

ACCESS SERVICE

32. Contract Tariffs (Cont'd)

32.50 Contract Tariff Option 49

(N)

(A) Scope

Contract Tariff Option 49 (**Option 49**) provides Billing Credits on certain Special Access Services if the customer meets certain total billed revenue amounts for the Qualifying Services (as defined in (E) following).

In this Option 49, all references to amounts represented in dollars followed by the letter "M" shall refer to such number in millions (e.g., \$17.25M shall mean \$17,250,000).

Additionally, all amounts in this Option 49 will be rounded up or down to the nearest \$10,000.

(B) Eligibility

The customer must meet all of the following criteria in order to be eligible to receive the Billing Credits of this Option 49.

- (1) During the twelve (12) month period ending on June 30, 2007, the customer, together with all its affiliates, must have: (i) achieved a minimum of fifty million dollars (\$50.0M) in aggregate monthly billed recurring revenue for all Qualifying Services (as defined in (E) following) purchased by the customer from the Telephone Company; (ii) had no more than twelve and one half percent (12.5%) of the aggregate monthly billed recurring revenue for Qualifying Services purchased under this tariff, Tariff F.C.C. No. 1 (FCC1), Tariff F.C.C. No. 14 (FCC14), and Tariff F.C.C. No. 16 (FCC16) billed on a month-to-month basis; and (iii) had no more than three percent (3%) of the aggregate monthly billed recurring revenue for Qualifying Services purchased under FCC1 and this tariff billed on a month-to-month basis.

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- (2) In order to receive any Billing Credit (as determined in (I) following) other than a Billing Credit of \$0 under this Option 49, the customer must achieve during the Service Period (as defined in (C) following) a minimum Total Billed Revenue (**TBR**), as described following, for Qualifying Services (as defined in (E) following) of at least sixty-one million two hundred fifty thousand dollars (\$61.25M), of which a minimum of seventeen million two hundred fifty thousand dollars (\$17.25M) of such TBR for Qualifying Services must be derived from Inter-Office Facility (**IOF**) transport as determined using the Channel Mileage rate elements as set forth in (E) following. For purposes of this Option 49, IOF TBR for Qualifying Services shall mean the portion of the TBR for Qualifying Services billed under the Channel Mileage USOCs set forth in (E) following during the Service Period.

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(TR 8xx)

Issued: Illustrative

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32. Contract Tariffs (Cont'd)

32.50 Contract Tariff Option 49

(N)

(B) Eligibility (Cont'd)

- (3) Other than tariff arrangements that are in effect as of the (add tariff effective date), the customer may not 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 at any time during the Service Period, which tariff arrangement, contract tariff option, special service arrangement, or ICB provides a discount, credit, or other reduction in rates or terms based on achievement of revenue or volume targets/levels by the customer for the Qualifying Services.
- (4) The customer must subscribe to Option 49 by submitting a written authorization in a manner designated by the Telephone Company during the period beginning (add tariff effective date) and ending (add end of subscription period). Such subscription must include a list of Customer ACNA(s) which the Telephone Company agrees to, in writing, for inclusion in this Option 49.

The TBR for Qualifying Services and the IOF TBR for Qualifying Services shall be calculated using the criteria and mechanism set forth in this Option 49. The amount of the Billing Credit shall vary depending on the level of TBR for Qualifying Services and the level of the IOF TBR for Qualifying Services achieved by the customer during the Service Period, and such Billing Credits shall be calculated in accordance with the terms and conditions of this Option 49. Billing Credits are determined in accordance with (I) following.

(C) Service Period

The Service Period of this Option 49 shall be for a period of one (1) year commencing on October 1, 2007, and ending on September 30, 2008.

(D) Serving Area

The Billing Credits will be provided only in the Metropolitan Statistical Areas (**MSAs**) that have achieved Phase I or Phase II pricing flexibility under this tariff, FCC1 and FCC14. Wire centers for the Phase II MSAs are listed in Section 14.7 of FCC1, Section 15.3 preceding of this tariff, and Section 19.1 of FCC14. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 14.7 of FCC1, Section 15.3 preceding of this tariff, and Section 19.1 of FCC14) that occur during the Service Period of this Option 49 will apply. No Billing Credits will be provided in the operating territories of FCC16.

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32. Contract Tariffs (Cont'd)

32.50 Contract Tariff Option 49 (Cont'd)

(N)

(E) Qualifying Services

(1) Qualifying Services will be comprised of Special Access DS1 and DS3 Services as set forth in Section 7.2.9 of FCC1, Section 7.2.9 preceding of this tariff, Section 5.3.6 of FCC14, and Section 7.11.1 of FCC16, as the same may be amended from time to time, which Special Access DS1 and DS3 Services are billed by the Telephone Company during the Service Period and meet all of the following criteria during each month of the Service Period.

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(a) Rate elements for MetroLAN services (as set forth in FCC14 and FCC16) and Facilities Management Services (FMS as set forth in this tariff and FCC1) will not be included.

