

THE VERIZON TELEPHONE COMPANIES

TARIFF F.C.C. NO. 1

CONTRACT TARIFF OPTION 23

TARIFF F.C.C. NO. 11

CONTRACT TARIFF OPTION 25

TARIFF F.C.C. NO. 14

CONTRACT TARIFF OPTION 13

DESCRIPTION

TRANSMITTAL NO. 549

March 18, 2005

DESCRIPTION

The Verizon Telephone Companies (Verizon) are submitting tariff pages to introduce a new Contract Tariff Option (Option) in its Tariff F.C.C. Nos. 1, 11, and 14. This new Option is filed pursuant to the Pricing Flexibility relief granted to Verizon in certain qualifying Metropolitan Statistical Areas (MSAs).¹ This new Option is introduced as Contract Tariff Option 23 in Tariff F.C.C. No. 1, Contract Tariff Option 25 in Tariff F.C.C. No. 11, and Contract Tariff Option 13 in Tariff F.C.C. No. 14.

This Option has a Service Period of one (1) year and provides a customer with an annual credit when the customer meets certain total billed revenue (TBR) thresholds for qualifying services. TBR is the revenue associated with qualifying Verizon services that the customer purchases from Verizon's interstate Access Service tariffs (F.C.C. Nos. 1, 11, 14, and 16). However, a customer will receive the billing credit only in those MSAs where Verizon has received Pricing Flexibility relief (i.e., price flex eligible MSAs in Tariff F.C.C. Nos. 1, 11, and 14). A complete list of the qualifying services is specified in the attached tariff pages.

In order to receive the billing credit under this Option, among other things, a customer must achieve a minimum TBR for qualifying services of not less than \$45,000,000 and no more than \$69,000,000 during the Service Period. Billing credits will vary depending on the TBR for qualifying services and the TBR for qualifying DS1 services achieved by the customer during the Service Period. The actual amount of the billing credit is determined using a TBR threshold matrix that is contained in the attached tariff pages.

¹ Memorandum Opinion and Order, In the Matter of Verizon Petitions for Pricing Flexibility for Special Access and Dedicated Transport Services, CCB/CPD Nos. 00-24, 00-28 (DA 01-663) released March 14, 2001, CCB/CPD File No. 01-27 (DS 02-706) released March 22, 2002, and WCB/Pricing No. 02-33 (DA 03-1024) released March 31, 2003.

A complete description of the terms and conditions of this new Option is included in the attached tariff pages.