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32. 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 beginning at 32.2 following.

32.1 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. 11, Section 15.3; Tariff F.C.C. No. 1, Section 14.7; 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 New England Inc. and Verizon New York Inc. whose operating territories are specified in Sections 15.1 and 15.2 preceding, respectively. The remaining Verizon Operating Telephone Companies participate in Tariff F.C.C. No. 1, No. 14, and/or No. 20 as shown below. These tariffs also specify the operating territories of each company.

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	Tariff F.C.C. No. 14	
Verizon Delaware LLC		(D)
Verizon Maryland LLC		(D)
Verizon New Jersey Inc.	Verizon North LLC	
Verizon Pennsylvania LLC	Verizon South Inc.	
Verizon Virginia LLC		(D)
Verizon Washington, DC Inc.		

Tariff F.C.C. No. 11	Tariff F.C.C. No. 20	
Verizon New England Inc.		(D)
Verizon New York Inc.	Verizon Delaware LLC	
		(D)
	Verizon Maryland LLC	
	Verizon New England Inc.	
	Verizon New York Inc.	
	Verizon North LLC	

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32. Contract Tariffs (Cont'd)

32.1 General (Cont'd)

Tariff F.C.C. No. 20 (Cont'd)
Verizon Pennsylvania LLC
Verizon South Inc.

(D)

Verizon Virginia LLC
Verizon Washington, DC Inc.

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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32. Conract Tariffs (Cont'd) (N)

32.2 Contract Tariff Option 1

(A) Scope

Contract Tariff Option 1 is offered for a period of 36 months. The contract effective date will be the first day of the month following subscription to Contract Tariff Option 1.

(2) The regulations, terms, conditions and incentives provided in this Section 32.2 apply to customers who subscribe to Contract Tariff Option 1 in the Metropolitan Statistical Areas (MSAs) specified in (C) following.

(3) A customer may subscribe to Contract Tariff Option 1 within thirty (30) days following the effective date of this option.

(B) Contracts Term and Renewal Options Company

(1) The contract term under Option 1 is 36 months. At the end of the contract term, the incentives provided in (G) following shall be discontinued.

(2) To subscribe to Contract Tariff Option 1, the customer must provide the Telephone Company with a written order, signed by an authorized representative of the customer, that specifies the date for this Contract Tariff Option to commence, and the Access Customer Name Abbreviations (ACNAs) within the serving area of the contract. (N)

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32. Conract Tariffs (Cont'd) (N)

32.2 Contract Tariff Option 1 (Cont'd)

(C) Serving Area for Contract Tariff Option 1

The serving area of Contract Tariff Option 1 is comprised of the following Telephone Company MSAs.

Metropolitan Statistical Area	Pricing Statis
Albany-Schenectady-Troy NY	Level 1
Allentown-Bethlehem-Eastern NY	Level 1
Altoona PA	Level 1
Baltimore MD	Level 1
Binghamton NY	Level 1
Buffalo-Niagara Falls NY	Level 1
Burlington VT	Level 1
Charlestown WV	Level 2
Elmira NY	Level 1
Hagerstown MD	Level 2
Harrisburg-Lebanon-Carlisle PA	Level 1
Huntington-Ashland WV-KY-OH	Level 1
Lancaster PA	Level 1
Lynchburg VA	Level 1
Manchester NH	Level 1
New York NY	Level 1
Newport News-Hampton VA	Level 2
No MSA Delaware	Level 2
No MSA Vermont	Level 1
Norfolk-Virginia Beach-Portsmouth VA/NC	Level 2
Parkersburg-Marietta WV-OH	Level 2
Philadelphia PA-NJ	Level 1
Pittsburgh PA	Level 1
Portland ME	Level 1
Portsmouth NH-Rochester ME	Level 1
Providence-Warwick RI-MA	Level 1
Reading PA	Level 2
Richmond VA	Level 1
Roanoke VA	Level 2
Scranton-Wilkes-Barre-Hazelton PA	Level 1
Springfield MA	Level 1
State College PA	Level 1
Syracuse NY	Level 1
Vineland-Millvile-Bridgeton	Level 2
Washington DC-MD-VA-WV	Level 1
Williamsport PA	Level 2
Wilmington-Newark DE-MD	Level 1
Dallas-Fort Worth TX	Level 1
Sarasota FL	Level 1
Tampa-St. Petersburg FL	Level 1

