21. Contract Tariffs (Cont'd)

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

(B) Eligibility (Cont'd)

(4) 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 20 shall be for a period of one (1) year beginning February 1, 2005 (**Service Period**).

(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 20 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)

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21. Contract Tariffs (Cont'd)

21.21 Contract Tariff Option 20 (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 20. (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 20. (N)

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21. Contract Tariffs (Cont'd)

21.21 Contract Tariff Option 20 (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 20, 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 20 and remain in effect until May 1, 2007. (N)

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21. Contract Tariffs (Cont'd)

21.21 Contract Tariff Option 20 (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 20 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 20 and the applicable Contract Tariffs for the duration of the Service Period based on its business with the Telephone Company as of January xx, 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 20 if the customer does not adhere to the provisions of this (E)(1)(e).

(N)

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21. Contract Tariffs (Cont'd)

21.21 Contract Tariff Option 20 (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. 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)

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21. Contract Tariffs (Cont'd)

21.21 Contract Tariff Option 20 (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 20, 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 20 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)

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21. Contract Tariffs (Cont'd)

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

(E) Terms and Conditions (Cont'd)

(4) Termination Charges

If Customer cancels or terminates this Option 20 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 20 for the Telephone Company's failure to materially comply with this Option 20 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 20 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)

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21. Contract Tariffs (Cont'd)

21.21 Contract Tariff Option 20 (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 20 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 20. If the customer elects to terminate this Option 20 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 20 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 20 for any time in service under this Option 20, 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)

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