

COMPETITIVE LOCAL CARRIER

3.0 GENERAL REGULATIONS

3.1 Liability

The liability of the Company for damages of any nature arising from errors, mistakes, omissions, interruptions, or delays of the Company, its agents, servants, or employees, in the course of establishing, furnishing, rearranging, moving, terminating, or changing the service or facilities or equipment shall not exceed an amount equal to the charges applicable under this tariff (calculated on a proportionate basis where appropriate) to the period during which such error, mistake, omission, interruption or delay occurs.

In no event shall the Company be liable for any incidental, indirect, special, or consequential damages (including lost revenue or profits) of any kind whatsoever regardless of the cause or foreseeability thereof.

When the services or facilities of other common carriers are used separately or in conjunction with the Company's facilities or equipment in establishing connection to points not reached by the Company's facilities or equipment, the Company shall not be liable for any act or omission of such other common carriers or their agents, servants or employees.

The Company shall not be liable for any failure of performance hereunder if such failure is due to any cause or causes beyond the reasonable control of the Company. Such causes shall include, without limitation, acts of God, fire, explosion, vandalism, cable cut, storm or other similar occurrence, any law, order, regulation, direction, action or request of the United States government or of any other government or of any civil or military authority, national emergencies, insurrections, riots, wars, strikes, lockouts or work stoppages or other labor difficulties, supplier failures, shortages, breaches or delays, or preemption of existing service to restore service in compliance with the FCC or the Commission's Rules and Regulations.

The Company shall not be liable for interruptions, delays, errors, or defects in transmission, or for any injury whatsoever, caused by the Customer, or the Customer's agents, End Users, or by facilities or equipment provided by the Customer.

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COMPETITIVE LOCAL CARRIER

3.0 GENERAL REGULATIONS, (Cont'd.)

3.1 Liability, (Cont'd.)

The Customer shall indemnify, defend and hold harmless the Company (including the costs of reasonable attorney's fees) against:

1. Claims for libel, slander, infringement of copyright or unauthorized use of any trademark, trade name or service mark arising out of the material, data, information, or other content transmitted over the Company's facilities or equipment; and
2. Claims for patent infringement arising from combining or connecting the Company's facilities or equipment with facilities, equipment, apparatus or systems of the Customer; and
3. All other claims (including, without limitation, claims for damage to any business or property, or injury to, or death of, any person) arising out of any act or omission of the Customer, or the Customer's agents, End Users, or customers, in connection with any service or facilities or equipment provided by the Company.

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3.0 GENERAL REGULATIONS (Cont'd.)

3.2 Limitations of Service

1. Service is offered subject to the initial and continued availability of the necessary facilities and/or equipment and subject to the provisions of this tariff. The Company may decline applications for service to or from a location where the necessary facilities or equipment are not available, or where such facilities became unavailable. The Company may discontinue furnishing service in accordance with the terms of this tariff.
2. The Company reserves the right to discontinue or limit service when necessitated by conditions beyond its control, as hereinafter defined, or when service is used in violation of provisions of this tariff or the law.
3. The Company does not undertake to transmit messages, but offers the use of its service when available, and shall not be liable for errors in transmission or for failure to establish connections.
4. The Company reserves the right to discontinue service, limit service, or to impose requirements as required to meet changing regulatory or statutory rules and standards, or when such rules and standards have an adverse material affect on the business or economic feasibility of providing service, as determined by the Company in its reasonable judgment.

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3.0 GENERAL REGULATIONS (Cont'd.)

3.3 Use of Service

1. Service may be used for any lawful purpose by the Customer or by any End User.
2. The Customer obtains no property right or interest in the use of any specific type of facility, service, equipment, number, process, or code. All right, title and interest to such items remain, at all times, solely with the Company.
3. Recording of telephone conversations of service provided by the Company under this tariff is prohibited except as authorized by applicable federal, state and local laws.

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3.0 GENERAL REGULATIONS (Cont'd.)

3.3 Use of Service. (Cont'd.)

4. Any service provided under this tariff may be resold to or shared (jointly used) with other persons at the Customer's option. The Customer remains solely responsible for all use of service ordered by it or billed to its account(s) pursuant to this tariff, for determining who is authorized to use its service, and for promptly notifying the Company of any unauthorized use. The Customer may advise its customers that a portion of its service is provided by the Company, but the Customer shall not represent that the Company jointly participates with the Customer in the provision of the service.