(X)

(N) (X)

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32. Contract Tariffs (Cont'd)

32.2 Contract Tariff Option 1 (Cont'd)

(C) Serving Area for Contract Tariff Option 1 (Cont'd)

The above Telephone Company MSAs are in effect as of the effective date of this Contract Tariff. Any additions of, or changes to, Telephone Company MSAs (including changes to Level 1/Level 2 pricing status as described in Section 15.3 preceding of this tariff, Section 14.7 of Tariff F.C.C. No. 1 and Section 19.1 of Tariff F.C.C. No. 14) that occur after the effective date of this Contract Tariff do not apply

(D) Description of Services

This Contract Tariff shall include revenues for any of the following services which are subject to Level 1 and Level 2 pricing flexibility (as described in Section 15.3 preceding of this tariff, Section 14.7 of Tariff F.C.C. No. 1 and Section 19.1 of Tariff F.C.C. No. 14) as of the date of subscription to this Contract Tariff Option 1. These revenues will be used to calculate the customer's annual minimum billed revenue as specified in (E) following. Rates and charges for these services are set forth in the applicable tariff for the MSA in which these services are provided.

Services Provided in Tariff F.C.C. No. 1

Channel Extension Service
Digital Data Service (DDS)
Facilities Management Service (FMS)
High Capacity DS1 and DS3
IntelliLight Broadband Transport (IBT)
IntelliLight Entrance Facility (IEF)
IntelliLight Shared Assurance Network (ISAN)
IntelliLight Shared Dual Path (ISDP)
IntelliLight Shared Single Path (ISSP)
IntelliMux
LAN Extension Service
Metallic
Program Audio
Verizon Dedicated SONET Ring (DSR)
Video
Voice Grade
WATS Access Line

(D)
(D)

ACCESS SERVICE

32. Contract Tariffs (Cont'd)

32.2 Contract Tariff Option 1 (Cont'd)

(D) Description of Services (Cont'd)

Service Provided in Tariff F.C.C. No.11

Metallic Service
Telegraph Service
Voice Grade Service
WATS Access Line
Program Audio Service
Video and Advanced Video Services
Digital Data Service
High Capacity DS1 and DS3
DIGIPATH digital service II

(D)

NYNEX Enterprise Service
NYNEX Enterprise Network Reconfiguration Service
IntelliLight Dedicated SONET Ring (Special Access Services only)
IntelliLight Entrance Facility (Special Access Services only)
IntelliLight Shared Assurance Network
IntelliLight Shared Single Path (Special Access Services only)
IntelliLight Broadband Transport
Enterprise SONET Services
Facility Management Service (Special Access Services only)
Channel Extension Service
Verizon Dedicated SONET Ring (Special Access Services only)

Services Provided in Tariff F.C.C. No. 14

Voice Grade
Program Audio
Digital Data
High Capacity DS1
High Capacity DS3
High Voltage Protection
Clear Channel Capability

(D)

Optical Networking

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32. Conract Tariffs (Cont'd) (N)

32.2 Contract Tariff Option 1 (Cont'd)

(E) Minimum Revenues for Combined MSAs

(1) Minimum Billed Revenue

This Contract Tariff includes a minimum billed revenue which is the combined revenue associated with all services specified in (D) preceding for the combined MSAs set forth in (C) preceding. Minimum billed revenues under this Contract Tariff include only monthly recurring revenues for the services specified in (D) preceding, adjusted to reflect any credits or discounts given under existing pricing plans (i.e., Service Discount Plan or Commitment Discount Plan), if applicable, for the services provided during the contract term. Minimum billed revenues do not include revenue from nonrecurring charges, taxes (e.g., State, Local or Federal), service fees (e.g., interest penalty), any other charges which are not applied on a recurring monthly basis, or any other billed amount for which payment is being withheld by the customer.

