, the NDP Customer must provide the Telephone Company with a list of the existing services (as defined in (H)(2)(a) above) that were Upgraded to non-Qualifying Services (as defined in (H)(2)(a) above) during the Annual True-Up Period. The list must be in writing and must contain the following information:

(i) the circuit identification number for each existing service; and
(ii) the circuit identification number for each new service; and
(iii) the RPONs associated with the Upgrades.

(4) With the exception of an Upgrade involving a Technology Migration pursuant to Section 2.9 preceding, when a Qualifying Service is Upgraded to a non-Qualifying Service, the Telephone Company will calculate the Upgrade Adjustment (i.e., an adjusted number of Equivalent DS1 CTs for the Qualifying Services that were Upgraded (in accordance with (a) following), and an adjusted number of Equivalent DS1 CMs for the Qualifying Services that were Upgraded (in accordance with (b) following). The Telephone Company shall use such Upgrade Adjustments in (i) the calculation of Step 2 of the Monthly Average Count of Equivalent DS1 CTs and the Monthly Average Count of Equivalent DS1 CMs, respectively, as set forth in Section 25.3.7(B)(1) preceding; (ii) Section 25.3.7(F) for assigning Discount Tiers for the next Plan Year; and (iii) Section 25.3.7(E) to set the new Commitment Level(s) when the NDP Customer elects the Commitment Buy-Up Option.

(a) The Upgrade Adjustment of Equivalent DS1 CTs is calculated as follows.

(1) Using the table in Section 25.3.4(A)(1) preceding, determine the number of Equivalent DS1 CTs associated with the Qualifying Service(s) that were Upgraded to a non-Qualifying Service as calculated in accordance with Section 25.3.4(A).

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.7 Annual True-Up (Cont'd)

(H) Upgrades (Cont'd)

(4) (Cont'd)

(a) (Cont'd)

(2) Determine the number of whole calendar months remaining in the Annual True-Up Period following the month in which the Upgrade occurred through the end of the Annual True-Up Period. For example, if the Upgrade occurred in June, and the Annual True-Up Period ended in November, then the number of whole months remaining in the Annual True-Up Period was five (5) months; and

(3) Determine the Upgrade Adjustment of Equivalent DS1 CTs by multiplying (a) the result of (1) above; by (b) the result of (2) above. The Telephone Company shall use such Upgrade Adjustments in the calculation of Step 2 of the Monthly Average Count of Equivalent DS1 CTs, as set forth in Section 25.3.7(B)(1) preceding.

As an example, assume the NDP Customer Upgraded two (2) Special Access DS3 Services to a Telephone Company provided optical Service in the seventh (7^{th}) month of the Annual True-Up Period. The Upgrade Adjustment of Equivalent DS1 CTs is calculated as follows:

(1) multiply the number of DS3 level Qualifying Services that were Upgraded by the corresponding DS1 CT Multiplier. [2 Special Access DS3 Services x 28 =56 Equivalent DS1 CTs]

(2) five (5) months remain in the Annual True-Up Period. [the Upgrade occurred in the 7th month of the Annual True-Up Period which is period of twelve(12) months]

(3) the Upgrade Adjustment used in the calculation set forth in Step 2(i) of Section 25.3.7(B)(1) preceding would be 280 Equivalent DS1s. [56 Equivalent DS1 CTs upgraded in (i) above multiplied by 5 months as determined in (2) above]. This number shall be used in Step 2(i) of the calculation of Monthly Average DS1 CTs as set forth in Section 25.3.7(B)(1) preceding.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.7 Annual True-Up (Cont'd)

(H) Upgrades (Cont'd)

(4) (Cont'd)

(b) The Upgrade Adjustment of Equivalent DS1 CMs is calculated in the same manner as the Upgrade Adjustment of Equivalent DS1 CTs specified in (H)(3)(a) preceding, except that such calculations shall use Equivalent DS1 CMs and DS1 CM multipliers. This number shall be used in Step 2(i) of the calculation of Monthly Average DS1 CMs as set forth in Section 25.3.7(B)(1) preceding.

25.3.8 Minimum Period

The minimum period, as set forth in Section 5.2.5 preceding, for any service associated with a Discounted Rate Element provided under the NDP is one year from the date that such service is installed. Minimum period charges, as calculated in Section 5.2.6 preceding, will be assessed if the NDP Customer does not maintain the service with Discounted Rate Elements under Section 25.3.5 preceding for at least the one year minimum period.

