
ACCESS SERVICES TARIFF

SECTION 2 - TERMS AND CONDITIONS**2.1 Undertaking of XO Communications Services, LLC**

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The Company's service is furnished to Customers for intrastate communications. The Company's service is available twenty-four hours per day, seven days per week.

The Company arranges for the installation, operation, and maintenance of the service provided in this tariff for the Customer in accordance with the terms and conditions set forth in this tariff.

2.2 Limitation On Service

2.2.1 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.

2.2.2 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.

2.2.3 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.

2.2.4 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 effect on the business or economic feasibility of providing service, as determined by the Company in its reasonable judgment.

2.3 Assignment or Transfer

All service provided under this tariff is directly or indirectly controlled by the Company and the Customer may not transfer or assign the use of service without the express prior written consent of the Company. Such transfer or assignment shall only apply where there is no interruption of the use or location of service. All terms and conditions contained in this tariff shall apply to all such permitted transferees or assignees.

ACCESS SERVICES TARIFF

SECTION 2 - TERMS AND CONDITIONS, (CONT'D.)**2.4 Location of Service**

Service originates or terminates at locations within the State of Michigan.

2.5 Use of Service

2.5.1 Service may be used for any lawful purpose by the Customer or by any End User.

2.5.2 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.

2.5.3. 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.

2.5.4 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.

ACCESS SERVICES TARIFF

SECTION 2 - TERMS AND CONDITIONS, (CONT'D.)**2.6 Discontinuance and Restoration of Service**

Service will continue to be provided until canceled by the Customer, in writing, or until canceled by the Company as set forth below. The Company may render bills subsequent to the termination of service for charges incurred before termination.

2.6.1 Cancellation by the Customer

The Customer may have service discontinued upon written notice to the Company. The Company shall hold the Customer responsible for payment of all bills for service furnished until the cancellation date specified by the Customer or until the date that the written cancellation notice is received, whichever is later. A termination liability charge applies to early cancellation of a term agreement.

2.6.2 Cancellation by the Company

- A.** For Nonpayment: The Company, by written notice to the Customer and in accordance with applicable law, may discontinue service or cancel an application for service without incurring any liability when there is an unpaid balance for service that is more than 60 days overdue.
- B.** For Returned Checks: The Customer whose check or draft is returned unpaid for any reason, after two attempts at collection, shall be subject to discontinuance of service in the same manner as provided for nonpayment of overdue charges.
- C.** For any violation of law or of any of the provisions governing the furnishing of service under this tariff: The Customer shall be subject to discontinuance of service, without notice, for any violation of any law, rule, regulation or policy of any government authority having jurisdiction over service, or by reason of any order or decision of a court or other government authority having jurisdiction which prohibits the Company from furnishing such service.
- D.** For the Company to comply with any order or request of any governmental authority having jurisdiction: The Customer shall be subject to discontinuance of service, without notice, for the Company to comply with any order or request of any governmental authority having jurisdiction.

ACCESS SERVICES TARIFF

SECTION 2 - TERMS AND CONDITIONS, (CONT'D.)

2.6 Discontinuance and Restoration of Service (Cont'd.)

2.6.3 Restoration of service

- A.** If service has been discontinued for nonpayment or as otherwise provided herein and the Customer wishes it continued, service shall, at the Company's discretion, be restored when all past due amounts are paid or the event giving rise to the discontinuance (if other than nonpayment) is corrected and the Customer pays a deposit at Company's discretion. Nonrecurring charges apply to restored services.
- B.** Restoration of disrupted services shall be in accordance with applicable Michigan and/or Federal Communications Commission Rules and Regulations, which specify the priority system for such activities.

ACCESS SERVICES TARIFF

SECTION 2 - TERMS AND CONDITIONS, (CONT'D.)**2.7 Cancellation of Application for Service**

Where the Customer or applicant cancels an application for service prior receipt of firm order confirmation (FOC), or prior to the start of special construction, no charge applies.