The customer must achieve the annual minimum billed revenue specified in (J) following as determined on the anniversary date of the customer's subscription to the service under this Contract Tariff in order to be eligible for the Annual Incentive.

If the customer does not achieve the annual minimum billed revenue for a year of the contract term, the customer will not receive for such year the Annual Incentive as described in (G)(1) following.

(2) Product Suite Minimum Revenues

This Contract Tariff includes a product suite and product suite total annual minimum revenue as specified in (J) following.

The customer must achieve the product suite total annual revenue as determined on the anniversary date of the customer's subscription to the service under this Contract Tariff to be eligible for a Product Suite Annual Incentive. If the customer does not achieve the product suite total annual revenue for a year of the contract term, the customer will not receive for such year the Product Suite Annual Incentive as described in (G)(2) following. (N)

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32. Conract Tariffs (Cont'd) (N)

32.2 Contract Tariff Option 1 (Cont'd)

(F) Rates and Charges

The rates and charges for services subject to this Contract Tariff are set forth in The Verizon Telephone Companies Tariff F.C.C. No. 1, Section 7; Tariff F.C.C. No. 11, Section 30; and (X)
Tariff F.C.C. No. 14, Sections 5 and 20. The Telephone Company (X)
reserves the right to change the rates and charges for services included in the aforementioned tariffs of the Verizon Telephone Companies. Such changes shall not result in modification of Annual Minimum Billed Revenue targets specified in section (J) following.

(G) Contract Tariff Option 1 Incentives

The incentives offered under this Contract Tariff are provided annually and are based on the customer achieving the annual minimum billed revenue and the product suite total annual minimum revenues as specified in (J) following. Minimum revenues for combined MSAs are subject to the regulations set forth in (E) preceding. (N)

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32. Conract Tariffs (Cont'd) (N)

32. 2 Contract Tariff Option 1 (Cont'd)

(G) Contract Tariff Option 1 Incentives (Cont'd)

There are two levels of incentives: 1) Annual Incentive and 2) Product Suite Annual Incentive. These incentives are described as follows.

(1) Annual Incentive

An Annual Incentive will be applied when customer revenues for eligible services and markets in each contract year exceed the annual minimum billed revenue. The Annual Incentive is comprised of two components, fixed and variable. The variable component will be applied to the incremental revenue that exceeds the annual minimum billed revenue for each year of the customer's contract term. The fixed component will be applied in the first plan year when the annual minimum billed revenue is achieved. The Annual Incentive is credited to the customer's account in quarterly installments payable within forty-five (45) days of the close of each quarter of the contract term, beginning with the close of the first quarter (i.e., first three months) following subscription to this Contract Tariff Option 1. For each contract term year, the first three quarterly installments of the Annual Incentive will be credited on a pro rata basis. The fixed component will be credited to the customer's account in three equal installments within 45 days of the close of the first three quarters of the contract term. For the last quarter of the contract term year, the Telephone Company will true-up the customer's Annual Incentive using the actual billed revenue for that contract term year, less the pro rata amounts, and fixed component, credited for the previous three calendar quarters. The true-up may result in an additional credit due to the customer or in a charge-up to the customer if the Company credited more Annual Incentive than the customer was entitled to receive. Failure to achieve the minimum billed revenue for the contract term year will result in suspension of future quarterly installments being credited. (N)

32. Conract Tariffs (Cont'd) (N)

32.2 Contract Tariff Option 1 (Cont'd)

(G) Contract Tariff Option 1 Incentives (Cont'd)

(1) Annual Incentive (Cont'd)

However, the customer will still be eligible for the Annual Incentive in the remaining contract term years.