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3.0 GENERAL REGULATIONS (Cont'd.)

3.4 Responsibilities of the Customer

1. Damages

The Customer shall reimburse the Company for damages to Company facilities utilized to provide services under this tariff caused by the negligence or willful act of the Customer, or resulting from improper use of the Company's facilities, or due to malfunction of any facilities or equipment provided by other than the Company, except that no Customer shall be liable for another Customer's actions.

2. Ownership of Facilities

Facilities utilized by the Company to provide service under the provisions of this tariff shall remain the property of the Company. Such facilities shall be returned to the Company by the Customer, whenever requested, within a reasonable period following the request in as good condition as reasonable wear permits.

3. Equipment Space and Power

The Customer shall furnish to the Company, at no charge, equipment space and electrical power required by the Company to provide services under this tariff at the points of termination of such services. Such equipment space must be secured and fully conditioned on a twenty-four hour per day basis 365 days per year by the Customer solely at the Customer's expense. The selection of continuously available AC or DC power shall be mutually agreed to by the Customer and Company. The Customer shall also make necessary arrangements in order that the Company will have access to such spaces at reasonable times for installation, testing, repair, maintenance or removal of Company service.

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3.0 GENERAL REGULATIONS (Cont'd.)

3.4 Responsibilities of the Customer, (Cont'd.)

The Customer has certain specific obligations pertaining to the use of Switched Access Service. These obligations are as follows:

1. Report Requirements

Customers are responsible for providing the following reports to the Company, when applicable.

A. Jurisdictional Reports

When a Customer orders Switched Access Service for both interstate and intrastate use, the Customer is responsible for providing reports as set forth in 3.4.6 and 3.4.7 below.

B. Code Screening Reports

When a Customer orders service call routing, trunk access limitation or call gapping arrangements, it must report the number of trunks and/or the appropriate codes to be instituted in each end office or access tandem switch, for each of the arrangements ordered.

The Company will administer its network in such a manner that the impact of traffic surges due to peaked 900 Access Service traffic on other access service traffic is minimized. Network management controls may be implemented at the Company option to ensure acceptable service levels

2. On and Off-Hook Supervision

The Customer facilities shall provide the necessary on and off-hook supervision for accurate timing of calls.

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3.0 GENERAL REGULATIONS (Cont'd.)

3.4 Responsibilities of the Customer, (Cont'd.)

3. Trunk Group Measurements Reports

With the agreement of the Customer, trunk group data in the form of usage in CCS (completed call seconds), peg count and overflow for its end of all access trunk groups, where technologically feasible, will be made available to the Company. The data will be used to monitor trunk group utilization and service performance and will be based on previously arranged intervals and format.

4. Design of Customer Services

The Customer shall be responsible for its own expense for the overall design of its services and for any redesigning or rearrangements of its services which may be required because of changes in facilities, operations or procedures of the Company, minimum protection criteria or operating or maintenance characteristics of the facilities.

5. Network Contingency Coordination

The Customer shall, in cooperation with the Company, coordinate in planning the actions to be taken to maintain maximum network capability following natural or man-made disasters which affect telecommunications service.

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3.0 GENERAL REGULATIONS (Cont'd.)

3.4 Responsibilities of the Customer, (Cont'd.)

6. Jurisdictional Reports

For switched access services, the Company will use the percentage of interstate originating Feature Group D to determine the percent of interstate usage (APIU@) to apply to all other switched access services provided by the Company to the Customer.

For switched access services for which the Company cannot determine the jurisdictional nature of Customer traffic and its related access minutes, the Company reserves the right to require the Customer to provide a projected estimate of its traffic, split between the interstate and intrastate jurisdictions. The Customer shall upon ordering service, and quarterly thereafter, report the percentage of interstate use and such report will be used for billing purposes until the Customer reports a different projected interstate percentage for a working trunk group. When the Customer adds trunks to or removes trunks from an existing group, the Customer shall furnish a revised projected interstate percentage for each service arranged for interstate use. The revised report will serve as the basis for future billing and will be effective on the next bill date. No prorating or back billing will be done based on the report.

The Company may request detailed information in support of the reported percentage annually and retains the right to retroactively adjust the Customer's most recent bills covering the preceding eleven months if a substantial discrepancy is found to exist. If an audit of the reported percentages reveals a substantial deviation from the Customer's previously reported PIU for the period upon which the audit was based, the call detail records may be requested more than once annually.