As an illustrative example, assume that the NDP Customer establishes a Special Access DS1 Service under a TPP on January 1, 2001. On June 1, 2007, the NDP Customer establishes the NDP. On November 1, 2007, the NDP Customer disconnects that Special Access DS1 Service that was originally installed on January 1, 2001. Since the service was installed on January 1, 2001, and the disconnection date was November 1, 2007, the minimum period under the NDP of one year has been met. Therefore, the NDP Customer is not required to pay any minimum period charges.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.9 Changes to Basic Service and/or Base Rates

The Basic Service or Base Rates to which the discount percentages are applied under the NDP are subject to change. An increase in the Basic Service rate (used with Special Access DS1 Service only) or Base Rate (used with Special Access DS3 Service only) will result in an increase to the rates under the NDP for the applicable Special Access DS1 Service and Special Access DS3 Services. A decrease in the Basic Service rate or Base Rate will result in a decrease to the rates under the NDP for the applicable Qualifying Service.

25.3.10 Sale of a Telephone Company Operating Territory

(A) In the event of a Telephone Company Sale during a Plan Year, the following applies:

(1) The Telephone Company will determine and record the actual number of Equivalent DS1 CTs and the actual number of Equivalent DS1 CMs affected by the Telephone Company Sale; and

(2) If a Telephone Company Sale occurs during the Initial Term, or a Renewal Term, the Telephone Company will calculate the Sale Adjustment (i.e., an adjusted amount of Equivalent DS1 CTs which are no longer provided to the NDP Customer as a result of the Telephone Company Sale, and/or an adjusted amount of Equivalent DS1 CMs which are no longer provided to the NDP Customer as a result of the Telephone Company Sale, as applicable). The Telephone Company shall use both of such Sale Adjustments in the Annual True-Up for the balance of the Initial Term or the Renewal Term, as applicable. Specifically, during the Annual True-Up, the Telephone Company shall use both of such Sale Adjustments in (i) the calculation of Step 2(ii) of the Monthly Average Count of Equivalent DS1 CTs and the Monthly Average Count of Equivalent DS1 CMs, respectively, as set forth in Section 25.3.7(B)(1) preceding, either during the Initial Term or the Renewal Term; (ii) Section 25.3.7(F) preceding for assigning Discount Tiers for the next Plan Year; and (iii) Section 25.3.7(E) preceding to set the new Commitment Level(s) when the NDP Customer elects the Commitment Buy-Up Option.

\# Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.10 Sale of a Telephone Company Operating Territory (Cont'd)

(A) (Cont'd)

(2) (Cont'd)

(a) When calculating the Monthly Average Count of Equivalent DS1 CTs under Section 25.3.7(B)(1) preceding, the Telephone Company will calculate the Sale Adjustment of Equivalent DS1 CTs (as used in Step 2(ii) of Section 25.3.7(B)(1) preceding) for each Qualifying Service included in the Telephone Company Sale.

The Sale Adjustment of Equivalent DS1 CTs is calculated as follows:

(i) Using the table in Section 25.3.4(A)(1) preceding, determine the number of Equivalent DS1 CTs associated with the Qualifying Service(s) that were sold as calculated in accordance with Section 25.3.4(A)(1) preceding.

(ii) Determine the number of whole calendar months remaining in the Annual True-Up Period following the month in which the Telephone Company Sale occurred through the end of the Annual True-Up Period. For example, if the Telephone Company Sale occurred in April, and the Annual True-Up Period ended in August, then the number of whole months remaining in the Annual True-Up Period was four (4) months; and

(iii) Determine the Sale Adjustment of Equivalent DS1 CTs by multiplying (a) the result of (i) above; by (b) the result of (ii) above. The Telephone Company shall use such Sale Adjustment(s) in the calculation of Step 2(ii) of the Monthly Average Count of Equivalent DS1 CTs as set forth in Section 25.3.7(B)(1) preceding.

(b) The Sale Adjustment of Equivalent DS1 CMs is calculated in the same manner as the Sale Adjustment of Equivalent DS1 CTs is calculated in (a) above, except that such calculations shall use Equivalent DS1 CMs and DS1 CM Multipliers instead of Equivalent DS1 CTs and DS1 CT Multipliers.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.11 Addition of an ACNA(s) to an Existing NDP

(A) One of the following two (2) options must be chosen by the NDP Customer when adding one or more ACNA(s) to its NDP:

(1) If an NDP Customer adds one or more ACNA(s) to its NDP (as permitted under Section 25.3.1(C) and (D) preceding), and such ACNA(s) is/are not already included in a different NDP, then, at its option, the NDP Customer may include such ACNA(s) in its NDP in accordance with the terms of Section 25.3.11(B)(1) following; or

(2) If an NDP Customer adds one or more ACNA(s) to its NDP (as permitted under Section 25.3.1(C) and (D) preceding), and such ACNA(s) is/are already included in another NDP, then the NDP Customer must include such ACNA(s) in its NDP in accordance with the terms of Section 25.3.11(B)(2) following.