The annual minimum billed revenue and the annual incentive percentages for this Contract Tariff are specified in (J) following.

(2) Product Suite Incentive

The product suite annual incentive applies if the customer first qualifies for the Annual Incentive at the end of the contract term year and also achieves the product suite total annual minimum revenues at the end of the contract term year. The product suite annual incentive is equal to the incentive dollar amount the customer is credited for the Annual Incentive as described in (1) preceding multiplied by the Product Suite Multiplier as specified in (J) following.

The customer will receive the Product Suite Annual Incentive each contract term year within forty-five days following the anniversary date of the customer's subscription to the service under this Contract Tariff.

Should the customer achieve any Product Suite Annual Incentive level during any of the first three quarters of the contract term year, the Product Suite Multiplier for the level achieved will be applied to all Annual Incentive installments credited for the plan year to date in order to determine the product suite annual incentive. For the last quarter of the contract term year, the Telephone Company will true-up the customer's Product Suite Incentive using the actual billed revenue for that contract term year, less the Product Suite Incentive amounts credited for the previous three calendar quarters. The true-up may result in an additional credit due to the customer or in a charge-up to the customer if the Company credited more Product Suite Incentive than the customer was entitled to receive.

The customer will not receive the product suite annual incentive in any year of the contract term in which the customer fails to achieve the Annual Minimum Billed Revenue and the product suite total annual revenue.

The customer's product suite for Contract Tariff Option 1 consists of the DS3 level services specified in (D) preceding. The product suite total annual minimum revenues are provided in (J) following. (N)

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32. Conract Tariffs (Cont'd) (N)

32.2 Contract Tariff Option 1 (Cont'd)

(H) Restrictions

Unless otherwise permitted under another contract tariff option in this Section 32, a customer may not concurrently subscribe to any other contract tariff option in the MSAs specified in (C) preceding and for the services specified in (D) preceding.

A customer may cancel this contract at any time, however, the customer may not subscribe to any other contract tariff option for the MSAs specified in (C) preceding and for the services specified in (D) preceding for a period of 6 months following the cancellation.

(I) Mergers and Acquisitions

In the event the customer merges with another company, acquires another company, or a portion of the business of another company, or is acquired by another company, the following regulations will apply:

- The customer may not combine revenues eligible for incentives provided by this Contract Tariff with revenues from the merged or acquired company or assets for the purpose of obtaining the incentives provided under this Contract Tariff.

- The customer may continue subscribing to this Contract Tariff for the duration of the contract term based on its business with the Verizon Telephone Companies as of the beginning of its subscription to this Contract Tariff, without adding the revenues attributable to expansion of the customer's purchase of services from the Telephone Company though merger or acquisition action.

- The Telephone Company reserves right to terminate the customer's subscription to this Contract Tariff if the customer does not adhere to the provisions herein. (N)

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32. Conract Tariffs (Cont'd) (N)

32.2 Contract Tariff Option 1 (Cont'd)

(J) Annual Revenue and Product Suite Annual Incentives

(1) Annual Revenue and Annual Minimum Billed Revenues

The Annual Incentive is comprised of two components, fixed and variable. The annual minimum billed revenue and corresponding annual incentive levels for each contract term year are shown below. The customer must achieve the year's minimum billed revenue in order to receive any component of the annual incentive. For example, if the customer achieved revenue of $340,000,000 at the end of the first year's contract term, the annual incentive for the first year would be $9,200,000 (i.e., $3,800,000 + ($325,000,000 - $301,000,000) x 10% + ($340,000,000 - $325,000,000) x 20%).