Where installation of service has been started (after FOC) prior to the cancellation, a cancellation charge equal to the costs incurred by the Company may apply, but in no case shall such charge exceed the charge for the applicable installation charges.

2.8 Minimum Period

The minimum period for which services are provided and for which rates and charges are applicable is one month unless otherwise specified. When a service is discontinued prior to the expiration of the minimum period, one month plus installation charges are applicable, whether the service is used or not.

2.9 Term Agreements

The Company offers Term Agreements wherein the Customer agrees to retain specified Company services for a mutually agreed upon length of time. A Termination Liability charge applies to the early termination of a Term Agreement.

ACCESS SERVICES TARIFF

SECTION 2 - TERMS AND CONDITIONS, (CONT'D.)**2.10 Billing and Payment Arrangements**

- 2.10.1** The Company shall bill on a current basis all charges incurred by and credits due to the Customer. The Customer may receive its bill in: 1) a paper format, 2) where available, a paper format bill summary with a computer disk to provide the detailed information of the bill, 3) where available, computer disk only, 4) where available, via electronic transmission. Such bills are due upon receipt regardless of the media utilized. The Company shall bill in advance charges for all services to be provided during the ensuing billing period except for charges associated with service usage or new installations. Adjustments for the quantities of service established or discontinued in any billing period beyond the minimum service period will be prorated to the number of days based on a 30 day month. The Company will, upon request and if available, furnish such detailed information as may reasonably be required for verification of billing.
- 2.10.2** All bills for service provided to the Customer by the Company are due and payable upon receipt, and are payable in immediately available funds. The bill will be past due 30 days after the date printed on the invoice. If such payment due date would cause payment to be due on a Saturday, Sunday or Legal Holiday, payment for such bills will be due from the Customer as follows.
- A.** If such payment due date falls on a Sunday or on a Legal Holiday which is observed on a Monday, the payment due date shall be the first non-Holiday date following such Sunday or Legal Holiday. If such payment due date falls on a Saturday or on a Legal Holiday which is observed on Tuesday, Wednesday, Thursday or Friday, the payment due date shall be the last non-Holiday day preceding such Saturday or Legal Holiday.
- B.** Further, if any portion of the payment is received by the Company after the payment due date as set forth above, or if any portion of the payment is received by the Company in funds which are not immediately available to the Company, then a late payment penalty shall be due the Company. The late payment penalty shall be a portion of the payment not received by the payment due date times a late factor. The late factor shall be 1.5% per month (.0005 per day) or 18% annually, or the maximum amount allowed by law whichever is lower. The late factor will be applied for the number of days from the payment due date to and including the date that the Customer actually makes the payment to the Company.
- 2.10.3** In the event the Company incurs fees or expenses, including without limitation attorneys' fees, in collecting, or attempting to collect, any charges owed the Company, the Customer will be liable to the Company for the payment of all such fees and expenses reasonably incurred.

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ACCESS SERVICES TARIFF

SECTION 2 - TERMS AND CONDITIONS, (CONT'D.)**2.11 Claims and Disputes**

In the event that a billing dispute occurs concerning any charges billed to the Customer by the Company, the Customer must submit a documented claim for the disputed amount. The Customer will submit all documentation as may reasonably be required to support the claim. All claims must be submitted to the Company within 90 days of receipt of billing for the disputed services. If the Customer does not submit a claim as stated above, the Customer waives all rights to filing a claim thereafter.