The terms of Section 25.3.1(C) preceding apply in addition to any requirements set forth herein.

(B) No later than thirty (30) calendar days prior to each Anniversary Date of the NDP, the NDP Customer must provide the Telephone Company with a list of any ACNAs that the NDP Customer added (as defined in (A) above) during the Annual True-Up Period. Whether or not the acquired ACNA(s) is/are already included in an NDP shall determine whether (i) the NDP Customer's NDP is augmented to include such acquired ACNA(s); (ii) the NDP Customer's NDP is combined with the NDP associated with the acquired ACNA(s); or (iii) a new NDP is established that includes the NDP Customer's existing ACNA(s) and the added ACNAs.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

(T)

25.3 National Discount Plan# (Cont'd)

25.3.11 Addition of an ACNA(s) to an Existing NDP (Cont'd)

(B) (Cont'd)

(1) Augment of Existing NDP to Include the Added ACNA(s)

Where an NDP Customer seeks to add one or more ACNA(s) to its NDP in accordance with Section 25.3.11(A)(1) preceding (i.e., such ACNA(s) is/are not already included in another NDP), the NDP Customer's NDP shall be augmented to include the quantities of the Qualifying Services of such added ACNAs.

(a) At the next Annual True-Up following the effective date of the NDP Customer acquiring the additional ACNA(s), the Telephone Company will complete Steps (A)(1) through (A)(5) of the Annual True-Up as described in Section 25.3.7(A) preceding as if the NDP Customer had not acquired the additional ACNA(s).

(b) Upon completion of Section 25.3.7(A)(1) through (A)(5) preceding, and in accordance with Section 25.3.1(C) or (D) preceding, the acquired ACNA(s) will be added to the NDP and all of the following shall occur:

(1) Adjust Commitment Levels

The Telephone Company will adjust Commitment Levels of the NDP to include the Qualifying Services of the acquired ACNA(s) as follows:

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.11 Addition of an ACNA(s) to an Existing NDP (Cont'd)

(B) (Cont'd)

(1) Augment of Existing NDP to Include the Added ACNA(s) (Cont'd)

(b) (Cont'd)

(1) Adjust Commitment Levels (Cont'd)

(Step 1) Using the table in Section 25.3.4(A)(1) preceding, and the actual quantities of Channel Terminations for the acquired ACNA(s) in month twelve (12) of the Annual True-Up Period (even though such Channel Terminations of the acquired ACNA(s) were not used in the Annual True-Up), determine the number of Equivalent DS1 CTs associated with the Qualifying Service(s) of the acquired ACNA(s) by multiplying (a) the level for the Qualifying Service (e.g., DS3 level); by (b) the DS1 CT multiplier using the table set forth in Section 25.3.4(A)(1) preceding.

The Telephone Company will determine the number of Equivalent DS1 CMs for the acquired ACNA(s) in the same manner as the number of Equivalent DS1 CTs was developed in the preceding paragraph.

(Step 2) The Telephone Company will calculate a CT Commitment Level for the acquired ACNA(s) by multiplying the result in Step 1 above by eighty-five percent (85%) if the NDP Customer has the Standard Commitment Matrix, by ninety percent (90%) if the NDP Customer has the Premier Commitment Matrix, or by ninety-two percent (92%) if the NDP Customer has the Deluxe Commitment Matrix.

The Telephone Company will develop a CM Commitment Level for the acquired ACNA(s) in the same manner as the CT Commitment Level was developed in the preceding paragraph.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.11 Addition of an ACNA(s) to an Existing NDP (Cont'd)

(B) (Cont'd)

(1) Augment of Existing NDP to Include the Added ACNA(s) (Cont'd)

(b) (Cont'd)

(1) Adjust Commitment Levels (Cont'd)

(Step 3) The Telephone Company will add the CT Commitment Level for the acquired ACNA(s) determined in Step 2 above to the CT Commitment Level for the NDP (which such CT Commitment Level may have already been revised in accordance with Section 25.3.7(B) or Section 25.3.7(E) preceding, of the Annual True-Up), the result of which will be the adjusted CT Commitment Level for the remainder of the Term unless otherwise adjusted in this Section 25.3. Any prior CT Commitment level established under Section 25.3.7(B) or Section 25.3.7(E) preceding is expressly superseded by the CT Commitment Level established under this Step 3.