Annual Minimum Billed Revenue

	Year 1	Year 2	Year 3
	$301,000,000	$346,000,000	$386,000,000

Annual Incentive Component Value

Fixed	$ 3,800,000	$0	$0
Variable	10%	15%	15%
Variable	20%	30%	30%

Actual Billed Annual Revenue Incentive

Annual Incenives			
Variable 1	>$301,000,000 up to >$325,000,000	>$346,000,000 up to >$378,000,000	>$386,000,000 up to >$426,000,000
Variable 2	$325,000,000	>$378,000,000	>$426,000,000 (N)

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32. Conract Tariffs (Cont'd) (N)

32.2 Contract Tariff Option 1 (Cont'd)

(J) Annual Revenue and Product Suite Annual Incentives (Cont'd)

(2) Product Suite and Product Suite Annual Minimum Billed Revenues

The product suite, product suite annual minimum billed revenues, and Product Suite Multiplier for each contract term year are shown below. The customer must achieve the year's Annual Minimum Billed Revenue as well as the product suite annual minimum billed revenue in order to receive the annual product suite incentive which is equivalent to the amount the customer received for the annual incentive as specified in (1) preceding multiplied by the Product Suite Multiplier. For example, if the customer achieved revenues of $340,000,000 as used in the example under (1) above, and also achieved product suite annual billed revenues of $135,500,000 at the end of the first year's contract term, the product suite annual incentive for the first year would be $7,360,000 (i.e. $9,200,000 (an amount equal to the annual incentive in (1) preceding) x .80).

Product Suite Annual Minimum Billed Revenue- Year 1

Product Suite DS3 Services	Year 1 ($)	Product Suite Multipler
Level 6	>136,000,000	1.00
Level 5	137,000,000 – 136,999,999	0.90
Level 4	135,000,000 – 135,999,999	0.80
Level 3	134,000,000 – 134,999,999	0.60
Level 2	133,000,000 – 132,999,999	0.30
Level 1	132,000,000 – 132,999,999	0.10
Level 0	>132,000,000	0

(N)

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32. Conract Tariffs (Cont'd) (N)

32.2 Contract Tariff Option 1 (Cont'd)

(J)(2) (Cont'd)

Product Suite Annual Minimum Billed Revenue- Year 2

Product Suite DS3 Services	Year 2 ($)	Product Suite Multipler
Level 6	>165,000,000	1.00
Level 5	164,000,000 - 164,999,999	0.90
Level 4	163,000,000 - 163,999,999	0.80
Level 3	162,000,000 - 162,999,999	0.60
Level 2	161,000,000 - 161,999,999	0.30
Level 1	160,000,000 - 160,999,999	0.10
Level 0	>160,000,000	0

Product Suite Annual Minimum Billed Revenue- Year 3

Product Suite DS3 Services	Year 3 ($)	Product Suite Multipler
Level 6	>191,000,000	1.00
Level 5	190,000,000 - 190,999,999	0.90
Level 4	189,000,000 - 189,999,999	0.80
Level 3	188,000,000 - 188,999,999	0.60
Level 2	187,000,000 - 187,999,999	0.30
Level 1	186,000,000 - 186,999,999	0.10
Level 0	>186,000,000	0

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32. Conract Tariffs (Cont'd) (N)

32.2 Contract Tariff Option 1 (Cont'd)

(K) Customer Desired Due Date (CDDD) Reports

A customer who subscribes to Contract Tariff Option 1 may choose to receive monthly reports that set out the Telephone Company's results in provisioning the services set out in this paragraph, measured on a Customer Desired Due Date (CDDD) basis. The Telephone Company will provide these reports for the first twelve months of customer's subscription to this Contract Tariff. The reports will be available in subsequent years only if the customer has met the annual minimum billed revenue volume specified in (J) for the previous year. For Telephone Companies under Tariff F.C.C. No. 14, the reports will (X)
cover all DS-3, DS-1, and DS-0 special access services. For the (X)
remaining Telephone Companies, one set of reports will cover DS-1 and DS-3 special access services, excluding those orders 1.) where an interval less than nine business days is requested, or 2.) where orders have been queried back to the customer and the amended order has not been changed to reflect an interval of nine business days or more. All interval calculations for this first set of reports will be measured from the receipt of a clean ASR. These reports will begin with results for April, 2002. A second set of reports for the same remaining Telephone Companies will be identical except they (X)
will not include the exclusions mentioned above. Separate reports will be provided for the grouping of Telephone Companies under each of the three tariffs noted above, and will cover provisioning for (X)
the specified services for the entire area served by those Telephone Companies. In addition, within ten days of customer's request for the reports described in this paragraph, the Telephone Company will provide the customer with monthly projections, and the reports will also measure results against the projections. The reports will be provided to measure the Telephone Company's performance, and there are no liabilities, financial or otherwise, associated with the results of these metrics.

