

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 Inc., Verizon Delaware Inc., Verizon Maryland Inc., Verizon Virginia Inc., Verizon Washington, D.C. Inc., Verizon West Virginia 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 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. (C)(x)

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
Verizon Delaware Inc.
Verizon Maryland Inc.
Verizon New Jersey Inc.
Verizon Pennsylvania Inc.
Verizon Virginia Inc.
Verizon Washington, DC Inc.
Verizon West Virginia Inc.

Tariff F.C.C. No. 14
Verizon California Inc.
Verizon Florida Inc.
Verizon North Inc.
Verizon Northwest Inc.
Verizon South Inc.
Verizon Southwest Inc.
Verizon West Coast Inc.

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

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Certain material previously found on this page can now be found on Original Page 21-1.1.

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21. Contract Tariffs (Cont'd)21.1 General (Cont'd)Tariff F.C.C. No. 20

Verizon California Inc.

Verizon Delaware Inc.

Verizon Florida Inc.

Verizon Maryland Inc.

Verizon New England Inc.

Verizon New York Inc.

Verizon North Inc.

Verizon Northwest Inc.

Verizon Pennsylvania Inc.

Verizon South Inc.

Verizon Southwest Inc.

Verizon Virginia Inc.

Verizon Washington, DC Inc.

Verizon West Virginia Inc.

Contel of the South Inc.

(N) (x)

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Contract Tariffs are subject to the regulations specified in all other sections of the applicable Telephone Company interstate tariff(s), unless otherwise specified.

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21. Contract Tariffs (Cont'd)21.39 Contract Tariff Option 38 (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 Telephone Companies Tariff F.C.C. No. 14 (**FCC 14**).

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(x)

(C) Service Period

The Service Period of this Option 38 shall be for a period of three (3) years from the date of subscription to Option 38.

(D) Service Area

The Service Area for this Option 38 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 Companies Tariff F.C.C. No. 11 (**FCC 11**), FCC 14, and the Verizon Telephone Companies Tariff F.C.C. No. 20 (**FCC 20**). Wire centers for 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. No. 16 (**FCC 16**), but the calculation of the MARC for the Qualifying Services will include all Qualifying Services specified in (E)(1)(a) following which are purchased by the customer under FCC 16.

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21. Contract Tariffs (Cont'd)21.39 Contract Tariff Option 38 (Cont'd)

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(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**);
 - (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
 - (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).
- (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 38.

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21. Contract Tariffs (Cont'd)21.39 Contract Tariff Option 38 (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.

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