7. Jurisdictional Audits

- A. The customer shall keep sufficient detail from which the percentages of interstate and intrastate intraLATA use reported to the Company can be verified and upon request of the Company make such records available for inspection and audit. The customer must maintain these records for 24 months from the date the report became effective for billing purposes.

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3.0 GENERAL REGULATIONS (Cont'd.)

3.4 Responsibilities of the Customer, (Cont'd.)

7. Jurisdictional Audits, (Cont'd.)

- B. Initiation of an audit will be at the sole discretion of the Company. The audit shall be performed by an independent party selected by the Company. An audit may be initiated by the Company for a single customer no more than once per year. The customer shall supply the required data within 30 calendar days of the Company request.
- C. In the event that an audit reveals that any customer reported PIU or LUP was incorrect, the Company shall apply the audit result to all usage affected by the audit. The customer shall be black-billed or credited, for a period retroactive to the date that the incorrect percentage was reported, but not to exceed 24 months. Back-billed amounts are subject to a late payment penalty and payment shall be made in immediately available funds, within 31 days from receipt of bill or by the following bill date, whichever is a shorter period.
- D. Should an audit reveal that the misreported percentage(s) of use has resulted in an underpayment of Access charges to the Company of five percent or more of the total switched Access Services bill, the customer shall reimburse the Company for the cost of the audit. Proof of cost shall be the bills, in reasonable detail submitted to the Company by the auditor.
- E. Within 15 days of completion of the auditor's report, the Company will furnish a copy of the audit results to the person designated by the customer to receive such results.

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3.0 GENERAL REGULATIONS (Cont'd.)

3.4 Responsibilities of the Customer, (Cont'd.)

8. Mixed Interstate and Intrastate Access Service

When mixed interstate and intrastate Access Service is provided, all charges, including nonrecurring charges, usage charges, and optional features, will be prorated between interstate and intrastate, except as otherwise noted below. The percentage provided in the reports as set forth above will serve as the basis for prorating the charges. The percentage of an Access Service to be charged as intrastate is applied in the following manner:

1. For nonrecurring chargeable rate elements, multiply the percent intrastate use times the quantity of chargeable elements times the state tariff rate per element.
2. For usage sensitive chargeable rate elements, multiply the percent intrastate use times actual use (measure or Company assumed average use) times the stated rate.

When mixed interstate and intrastate service is provided over a dedicated facility, the jurisdiction will be determined as follows:

1. If the Customer's estimate of the interstate traffic on the service equals 10% or less of the total traffic on that service, the service will be provided according to the applicable rules and regulations of this tariff.
2. If the Customer's estimate of the interstate traffic on the service is more than 10% of the total traffic on that service, the service will be provided according to the applicable rules and regulations of the appropriate interstate tariff.
3. If the percentage of interstate traffic on the service changes to the extent that it alters the jurisdiction of the service, the Customer must notify the Company of any required change in status. The affected service will revert to the appropriate jurisdictional tariff within the next full billing cycle. Any applicable termination liability will be transferred with the jurisdictional change of the service.

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3.0 GENERAL REGULATIONS (Cont'd.)

3.4 Responsibilities of the Customer. (Cont'd.)

9. Identification and Rating of Toll VoIP-PSTN Traffic

A. Scope

1. Toll VoIP-PSTN Traffic is a Customer's interexchange voice traffic that (1) is exchanged with the Company in Time Division Multiplexing ("TDM") format over Public Switched Telephone Network ("PSTN") facilities and (2) originates and/or terminates in Internet Protocol ("IP") format. Toll VoIP-PSTN Traffic originates and/or terminates in IP format when it originates from and/or terminates to an end user of a service that requires IP-compatible customer premises equipment.
2. In the absence of an agreement between the Company and the Customer specifying the treatment of Toll VoIP-PSTN Traffic, this section governs the treatment of Toll VoIP-PSTN Traffic pursuant to 47 C.F.R. § 51.913 and the Federal Communications Commission's Part 51 Interconnection Rules and in compliance with the Federal Communications Commission's orders adopting and amending those rules ("Section 51.913").
3. This section will be applied to identify intrastate Toll VoIP-PSTN Traffic exchanged with a Customer or its affiliate that is a local exchange carrier only to the extent that the Customer or local exchange carrier affiliate has also implemented billing for intrastate Toll VoIP-PSTN Traffic in accordance with FCC 11-161.