(N)

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32. Conract Tariffs (Cont'd)

32.3 Contract Tariff Option 2 (N)

The IntelliLight East Renewal Plan (East Plan/Option 2) provides for the application of a discount to the qualifying monthly recurring rates on (1) IntelliLight month-to-month billed services that are converted to an East Plan under this Section 32.3 or (2) existing IntelliLight Service term plans that are renewed as East Plans under this Section 32.3.

32.3.1 IntelliLight East Renewal Plan Eligibility

(A) To be eligible for this Plan, the customer must have minimum total billed annual access revenues for calendar year 2001 of $45,000,000.00 or greater for all of its IntelliLight services listed in (C) following within all of the operating territories of this tariff and of The Verizon Telephone (X)
Companies Tariff F.C.C. No. 1. The customer must also (X)
maintain a minimum total billed annual access revenue for calendar year 2003 and for calendar year 2004 of $40,000,000.00 or greater for all of its IntelliLight services listed in (D) following within all of the operating territories of this tariff and of the Verizon Telephone (X)
Companies Tariff F.C.C. No. 1. Total billed annual access (X)
revenues are determined using IntelliLight services billed at price band rates and at all other rates. Failure to maintain the annual minimum revenue volume will result in termination of the customer's East Plan.

(B) Beginning with the effective date of this tariff and ending December 31, 2003, each month-to-month billed service that is converted to an East Plan and each existing term plan that is renewed as an East Plan will be subject to the terms and conditions set forth in this Section 32.3. For conversion of a month-to-month billed service or renewal of an existing term plan, the service must have been billable as of September 30, 2002. For purposes of this regulation, a billable service is defined as a service that received a monthly bill for all or part of the September 2002 bill period.

To subscribe to Contract Tariff Option 2, the customer must provide the Telephone Company with a written order, signed by an authorized representative of the customer, that specifies the date for this Contract Tariff Option to commence, and the Access Customer Name Abbreviations (ACNAs) within the serving area of the contract.

A customer subscribing to Contract Tariff Option 2 may concurrently subscribe to Contract Tariff Option 1, regardless of any restriction to the contrary that may appear in Contract Tariff Option 1. (N)

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32. Conract Tariffs (Cont'd)

32.3 Contract Tariff Option 2 (Cont'd)

32.3.1 IntelliLight East Renewal Plan Eligibility (Cont'd)

(C) Serving Area for Contract Tariff Option 2

The serving area of Contract Tariff Option 2 is comprised of the following Telephone Company MSAs.

Metropolitan statistical Area	Pricing Status
Albany-Schenectady-Troy NY	Level 1
Allentown-Bethlehem-Eastern NY	Level 1
Altoona PA	Level 1
Baltimore MD	Level 1
Binghamton NY	Level 2
Buffalo-Niagara Falls NY	Level 1
Burlington VT	Level 1
Charlestown WV	Level 2
Elmira NY	Level 1
Hagerstown MD	Level 2
Harrisburg-Lebanon-Carlisle PA	Level 2
Huntington-Ashland WV-KY-OH	Level 2
Lancaster PA	Level 2
Lynchburg VA	Level 1
Manchester NH	Level 1
New York NY	Level 1
Newport News-Hampton VA	Level 1
No MSA Delaware	Level 2
No MSA Vermont	Level 1
Norfolk-Virginia Beach-Portsmouth	Level 2
Parkersburg-Marietta WV-OH	Level 2
Philadelphia PA-NJ	Level 1
Pittsburgh PA	Level 2