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(b) For the Qualifying Services set forth above, the associated rate elements must be billing under the following Universal Service Order Codes (USOCs):

(1) Channel Mileage Rate Elements

1A5LX	1A5ZS	1A8ZS	1HH7S	1HHBS
1HHPS	1J53S	1J54S	1L5LS	1L5RS
1L5XX	1LFMX	1LFSX	1T58S	1U5PS
1YA8S	TRG			

(2) All Other Rate Elements

MKM	MQ1	MQ3	MQJ++	MQK
MXN12	MXN13	MXN15	MXN17	MXNRX
QMU	1C4A3	1C4A5	1C4A7	1C4B3
1C4B5	1C4B7	1C4C3	1C4C5	1C4C7
1C4D3	1C4D5	1C4D7	1C4E3	1C4E5
1C4E7	1C4F3	1C4F5	1C4F7	1C4G3
1C4G5	1C4G7	1C4H3	1C4H5	1C4H7
1C4J3	1C4J5	1C4J7	1C4K3	1C4K5
1C4K7	1CF21	1CF22	1CF23	1CF25
1CF41	1CF42	1CF43	1CF45	1CF51
1CF52	1CF53	1CF55	1CF61	1CF62
1CF63	1CF65	1CF71	1CF72	1CF73
1CF75	1CF81	1CF82	1CF83	1CF85
1CF91	1CF92	1CF93	1CF95	1CFA1
1CFA2	1CFA3	1CFA5	1CFB1	1CFB2
1CFB3	1CFB5	1CFC1	1CFC2	1CFC3
1CFC5	1CFD1	1CFD3	1CFD5	1CFD7
1CFE1	1CFE3	1CFE5	1CFE7	1CFF1
1CFF3	1CFF5	1CFF7	1CFG1	1CFG3
1CFG5	1CFG7	1CFH1	1CFH3	1CFH5
1CFH7	1CFJ1	1CFJ3	1CFJ5	1CFJ7
1CFK1	1CFK3	1CFK5	1CFK7	1CFL1

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32. Contract Tariffs (Cont'd)32.50 Contract Tariff Option 49 (Cont'd)

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(E) Description of Qualifying Services (Cont'd)

- (2) 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 Option 49.

(F) Revenue Used to Calculate TBR and IOF TBR

- (1) Revenues Included in Calculation of TBR for Qualifying Services and IOF TBR for Qualifying Services

The customer's TBR for Qualifying Services and IOF TBR for Qualifying Services shall include only the MRC amounts which are paid in full by the customer.

- (a) For purposes of this Option 49, MRCs shall mean the revenues from the billed monthly recurring charges, net of any discounts given under existing pricing plans, if applicable, for the Qualifying Services billed during the Service Period under the USOCs set forth in (E) preceding, and excluding Disputed Charges.
- (b) For purposes of this Option 49, Disputed Charges shall mean MRCs for the Qualifying Services billed during the Service Period, which amounts are under dispute by the customer and have been paid in full by the customer, as of the forty-fifth (45th) calendar day following the end of the Service Period in accordance with Section (I)(2) following. Amounts which have not been paid in full, as of the forty-fifth (45th) calendar day following the end of the Service Period (regardless of whether or not such amounts are under dispute by the customer), shall not be included in either the TBR for Qualifying Services or the IOF TBR for Qualifying Services.
- (c) For purposes of this Option 49, "paid in full" shall mean that the customer has paid the billed amount without any offsets or reductions from the billed amount, in accordance with the terms of the this tariff, FCC1, FCC14 or FCC16, as applicable.

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32. Contract Tariffs (Cont'd)

32.50 Contract Tariff Option 49 (Cont'd)

(N)

(G) Mergers and Acquisitions of the Customer

In the event that after subscription to this Option 49, 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 49.

- (1) 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 or IOF TBR for Qualifying Services.
- (2) The customer's TBR for Qualifying Services and IOF TBR for Qualifying Services shall be calculated based on its business and revenues with the Telephone Company using the Customer ACNAs, without adding the revenues and/or ACNAs attributable to expansion of the customer's purchase of Qualifying Services from the Telephone Company through merger, transfer, assignment, or acquisition.
- (3) The Telephone Company reserves the right to terminate the customer's subscription to this Option 49 without liability if the customer does not adhere to the provisions of this Section (G).

(H) Sale of a Verizon Operating Telephone Company

- (1) If some or all of the assets or equity of a Verizon Operating Telephone Company of this tariff, FCC1, FCC14, or FCC16 as applicable, are acquired by an unaffiliated third party ("Acquired VZ Telco"), and Verizon does not provide the Qualifying Services to the customer after such time, then the terms and conditions set forth in (H)(2) and (H)(3) following shall apply, in addition to any other terms and conditions set forth in this tariff, FCC1, FCC14, or FCC16 as applicable.
- (2) Each range or tier of the TBR for Qualifying Services and IOF TBR for Qualifying Services set forth in the Table in (I)(2)(d) following shall be proportionately reduced by the TBR Acquisition Reduction Amount or IOF TBR Acquisition Amount (each as defined in (a) and (b) following), respectively.

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32. Contract Tariffs (Cont'd)

32.50 Contract Tariff Option 49 (Cont'd)

(N)

(J) Termination at the end of the Service Period

Subject to the terms set forth herein, the customer may terminate its subscription to this Option 49 at any time during the Service Period. The customer must provide written notice of such termination at least thirty (30) days prior to the requested date of termination. Termination of less than all of the Contract Tariffs options (i.e., terminations of Contract Tariff Option 48 of FCC1, or this Option 49, or Contract Tariff Option 23 of FCC14) shall be deemed to be an automatic termination of all Contract Tariff options. If the customer terminates its subscription to this Option 49 at any time during the Service Period, the customer will not be entitled to the payment of any Billing Credit, pro rated or otherwise, after the termination date. All obligations set forth in other sections of this tariff with respect to the Qualifying Services shall continue to apply. If the customer terminates a Qualifying Service(s) during the Service Period, termination liability shall apply in accordance with the applicable term plan under which such Qualifying Service(s) is being billed.

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