

**THE VERIZON TELEPHONE COMPANIES**

TARIFF F.C.C. NO. 1

COMMITMENT DISCOUNT PLAN INTRODUCTION

TARIFF F.C.C. NO. 11

COMMITMENT DISCOUNT PLAN MODIFICATIONS

DESCRIPTION

TRANSMITTAL NO. 453

May 27, 2004

## **DESCRIPTION**

The Verizon Telephone Companies (“Verizon”) hereby submit tariff pages to make the following revisions to its Tariff F.C.C. Nos. 1 and 11. The Commitment Discount Plan is being introduced into Tariff F.C.C. No. 1 and the existing Commitment Discount Plan offering in Tariff F.C.C. No. 11 is being modified.

**Commitment Discount Plan - Tariff F.C.C. No. 1** is modified to introduce the Commitment Discount Plan (“CDP” or “the Plan”). CDP provides for the application of discounted monthly rates for service types included based on a minimum commitment level of channel terminations. CDP includes the following switched and special access service types.

- Switched Access DS1 Direct Trunked Transport
- Switched Access DS3 Direct Trunked Transport
- Special Access DS3 High Capacity Services
- Special Access DS1 High Capacity Services
- IntelliLight<sup>®</sup> Entrance Facility Service (optional)
- Special Access Digital Data Service
- Special Access Voice Grade Service

These services are currently available under traditional term pricing plans (“TPPs”) which are managed on a circuit-by-circuit basis. Under a TPP, a circuit-specific plan is established as the customer adds individual circuits to its network. Each circuit-specific plan includes a term commitment period with a corresponding rate or percentage that reflects a discount to the monthly rate for the length of the commitment period selected. If individual circuits are disconnected prior to the end of the commitment period, termination liability applies to those circuits unless the customer meets certain requirements for an upgrade as outlined in the

tariff for the specific service involved. Customers will now have the option of establishing a CDP in which all its individual circuits can be managed as a single plan, even though each service type may have its own commitment period and corresponding discounted rate or percentage.

With CDP, as individual circuits are added to the customer's network, they are automatically included in the customer's CDP for that service type and receive the discount accordingly (e.g., when the customer adds a Special Access DS1 to its network, that DS1 will automatically be included in the customer's CDP and be discounted under CDP along with the customer's other DS1s). As individual circuits are disconnected under a CDP, termination liability does not apply to those individual circuits. CDP is managed as a single plan through the use of a true up process for each service type that compares the customer's commitment level over the prior true up period to the average number of equivalent channel terminations that were actually in service during the same period. The true-up process for each service type will determine if the 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 commitment level and a charge-up will apply.

For a limited time, from the tariff effective date through December 31, 2004, customers who subscribe to CDP in Tariff F.C.C. No. 1 will have their first true-up occur after 12 months, and thereafter the true-up for each service type will occur every six months.

In order to be eligible for CDP, the customer must have at least 336 DS0 equivalents across the operating territories of Tariff F.C.C. No. 1. The customer must commit seventy-five percent (75%) of its Voice Grade and Digital Data Services and ninety percent (90%) of the

DS1, DS3, and IEF services (if the customer chooses to include IEF) upon establishing the CDP. Customers may combine certain Switched and Special Access Services into a single commitment level under the CDP.

The discounted monthly rates that apply under CDP are either the TPP rate for the service type or the applicable base rate for the service type with a percentage discount applied to that base rate, as applicable for the service type involved. The actual discount rate or percentage applied varies depending on the commitment period selected.

Additionally, service types under a CDP are subject to a one-year minimum service period.

The attached tariff pages provide complete terms and conditions associated with the Commitment Discount Plan offering as introduced under Tariff F.C.C. No. 1.

**Commitment Discount Plan - Tariff F.C.C. No. 11.** The existing CDP offering is modified to add IntelliLight<sup>®</sup> Entrance Facility (IEF) services as an optional service type and to change any associated regulations, as appropriate, to reflect the introduction of the new option.

The attached tariff pages provide additional detail of the terms and conditions associated with the modifications Verizon is making to its Commitment Discount Plan as offered under Tariff F.C.C. No. 11.

**Coterminous Plans, Tariff F.C.C. Nos. 1 and 11.** The CDP offering in both tariffs is being modified to introduce an option for CDP that, under certain conditions, allows a customer to establish a coterminous expiration date for its plans in both Tariff F.C.C. Nos. 1 and 11.

The attached tariff pages provide additional detail of the terms and conditions associated with coterminous plans as offered under Tariff F.C.C. Nos. 1 and 11.