- 2.11.1** If the dispute is resolved in favor of the Customer and the Customer has withheld the disputed amount, no interest credits or penalties will apply.
- 2.11.2** If the dispute is resolved in favor of the Customer and the Customer has paid the disputed amount, the Customer will receive an interest credit from the Company for the disputed amount times a late factor as set forth in 2.10.3.B preceding.
- 2.11.3** In the event that the Company agrees to refund a credit by check or wire transfer, interest will be applied up to and including the date of issuance for either the check or wire transfer.
- 2.11.4** If the dispute is resolved in favor of the Company and the Customer has paid the disputed amount on or before the payment due date, no interest credit or penalties will apply.
- 2.11.5** If the dispute is resolved in favor of the Company and the Customer has withheld the disputed amount, any payments withheld pending settlement of the disputed amount shall be subject to the late penalty as set forth in 2.10.3.B preceding.

ACCESS SERVICES TARIFF

SECTION 2 - TERMS AND CONDITIONS, (CONT'D.)**2.12 Payment of Deposits**

- 2.12.1** The Company may, in order to safeguard its interests, require a Customer which has a proven history of late payments to the Company or does not have established credit to make a deposit prior to or at any time after the provision of service to the Customer to be held by the Company as a guarantee of the payment of rates and charges. No such deposit will be required of a Customer which has established credit and has no history of late payments to the Company.
- 2.12.2** The Company may require a deposit from Customers to protect against uncollectible accounts. The maximum amount of any deposit shall not exceed the equivalent of the customers estimated liability for two months usage.
- 2.12.3** The Company will pay interest on deposits held longer than 90 days, to accrue from the date the deposit is made until it has been refunded, or until a reasonable effort has been made to effect refund. The Commission shall notify the Company in January of each year of the interest rate prevailing for that year.
- 2.12.4** At the option of the customer making a security deposit, the Company shall annually make either direct payment to the customer of all accrued interest, or shall credit same to the customer's account. Customer deposits may be refunded by a utility at any time. Residential Customers' deposits should not be held longer than one year and all other deposits should not be held longer than two years provided the customer has established satisfactory credit during the period.
- 2.12.5** If the amount of a deposit is proven to be less than required to meet the requirements specified above, the Customer shall be required to pay an additional deposit upon request.

ACCESS SERVICES TARIFF

SECTION 2 - TERMS AND CONDITIONS, (CONT'D.)

2.13 Inspection, Testing and Adjustment

- 2.13.1** The Company may, upon reasonable notice, make such tests and inspections as may be necessary to determine whether the terms and conditions of this tariff are being complied with in the installation, operation or maintenance of the Customer's or the Company's facilities or equipment. The Company may interrupt service at any time, without penalty or liability, due to the departure from or reasonable suspicion of the departure from any of these terms and conditions.
- 2.13.2** Upon reasonable notice, the facilities or equipment provided by the Company shall be made available to the Company for such tests and adjustments as may be necessary for their maintenance in a condition satisfactory to the Company. No interruption allowance shall be granted for the time during which such tests and adjustments are made, unless such interruption exceeds twenty-four hours in length and is requested by the Customer.

ACCESS SERVICES TARIFF

SECTION 2 - TERMS AND CONDITIONS, (CONT'D.)**2.14 Interconnection**

- 2.14.1** Service furnished by the Company may be interconnected with services or facilities of other authorized communications common carriers and with private systems, subject to technical limitations established by the Company. Service furnished by the Company is not part of a joint undertaking with such other common carriers or systems. The Company does not undertake to provide any special facilities, equipment, or services to enable the Customer to interconnect the facilities or the equipment of the Company with services or facilities of other common carriers or with private systems.
- 2.14.2** Interconnection with the services or facilities of other common carriers shall be under the applicable terms and conditions of this tariff and the other common carrier's tariffs.
- 2.14.3** The Customer shall ensure that the facilities or equipment provided by the Customer are properly interconnected with the facilities or equipment of the Company. If the Customer maintains or operates the interconnected facilities or equipment in a manner which results or may result in harm to the Company's facilities, equipment, personnel, or the quality of service, the Company may, upon written notice, require the use of protective equipment at the Customer's expense. If this written notice fails to eliminate the actual or potential harm, the Company may, upon written notice, terminate the existing service of the Customer.