The Telephone Company will add the CM Commitment Level for the acquired ACNA(s) determined in Step 2 above to the CM Commitment Level for the NDP, the result of which will be the adjusted CM Commitment Level for the remainder of the Term unless otherwise adjusted in this Section 25.3. Any prior CM Commitment level established under Section 25.3.7(B) or Section 25.3.7(E) preceding is expressly superseded by the CM Commitment Level established under this Step 3.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont’d)

25.3 National Discount Plan# (Cont’d) (T)

25.3.11 Addition of an ACNA(s) to an Existing NDP (Cont’d)

(B) (Cont’d)

(1) Augment of Existing NDP to Include the Added ACNA(s) (Cont’d)

(b) (Cont’d)

(1) Adjust Commitment Levels (Cont’d)

As an example, assume the NDP Customer’s CT Commitment Level is 10,000 Equivalent DS1 CTs. Further assume that the NDP Customer acquired one ACNA with Qualifying Services in month twelve (12) of the Annual True-Up Period in the following quantities (a) nine (9) Special Access DS3 Services; and (b) two thousand (2000) Special Access DS1 Services. The adjustment to the CT Commitment Level is calculated as:

(Step 1) determine the quantity of Equivalent DS1 CTs for the acquired ACNA(s) by multiplying

(i) the number of DS3 level Qualifying Services for the acquired ACNA(s); by

(ii) the corresponding DS3 CT Multiplier [9 Special Access DS3 Services x 28 =252 Equivalent DS1 CTs].

(iii) Then, multiply the number of DS1 level Qualifying Services for the acquired ACNA(s); by

(iv) the corresponding DS1 CT Multiplier [2000 Special Access DS1 Services x 1 = 2000 Equivalent DS1 CTs].

(v) add the result of (ii) and (iv) above [252 for DS3 Level + 2000 for DS1 Level = 2252 Equivalent DS1 CTs].

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.11 Addition of an ACNA(s) to an Existing NDP (Cont'd)

(B) (Cont'd)

(1) Augment of Existing NDP to Include the Added ACNA(s) (Cont'd)

(b) (Cont'd)

(1) Adjust Commitment Levels (Cont'd)

Example (Cont'd)

(Step 2) Calculate the increase to the CT Commitment Level by multiplying the result in Step 1 above by eighty-five percent (85%) for the Standard Commitment Matrix, by ninety percent (90%) for the Premier Commitment Matrix, or by ninety-two percent (92%) for the Deluxe Commitment Matrix. In this example, assume the NDP Customer has Premier Commitment Matrix [2252 Equivalent DS1 CTs for the acquired ACNA x 90% Commitment for Premier Commitment Matrix = 2027 Equivalent DS1 CTs (i.e., the Commitment Level for the acquired ACNA)].

(Step 3) Add the CT Commitment Level for the acquired ACNA determined in Step 2 above to the CT Commitment Level for the remaining portion of the NDP (which such CT Commitment Level may have already been revised in accordance with Section 25.3.7(B) and Section 25.3.7(E) preceding, of the Annual True-Up) (assumed to be 10,000 Equivalent DS1 CTs in this example) to determine the revised CT Commitment Level for the remainder of the Term unless otherwise changed in this Section 25.3. [10,000 Equivalent DS1 CTs for the existing CT Commitment Level + 2027 Equivalent DS1 CTs for the CT Commitment Level of the acquired ACNAs = a revised CT Commitment Level for the NDP of 12,027 Equivalent DS1 CTs]. Any prior CT Commitment level established under Section 25.3.7(B) and Section 25.3.7(E) preceding is expressly superseded by the CT Commitment Level established under this Step 3.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.11 Addition of an ACNA(s) to an Existing NDP (Cont'd)

(B) (Cont'd)

(1) Augment of Existing NDP to Include the Added ACNA(s) (Cont'd)

(b) (Cont'd)

(1) Adjust Commitment Levels (Cont'd)

Example (Cont'd)

(Step 3) (Cont'd)

A revised CM Commitment Level for the NDP would be calculated in the same manner as the revised CT Commitment Level for the NDP was calculated, except that such calculations shall use quantities of Equivalent DS1 CMs and the DS1 CM Multiplier. Any prior CM Commitment level established under Section 25.3.7(B) or Section 25.3.7(E) preceding is expressly superseded by the CM Commitment Level established under this Step 3.