(N) (X)

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32. Conract Tariffs (Cont'd)

32.3 Contract Tariff Option 2 (Cont'd) (N)

32.3.1 IntelliLight East Renewal Plan Eligibility (Cont'd)

(C) Serving Area for Contract Tariff Option 2 (Cont'd)

Metropolitan statistical Area	Pricing Status
Portland ME	Level 1
Portsmouth-Rochester NH-ME	Level 1
Providence-Warwick RI-MA	Level 1
Reading PA	Level 2
Richmond VA	Level 2
Roanoke VA	Level 2
Scranton-Wilkes-Barre-Hazelton PA	Level 2
Springfield MA	Level 1
State College PA	Level 2
Syracuse NY	Level 1
Vineland-Millvile-Bridgeton NJ	Level 2
Washington DC-MD-VA-WV	Level 1
Williamsport PA	Level 2
Wilmington-Newark DE-MD	Level 2

(X)

The above Telephone Company MSAs are in effect as of the effective date of this Contract Tariff. Any additions of or changes to Telephone Company MSAs (including changes to Level 1/Level 2 pricing status as described in Section 15.3 preceding of this tariff and Section 14.7 of Tariff F.C.C. No. 1) that occur after the effective date of this Contract Tariff do not apply. (N) (X)

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32. Conract Tariffs (Cont'd)

32.3 Contract Tariff Option 2 (Cont'd)

32.3.1 IntelliLight East Renewal Plan Eligibility (Cont'd)

(D) The following Special Access IntelliLight Services are eligible for conversion or renewal to an East Plan:

Service	Service Reference in F.C.C. No. 1	Service Reference in F.C.C. No. 11	
IntelliLight Broadband Transport	8.2	26.1.5	
Verizon Dedicated SONET Ring*	23.1	34.1	(T)
IntelliLight Entrance Facility	7.2.15	26.1.4	
IntelliLight Shared Dual Path	7.2.14(C)(2)	Not Offered	
IntelliLight Shared Single Path	8.3	26.1.6	
IntelliLight Dedicated SONET Ring*	Not Offered	26.1.1	(T)

(E) When establishing an East Plan, the customer must specify the term commitment period from those offered in 32.3.2(A) following for the specific type of service involved.

Nonrecurring charges and termination liabilities under tariff provisions applicable to customer's current subscription to the services that are converted are not applicable to services converted to an East Plan or to services under a term plan that are renewed as an East Plan. Restrictions in other tariff provisions concerning cancellation and/or eligibility for other discount programs are not applicable to a transfer to the East Renewal Plan.

(F) With the exception of converting a month-to-month billed service to an East Plan or renewal of an existing term plan to an East Plan, no other changes may be made to the physical characteristics of the service (e.g., no change of speed, type or capacity).

* IDSR as set forth in Section 26.1.1 of this tariff may be renewed as an East Plan (1) upon conversion of billing to the rates and charges set forth in Section 30.34.1 or 31.34.1, as applicable, for DSR provided under Section 34.1 following; and (2) provided that there are no changes to the facilities or nodes of the existing ISDR service configuration; and (3) provided that billing conversion and renewal to an East Plan occurs prior to December 31, 2003. (T) (T)

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32. Contract Tariffs (Cont'd)

32.3 Contract Tariff Option 2 (Cont'd)

32.3.2 IntelliLight East Renewal Plan Terms and Conditions

(A) Term Commitment Periods

The customer must select a term commitment period based on the following options.