ACCESS SERVICES TARIFF

SECTION 2 - TERMS AND CONDITIONS, (CONT'D.)**2.15 Liability of the Company**

- 2.15.1** 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.
- 2.15.2** 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.
- 2.15.3** 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.
- 2.15.4** 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.
- 2.15.5** 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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ACCESS SERVICES TARIFF

SECTION 2 - TERMS AND CONDITIONS, (CONT'D.)

2.16 Liability of the Customer

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

- 2.16.1** 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
- 2.16.2** 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
- 2.16.3** 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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ACCESS SERVICES TARIFF

SECTION 2 - TERMS AND CONDITIONS, (CONT'D.)

2.17 Taxes

Federal excise tax and state and local sales, use, and similar taxes and governmental fees are not included in the rates set forth in this tariff, and shall be billed as separate line items.

2.18 Reserved for Future Use

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ACCESS SERVICES TARIFF

SECTION 2 - TERMS AND CONDITIONS, (CONT'D.)**2.19 Obligations of the Customer****2.19.1 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.

2.19.2 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.

2.19.3 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.

2.19.4 Testing

The service provided under this tariff shall be made available to the Company at times mutually agreed upon in order to permit the Company to make tests and adjustments appropriate for maintaining the services in satisfactory operating condition. No credit will be allowed for any interruption during such tests and adjustments.

ACCESS SERVICES TARIFF

SECTION 2 - TERMS AND CONDITIONS, (CONT'D.)**2.19 Obligations of the Customer (Cont'd.)****2.19.5 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.

2.19.6 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.

2.19.7 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.

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ACCESS SERVICES TARIFF

SECTION 2 - TERMS AND CONDITIONS, (CONT'D.)**2.19 Obligations of the Customer (Cont'd.)****2.19.8 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.
- 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 backbilled or credited, for a period retroactive to the date that the incorrect percentage was reported, but not to exceed 24 months. Backbilled 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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ACCESS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**2.19 Obligations of the Customer (Cont'd.)****2.19.9 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 § 51.913 and 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 its local exchange carrier affiliate has also implemented billing for intrastate Toll VoIP-PSTN Traffic in accordance with Section 51.913.

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 Tariff FCC No. 1 which are provided in Section 6.3.3.h of this tariff.

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.

(T)
(T)**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 2.19.9.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:

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 and terminates 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.

ACCESS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.19 Obligations of the Customer (Cont'd.)

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

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

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. (C)
(C)
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). (C)
(C)
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. (C)
(C)

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. (C)
(C)

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. (C)
(C)

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. (C)
(C)

ACCESS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.19 Obligations of the Customer (Cont'd.)

2.19.9 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 2.19.9.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. (C)
(C)
(C)
(C)
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.

ACCESS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**2.19 Obligations of the Customer (Cont'd.)****2.19.9 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 2.19.9.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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ACCESS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**2.19 Obligations of the Customer (Cont'd.)****2.19.9 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.
 - (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.

ACCESS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**2.19 Obligations of the Customer (Cont'd.)****2.19.10 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.

ACCESS SERVICES TARIFF

SECTION 2 - TERMS AND CONDITIONS, (CONT'D.)**2.19 Obligations of the Customer (Cont'd.)****2.19.11 Mixed Interstate and Intrastate Access Service**

When mixed interstate and intrastate switched access service is provided, all charges, including nonrecurring charges, usage charges, and optional features, will be prorated between interstate and intrastate. The percentage provided in the reports as set forth in 2.19.7 preceding 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:

- A.** For nonrecurring chargeable rate elements, multiply the percent intrastate use (1-PIU) times the quantity of chargeable elements times the intrastate tariff rate per element.
- B.** For usage sensitive chargeable rate elements, multiply the percent intrastate use (1-PIU) times actual use (measured or Company assumed average use) times the intrastate rate.

A similar calculation is then performed to determine the interstate portion of the bill.