(2) Assign the Discount Tiers for the Next Plan Year

Using the combined quantities for the Qualifying Services of the existing ACNAs and the acquired ACNAs in month twelve (12) of the Annual True-Up Period, the Telephone Company will assign the Discount Tiers applicable to the next Plan Year in accordance with Section 25.3.7(F) preceding.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.11 Addition of an ACNA(s) to an Existing NDP (Cont'd)

(B) (Cont'd)

(2) Combine NDPs

(a) Where an NDP Customer seeks to add one or more ACNA(s) to its NDP in accordance with Section 25.3.11(A)(2) preceding (i.e., such ACNA(s) is/are already included in another NDP), the NDP Customer who wishes to add the ACNA(s) to its NDP has the following options to combine the NDPs involved:

(1) Surviving NDP Option

Combine the NDP for the existing ACNA(s) with the NDP of the added ACNA(s) into a Surviving NDP as set forth in (B)(2)(b) following; or

(2) New NDP Option

Establish a new NDP that combines the existing ACNA(s) and the acquired ACNA(s) as set forth in (B)(2)(c) following.

(b) Surviving NDP Option

This option combines the NDP of the existing ACNAs (Plan A) with the NDP of the acquired ACNAs (Plan B). The Telephone Company will determine whether Plan A or Plan B has the greatest Monthly Charges in the month before the NDPs are combined, and such NDP will be deemed the Surviving NDP. The Surviving NDP shall be augmented to add the acquired ACNAs to the ACNAs of the Surviving NDP.

(1) At the next scheduled Annual True-Up for the Surviving NDP following the effective date of the NDP Customer acquiring the ACNA(s), the Telephone Company will complete Steps (A)(1) through (A)(5) of the Annual True-Up as described in Section 25.3.7(A) preceding for Plan A and separately complete Steps (A)(1) through (A)(5) of the Annual True-Up as described in Section 25.3.7(A) preceding for Plan B. Each Annual True-Up will be conducted as if the NDPs had not been combined. The Telephone Company will conduct the Final True-Up for the non-Surviving NDP using the number of months available at the time the Final True-Up is conducted. The non-Surviving NDP shall be cancelled upon completion of such Final True-Up. Termination liability under Section 25.3.13 following will not apply to such cancellation.

\# Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.11 Addition of an ACNA(s) to an Existing NDP (Cont'd)

(B) (Cont'd)

(2) Combine NDPs (Cont'd)

(b) Surviving NDP Option (Cont'd)

(2) Once the Annual True-Ups under (B)(2)(b)(1) preceding are complete, and in accordance with Section 25.3.1(C) preceding, the ACNAs, Qualifying Services and Commitment Levels of the non-Surviving NDP will be added to the ACNAs, Qualifying Services and Commitment Levels of the Surviving NDP as follows:

(a) If the Surviving NDP used a Standard Commitment Matrix, the Standard Commitment Matrix will continue to apply to the combined plan. If the Surviving NDP used a Premier Commitment Matrix, the Premier Commitment Matrix will continue to apply to the combined plan; and

(b) Commitment Levels and Discount Tiers will be adjusted as follows; and

(i) Adjust Commitment Levels

The Telephone Company will adjust Commitment Levels of the Surviving NDP to include the Qualifying Services of the non-Surviving NDP as follows:

(Step 1) Using the table in Section 25.3.4(A)(1) preceding, and the actual quantities of Channel Terminations for the month prior to conducting the Final True-Up for the non-Surviving NDP, determine the number of Equivalent DS1 CTs associated with the Qualifying Service(s) of the acquired ACNA(s) by multiplying (a) the level for the Qualifying Service (e.g., DS3 level); by (b) the DS1 CT multiplier in accordance with the table in Section 25.3.4(A)(1) preceding.

The Telephone Company will determine the number of Equivalent DS1 CMs for the acquired ACNA(s) in the same manner as the number of Equivalent DS1 CTs was developed in the preceding paragraph in accordance with the table in Section 25.3.4(A)(2) preceding.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.11 Addition of an ACNA(s) to an Existing NDP (Cont'd)

(B) (Cont'd)

(2) Combine NDPs (Cont'd)

(b) Surviving NDP Option (Cont'd)

(2) (Cont'd)

(b) (Cont'd)

(i) Adjust Commitment Levels (Cont'd)

(Step 2) The Telephone Company will develop a CT Commitment Level for the acquired ACNA(s) of the non-Surviving NDP by multiplying the result in Step 1 above by eighty-five percent (85%) if the Surviving NDP uses the Standard Commitment Matrix, by ninety percent (90%) if the Surviving NDP uses the Premier Commitment Matrix or by ninety-two percent (92%) if the Surviving NDP uses the Deluxe Commitment Matrix.