B. Rating of Toll VoIP-PSTN Traffic

All interstate Toll VoIP-PSTN Traffic and intrastate terminating Toll VoIP-PSTN Traffic will be billed at rates equal to the Company's relevant interstate switched access rates as provided in sections 5 and 6 of this tariff or XO Communications, LLC Tariff FCC No. 1, Section 6.

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Any intrastate originating Toll VoIP-PSTN Traffic identified in accordance with this tariff section will be billed at rates equal to the Company's relevant interstate originating switched access rates.

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C. Calculation and Application of Percent-VoIP-Usage Factor

The Company will determine the number of intrastate originating Toll VoIP-PSTN Traffic minutes of use ("MOU") to which the relevant interstate originating switched access rates will be applied under section 3.4.9.B, above, by applying a Percentage VoIP Usage ("PVU") factor to the total intrastate originating switched access MOU sent by the Company to the Customer. The PVU will be derived and applied as follows:

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COMPETITIVE LOCAL CARRIER

3.0 GENERAL REGULATIONS (Cont'd.)

3.4 Responsibilities of the Customer, (Cont'd.)

9 Identification and Rating of Toll VoIP-PSTN Traffic (Cont'd)

C. Calculation and Application of Percent-VoIP-Usage Factor (Cont'd)

1. The Customer will calculate and furnish to the Company a factor (the "PVU-C") representing the percentage of the total intrastate originating switched access MOU that the Customer receives from the Company in the state, that originated in IP format. This PVU-C shall be based on information such as the number of the Customer's retail VoIP subscriptions in the state (e.g., as reported on FCC Form 477), traffic studies, actual call detail, or other relevant and verifiable information.

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2. The Company will, likewise, calculate a factor (the "PVU-X") representing the percentage of the Company's total intrastate originating switched access MOU in the state that the Company originates on its network in IP format. This PVU-X shall be based on information, such as the number of the Company's retail VoIP subscriptions in the state (e.g., as reported on FCC Form 477), traffic studies, actual call detail, or other relevant and verifiable information.

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3. The Company will use the PVU-C and PVU-X factors to calculate a PVU factor that represents the percentage of total intrastate originating switched access MOU sent by the Company to the Customer that is originated or terminated in IP format, whether at the Company's end, at the Customer's end, or at both ends. The PVU factor will be calculated as the sum of: (A) the PVU-C factor and (B) the PVU-X factor times (1.0 minus the PVU-C factor).

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4. The Company will apply the PVU factor to the total intrastate originating switched access MOU received from the Customer in order to determine the number of intrastate originating Toll VoIP-PSTN Traffic MOU.

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Example 1: The PVU-C is 40% and the PVU-X is 10%. The PVU factor is equal to $40\% + (10\% \times 60\%) = 46\%$. The Company will bill 46% of the Customer's intrastate originating switched access MOU at the Company's tariffed interstate originating switched access rates.

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Example 2: The PVU-C is 0% and the PVU-X is 10%. The PVU factor is equal to $0\% + (10\% \times 100\%) = 10\%$. The Company will bill 10% of the Customer's intrastate originating switched access MOU at the Company's tariffed interstate originating switched access rates.

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Example 3: The PVU-C is 100%. No matter what the PVU-X factor is, the PVU is 100%. The Company will bill 100% of the Customer's intrastate originating switched access MOU at the Company's tariffed interstate originating switched access rates.

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COMPETITIVE LOCAL CARRIER

3.0 GENERAL REGULATIONS (Cont'd.)

3.4 Responsibilities of the Customer, (Cont'd.)

9 Identification and Rating of Toll VoIP-PSTN Traffic (Cont'd)

C. Calculation and Application of Percent-VoIP-Usage Factor (Cont'd)

5. The Customer shall not modify its reported PIU factor to account for Toll VoIP-PSTN Traffic.
6. The Customer shall retain any call detail, work papers and information used to develop the PVU-C factor for a minimum of one year.
7. If the Customer does not furnish the Company with a PVU-C pursuant to section 3.4.9.C.1, above, the Company will utilize a PVU-C equal to zero.

D. Initial PVU factor

1. If the PVU factor cannot be implemented in the Company's billing systems by July 1, 2014, once the factor can be implemented, the Company will adjust the Customer's bills to reflect the PVU factor retroactively to July 1, 2014,. In calculating the initial PVU, the Company will take the Customer-specified PVU-C into account retroactively to July 1, 2014, provided that the Customer provides the PVU-C factor to the Company no later than October 15, 2014; otherwise, the Company will set the initial PVU-C equal to zero and calculate the PVU accordingly.
2. The Company may choose to provide credits based on the PVU-C and PVU-X factors on a quarterly basis until such time as billing system modifications can be implemented.

