

THE VERIZON TELEPHONE COMPANIES

TARIFF F.C.C. NO. 1

CONTRACT TARIFF OPTION 37

TARIFF F.C.C. NO. 11

CONTRACT TARIFF OPTION 40

DESCRIPTION

TRANSMITTAL NO. 695

April 14, 2006

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 and 11. This new Option is filed pursuant to the Pricing Flexibility relief granted to Verizon in certain qualifying Metropolitan Statistical Areas (MSAs).¹ The new Option is introduced as Contract Tariff Option 37 in Tariff F.C.C. No. 1 and Contract Tariff Option 40 in Tariff F.C.C. No. 11.

This Option has a Service Period that begins with the date of subscription and continues through the last day of the month that is twelve (12) consecutive months following the month after that date of subscription. With this option, the customer is provided with monthly billing credits on (i) Facilities Management Service (“FMS”) when it maintains a minimum number of FMS transport miles and (ii) on IntelliLight[®] Entrance Facility (“IEF”) when the customer satisfies the criteria set forth in the Option. FMS is a service option for high capacity 1.544 Mbps (“DS1”) and 44.736 Mbps (“DS3”) Services that is offered from Verizon’s Tariff F.C.C. Nos. 1 and 11.

The FMS transport miles used to determine the monthly billing credit will be the sum of all such miles at DS1 or greater bandwidth that the customer is billed by Verizon within all of the operating territories of Verizon’s Tariff F.C.C. Nos. 1 and 11. In order to determine the billing credit, Verizon will first assign the customer’s billed FMS transport miles into a discount table that has two tiers. Tier 1 and its corresponding discount percentages are used to assign up to the first 160,000 FMS transport miles billed. Tier 2 and its corresponding discounts are used to

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.

assign any billed FMS transport miles that are in excess of the first 160,000 miles. The Tiers are distance sensitive in that the actual length of the circuit dictates which mileage band within the Tier the circuit is placed. Once all FMS transport miles are assigned to a mileage band and Tier from the table, Verizon then applies the discounts within the table to determine the maximum billing credit available to the customer, if any. Finally, Verizon will reduce such maximum billing credit if the customer exceeded a monthly grooming limitation that is part of the criteria for the new Option. The grooming limitation caps the number of grooms that Verizon is required to perform in specific LATAs during each month of the service period. A groom is a change in the connecting facility assignment (“CFA”) or termination point of a Special Access DS1 or DS3 Service such as a move, rearrangement, retermination, disconnection and reconnection, etc. to the Special Access Service. When counting the maximum number of grooms that can be done in a month, Verizon will count all grooms that occurred across those LATAs in all of Verizon’s operating territories, including the operating territories of Tariff F.C.C. No. 14 and 16.

The customer may also receive additional billing credits for ordering and installing new IntelliLight® Entrance Facility (IEF) Services while it is subscribed to the new Option. If the customer is eligible for the monthly billing credit for FMS transport miles, they will receive an additional billing credit of 10% of the monthly recurring charges for each IEF that is ordered and installed during the month.

Billing credits will only be applied in those MSAs where Verizon has received Pricing Flexibility relief in the price flex eligible MSAs of Tariff F.C.C. Nos. 1 and 11. No billing credits will be applied under Tariff F.C.C. No. 14 or 16.

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