The Telephone Company will develop a CM Commitment Level for the acquired ACNA(s) of the non-Surviving NDP in the same manner as the CT Commitment Level was developed in the preceding paragraph.

(Step 3) The Telephone Company will add the CT Commitment Level for the acquired ACNA(s) determined in Step 2 above to the CT Commitment Level for the remaining portion of the Surviving NDP, the result of which will be the adjusted CT Commitment Level for the remainder of the Term unless otherwise adjusted in this Section 25.3.

The Telephone Company will add the CM Commitment Level for the acquired ACNA(s) determined in Step 2 above to the CM Commitment Level for the remaining portion of the Surviving NDP, the result of which will be the adjusted CM Commitment Level for the remainder of the Term unless otherwise adjusted in this Section 25.3.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.11 Addition of an ACNA(s) to an Existing NDP (Cont'd)

(B) (Cont'd)

(2) Combine NDPs (Cont'd)

(b) Surviving NDP Option (Cont'd)

(2) (Cont'd)

(b) (Cont'd)

(ii) The Plan Year for the Surviving NDP is the next scheduled Plan Year for that NDP prior to combining plans. For example, if the Surviving NDP was in Plan Year 2 prior to the NDPs being combined, the Surviving NDP will be in Plan Year 3 after the NDPs are combined.

(c) Assign Discount Tiers for the Next Plan Year

Using the combined quantities for the Qualifying Services of the existing ACNAs and the acquired ACNAs in month twelve (12) of the Annual True-Up Period, the Telephone Company will assign the Discount Tier applicable to the Surviving NDP for the next Plan Year in accordance with Section 25.3.7(F) preceding.

(c) New NDP Option

This option combines the NDP of the existing ACNAs (Plan A) with the NDP of the acquired ACNAs (Plan B) into a new NDP (Plan C) that includes the ACNAs of Plan A and Plan B.

(1) At the first Annual True-Up for either Plan A or Plan B following the effective date of the NDP Customer acquiring the ACNA(s), the Telephone Company will complete Steps (A)(1) through (A)(5) of the Annual True-Up as described in Section 25.3.7(A) preceding for Plan A and separately complete Steps (A)(1) through (A)(5) of the Annual True-Up as described in Section 25.3.7(A) preceding for Plan B. Each Annual True-Up will be conducted as if the NDPs had not been combined. The Telephone Company will conduct a Final True-Up on Plan A, and a separate Final True-Up on Plan B using the number of months available at the time the Final True-Up is conducted. Upon completion of the Final True-Up for each plan, Plan A and Plan B shall both be cancelled without the application of termination liability under Section 25.3.13 following.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.11 Addition of an ACNA(s) to an Existing NDP (Cont'd)

(B) (Cont'd)

(2) Combine NDPs (Cont'd)

(c) New NDP Option (Cont'd)

(2) The new NDP shall be established using the quantities of Qualifying Services for the ACNAs of Plan A and Plan B as determined in the Final True-Up for each plan, and shall be established and maintained in accordance with the requirements of this Section 25.3.

25.3.12 Removal of an ACNA(s) as a Result of a Customer Sale

(A) A Customer Sale is the consummation of a sale, divestiture, spin-off, or other transaction which results in the NDP Customer no longer having any (i.e., 0%) control (including any stock or assets) in a Person that is (at the time of the Customer Sale) included within the NDP Customer's NDP. As used in this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership or voting securities, by contract or otherwise.

(1) When an NDP Customer is subject to a Customer Sale, and seeks to remove one or more ACNA(s) from its NDP, the terms of Section (A)(2) following shall apply, and the Telephone Company shall automatically at the next Annual True-Up modify the existing NDP by removing the affected ACNAs and the Qualifying Services associated with the affected ACNA(s). No later than thirty (30) calendar days prior to the Anniversary Date, the NDP Customer must provide a written notice with supporting documentation that describes the Customer Sale, and the ACNAs impacted by such Customer Sale.