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3.0 GENERAL REGULATIONS (Cont'd.)

3.4 Responsibilities of the Customer, (Cont'd.)

9 Identification and Rating of Toll VoIP-PSTN Traffic (Cont'd)

E. PVU Factor Updates

1. The Customer may update the PVU-C factor quarterly using the method set forth in section 3.4.9.C.1, above. If the Customer chooses to submit such updates, it shall provide to the Company, no later than 15 days after the first day of January, April, July and/or October of each year, a revised PVU-C factor based on data for the prior three months, ending the last day of December, March, June, and September, respectively.
2. The Company may, likewise, update the PVU-X factor quarterly based on data for the prior three months.
3. The Company will use any revised PVU-C and/or PVU-X factors to calculate a revised PVU that will apply prospectively and serve as the basis for subsequent billing until superseded by a new PVU. No prorating or backbilling will be done based on the updated PVU-C or PVU-X factors.

F. PVU Factor Verification

1. Not more than twice in any year, the Company may request from the Customer an overview of the process used to determine the PVU-C factor, the call detail records, description of the method for determining how the end user originates or terminates calls in IP format, and other information used to determine the Customer's PVU-C factors furnished to the Company in order to validate the PVU-C factor supplied. The Customer shall supply the requested data and information within 30 days of the Company's request.

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3.0 GENERAL REGULATIONS (Cont'd.)

3.4 Responsibilities of the Customer, (Cont'd.)

9 Identification and Rating of Toll VoIP-PSTN Traffic (Cont'd)

F. PVU Factor Verification (Cont'd)

2. The Company may dispute the Customer's PVU-C factor based upon:
 - (a) A review of the requested data and information provided by the Customer.
 - (b) The Company's review of other market information, FCC reports on VoIP lines, such as FCC Form 477 or state level results based on FCC Local Competition Report or other relevant data.
 - (c) A change in the reported PVU-C factor by more than five percentage points from the preceding quarter.
3. If, after review of the data and information, the Customer and the Company agree upon a revised PVU-C factor, the Customer and the Company will begin using that revised PVU-C factor with the next bill period.
4. If the dispute is unresolved, the Company may initiate an audit. The Company shall limit audits of the Customer's PVU-C factor to no more than two times per year. The Customer may request that the audit be conducted by an independent auditor. In such cases, the associated auditing expenses will be paid by the Customer.
 - (a) In the event that the Customer fails to provide adequate records to enable the Company or an independent auditor to conduct an audit verifying the Customer's PVU-C factor, the Company will bill the usage for all contested periods using the most recent undisputed PVU-C factors reported by the Customer. This PVU-C factor will remain in effect until the audit can be completed.
 - (b) The Company will adjust the Customer's PVU-C factor based on the results of the audit and implement the revised PVU-C in the next billing period or quarterly report date, whichever is first. The revised PVU-C factor will apply for the next two quarters before new factors can be submitted by the Customer.

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3.0 GENERAL REGULATIONS (Cont'd.)

3.4 Responsibilities of the Customer, (Cont'd.)

9 Identification and Rating of Toll VoIP-PSTN Traffic (Cont'd)

F. PVU Factor Verification (Cont'd)

- (c) If the audit supports the disputed PVU-C factor submitted by the Customer, the usage for the contested periods will be adjusted to reflect such PVU-C factor.

10 Call Signaling

Depending on the signaling system used by the Customer in its network, the Customer's facilities shall transmit the following call signaling information, consistent with the requirements of 47 C.F.R. § 64.1600 et seq, as may be amended by the Federal Communications Commission, to the Company on traffic that the Customer delivers for termination on the Company's network.

A. Signaling System 7 (SS7) Signaling

When the Customer uses SS7 signaling, it will transmit the Calling Party Number (CPN) or, if different from the CPN, the Charge Number (CN) information in the SS7 signaling stream.

B. Multi-Frequency (MF) Signaling

When the Customer uses MF signaling, it will transmit the number of the calling party or, if different from the number of the calling party, the Charge Number (CN) information in the MF Automatic Number Identification (ANI) field.

C. Internet Protocol (IP) Signaling

When the Customer uses IP signaling, it will transmit the telephone number of the calling party or, if different from the telephone number, the billing number of the calling party.