If the NDP Customer sells, divests, spins off, or otherwise reduces its control (including any stock or assets) in a Person that is (at the time of the applicable sale transaction) included within the NDP Customer's NDP, but the NDP Customer still retains some control (i.e., greater than 0%) in the affected Person(s), then all of the ACNA(s) of such Person(s) shall continue to be included in the NDP Customer's NDP, in accordance with the terms of Section 25.3.1(C) or (D) preceding. As used in this paragraph, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership or voting securities, by contract or otherwise.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.12 Removal of an ACNA(s) as a Result of a Customer Sale (Cont'd)

(A) (Cont'd)

(2) If the NDP Customer has removed an ACNA(s), the Telephone Company shall take the following actions:

(a) At the next Annual True-Up following the effective date of removal of the ACNA(s), the Telephone Company will complete Steps (A)(1) through (A)(5) of the Annual True-Up as described in Section 25.3.7(A) preceding as if the ACNA(s) has not been removed.

(b) Once the Annual True-Up under (2)(a) preceding is complete, the Telephone Company will modify the NDP as follows:

(i) Reduce Commitment Levels

The CT Commitment Level and CM Commitment Level will be reduced by (i) eighty-five percent (85%) of Equivalent DS1 CTs or Equivalent DS1 CMs, as applicable, in month twelve (12) of the Annual True-Up that were associated with the removed ACNA(s) if the NDP uses Standard Commitment Matrix; (ii) ninety percent (90%) of Equivalent DS1 CTs or Equivalent DS1 CMs, as applicable, in month twelve (12) of the Annual True-Up that were associated with the removed ACNA(s) if the NDP uses Premier Commitment Matrix; or (iii) ninety-two percent (92%) of Equivalent DS1 CTs or Equivalent DS1 CMs, as applicable, in month twelve (12) of the Annual True-Up that were associated with the removed ACNA(s) if the NDP uses Deluxe Commitment Matrix as follows:

(Step 1) Using the table in Section 25.3.4(A)(1) preceding, determine the number of Equivalent DS1 CTs associated with the Qualifying Service(s) of the Customer Sale as calculated in accordance with Section 25.3.4(A) preceding.

The Telephone Company will determine the number of Equivalent DS1 CMs for the removed ACNA(s) in the same manner as the number of Equivalent DS1 CTs was developed in the preceding paragraph.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.12 Removal of an ACNA(s) as a Result of a Customer Sale (Cont'd)

(A) (Cont'd)

(2) (Cont'd)

(b) (Cont'd)

(Step 2) The Telephone Company will develop a CT Commitment Level for the removed ACNA(s) by multiplying the result in Step 1 above by eighty-five percent (85%) if the NDP uses the Standard Commitment Matrix, by ninety percent (90%) if the NDP uses the Premier Commitment Matrix, or by ninety-two percent (92%) if the NDP uses the Deluxe Commitment Matrix.

The Telephone Company will develop a CM Commitment Level for the removed ACNA(s) of the NDP in the same manner as the CT Commitment Level was developed in the preceding paragraph.

(Step 3) The Telephone Company will subtract the CT Commitment Level for the removed ACNA(s) determined in Step 2 above from the CT Commitment Level for the remaining portion of the NDP, the result of which will be the adjusted CT Commitment Level for the remainder of the Initial Term or Renewal term, as applicable, unless otherwise adjusted in this Section 25.3.

The Telephone Company will subtract the CM Commitment Level for the removed ACNA(s) determined in Step 2 above from the CM Commitment Level of the Initial Term or Renewal term, as applicable, the result of which will be the adjusted CM Commitment Level for the remainder of the Term unless otherwise adjusted in this Section 25.3.

\# Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.12 Removal of an ACNA(s) as a Result of a Customer Sale (Cont'd)

(A) (Cont'd)

(2) (Cont'd)

(c) Assign Discount Tiers for the Next Plan Year

Using the reduced quantities for the Qualifying Services of the remaining ACNAs in month twelve (12) of the Annual True-Up Period, the Telephone Company will assign the Discount Tier applicable to the NDP for the next Plan Year in accordance with Section 25.3.7(F) preceding.

(d) Termination Liability under Section 25.3.13 following will not apply for removal of the Qualifying Services from the NDP that are affected by the removal of an ACNA.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.13 Termination Liability

(A) If the NDP is terminated prior to the end of the Initial Term or during the Renewal Term (subject to certain conditions as described in Section 25.3.14 following), termination liability applies to all Qualifying Services.

(B) The termination liability charge applies in addition to any applicable minimum period charges as set forth in Section 25.3.8 preceding.

(C) The applicable termination liability during the Initial Term or Renewal Term, as applicable, as set forth below shall be based on the Plan Year in which the NDP Customer terminates the NDP.

Plan Year	Termination Liability
1	100% of the monthly recurring charges for all Discounted Rate Elements for the remainder of Plan Year 1 and 50% of the monthly charges for the remaining 4 years.
2	50% of the monthly recurring charges for all Discounted Rate Elements for the remainder of Plan Year 2 and 50% of the monthly charges for the remaining 3 years.
3	25% of the monthly recurring charges for all Discounted Rate Elements for the remainder of Plan Year 3 and 25% of the monthly charges for the remaining 2 years.
4	15% of the monthly recurring charges for all Discounted Rate Elements for the remainder of Plan Year 4 and 15% of the monthly charges for the remaining year. If the NDP Customer has selected the Renewal Benefit Option as described in Section 25.3.14(C) following, termination liability during Plan Year 4 does not apply after month 42 of the Renewal Term.
5	10% of the monthly recurring charges for all Discounted Rate Elements for the remainder of Plan Year 5. If the NDP Customer has elected the Renewal Benefit Option as described in Section 25.3.14(C) following, termination liability during Plan Year 5 does not apply during the Renewal Term.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.14 Renewal and Termination of NDP

(A) Description

No later than sixty (60) calendar days prior to expiration of the Initial Term or Renewal Term, as applicable, of the NDP, the NDP Customer must provide the Telephone Company with written notice of its election of one of the following options.

(D)
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|
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(D)

(1) subscribe the Qualifying Services of the expiring NDP to any then effective discount plan, term plan or Contract Tariff Option for which the NDP Customer is eligible; or (T)

(2) continue with service on a month-to-month basis without any discount or term plan; or (T)

(3) discontinue service for all Qualifying Services without the application of termination liability as set forth in Section 25.3.13 preceding. (T)

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.14 Renewal and Termination of NDP (Cont'd)

(B) Renewal

Effective May 30, 2019, NDP may no longer be renewed. (N)

(D)

(D)

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

(D)

(D)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.14 Renewal and Termination of NDP (Cont'd)

(D)
(D)

(C) Renewal Benefit Option

(1) Effective May 30, 2019, customers may no longer renew NDP. This Section 25.3.14(C) applies only to Renewal Benefit Options selected prior to May 30, 2019. (C)

(2) When the Renewal Benefit Option is selected, termination liability under Section 25.3.13 preceding is only applicable for the first forty-two (42) months of the Renewal Term. Termination Liability is not applicable in month forty-three (43) through month sixty (60) of the Renewal Term (Renewal Benefit Period).

For example, assume the NDP Customer renews its NDP on November 1, 2012. In this case, the Renewal Term begins November 1, 2012 and ends October 31, 2017. If the NDP Customer were to terminate its NDP at any time after May 1, 2016 (i.e., during the Renewal Benefit Period which is after month forty-two (42) of the Renewal Term), termination liability as set forth in Section 25.3.13 preceding is not applicable.

For a second example, assume the NDP Customer renews its NDP on November 1, 2012. In this case, the Renewal Term begins November 1, 2012 and ends October 31, 2017. If the NDP Customer were to cancel its NDP at any time prior to May 1, 2016 (i.e., during the first forty-two (42) months of the Renewal Term), termination liability as set forth in Section 25.3.13 preceding applies.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd) (T)

25.3.14 Renewal and Termination of NDP (Cont'd)

(D) Cancellation or Termination During the Renewal Term

(1) When the NDP is cancelled or terminated during the Renewal Term, a Final True-Up will be conducted in order to determine any applicable Shortfall Penalty or Discount Tier Adjustments. The Shortfall Penalty and Discount Tier Adjustments will be calculated as specified in Section 25.3.7(C) and (D) preceding, respectively, on a pro-rated basis, for the number of months elapsed since the last Annual True-Up.

(2) If the NDP is cancelled or terminated during the Renewal Benefit Period as defined in Section 25.3.14(C)(2) preceding (i.e., during the period that begins with month 43 and ends with month 60 of the Renewal Term), the NDP Customer will be treated as if it had completed the full Renewal Term of five (5) years. At the NDP Customer's option, and at any time between month 43 and month 60 of the Renewal Term, the NDP Customer may once again renew its NDP. The NDP Customer may elect the Renewal Benefit Option for any subsequent Renewal Term.

(3) Except as otherwise specified in this Section 25.3.14, all terms and conditions of the NDP as set forth in this Section 25.3 shall apply.

Service availability limited. Refer to # footnote on Page 25-40. (N)