	East Plan Term Commitment Periods				
Service	2 Year	3 Year	5 Year	7 Year	
IntelliLight Broadband Transport		X	X		
Verizon Dedicated SONET Ring		X	X	X	(T)
IntelliLight Entrance Facility		X	X		
IntelliLight Shared Dual Path (Available under FCC 1 only)	X	X	X		
IntelliLight Shared Single Path		X	X		

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32. Contract Tariffs (Cont'd)

32.3 Contract Tariff Option 2 (Cont'd)

32.3.2 IntelliLight East Renewal Plan Terms and Conditions (Cont'd)

(B) The rate elements that are included in an East Plan are the recurring rate elements specified below for each type of service:

IntelliLight Broadband Transport Rate Elements
- Terminations, Mileage and Ports

IntelliLight Dedicated SONET Ring Rate Elements
- Nodes, Mileage and Ports

IntelliLight Entrance Facility Rate Elements
- Terminations and Interfaces

IntelliLight Shared Dual Path Rate Elements
- ISDP Terminations and Standby Mileage

IntelliLight Shared Single Path Rate Elements
- Channel Terminations, Channel Mileage and Optional Features and Functions

Verizon Dedicated SONET Ring Rate Elements (T)
- Nodes, Mileage and Ports

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32. Conract Tariffs (Cont'd)

32.3 Contract Tariff Option 2 (Cont'd)

32.3.2 IntelliLight East Renewal Plan Terms and Conditions (Cont'd)

(C) Except as set forth in this Section 32.3, the terms and conditions for each individual service term plan apply as set forth in the following sections:

Service	Term Plan Reference in F.C.C. No. 1	Term Plan Reference in F.C.C. No. 11	
IntelliLight Broadband Transport	8.2(C)	26.1.5	
Verizon Dedicated SONET Ring	23.1	34.1	(T)
IntelliLight Entrance Facility	7.2.15(D)	26.1.4(D)&(E)	
IntelliLight Shared Dual Path	7.2.14(C)(2)(a)	Not Offered	
IntelliLight Shared Single Path	8.3(C)	26.1.6(C)&(D)	

(D) The following terms and conditions apply in addition to, or in lieu of, the terms and conditions that apply under the term plan for the specific type of service involved.

(1) Under the East Plan, the customer will receive a discount of twenty-one and one half percent (21.5%) applied to the qualifying monthly recurring rates and charges for the type and duration of service involved which is provided within the MSAs set forth in (C) preceding. Service under an East Plan is not eligible for additional discount under any other sections of this tariff. Customers that are in an existing East Plan will not be subject to Telephone Company initiated rate increases or rate decreases. In the event that the Telephone Company initiates a change to the monthly recurring rates and charges for a service under the East Plan, the Telephone Company will file a schedule of vintage rates and charges in 32.3.2(E) for customers in existing East Plans.

For term commitment periods of twenty-four (24) months, the discount will be calculated for the entire term commitment period using the rates in effect on the day that the East Plan was established/renewed and applied to the customer's bill as a lump sum credit no later than the first bill period following the date of conversion or renewal to the East Plan.

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32. Conract Tariffs (Cont'd)

32.3 Contract Tariff Option 2 (Cont'd) (N)

32.3.2 IntelliLight East Renewal Plan Terms and Conditions (Cont'd)

(D) (Cont'd).

(1) (Cont'd)

For term commitment periods in excess of twenty-four months, the discount for the first twenty-four (24) months of the term commitment period will be calculated using the rates in effect on the day that the term plan is established/renewed and applied to the customer's bill as a lump sum adjustment no later than the first bill period following the date of conversion or renewal to an East Plan. No further discount, other than the discount inherent in the term plan prices, will be applied during the initial 24 months' billing of the term commitment period.

Beginning on month twenty-five (25) and continuing through the end of the term commitment period, the discount will be applied as a monthly adjustment to the customer's bill.

(2) No later than December 31, 2003, the customer may, at its option, renew its initial East Plan to a new East Plan of the same or of a different commitment period. No adjustment will be made to the rates billed for the months prior to the date of renewal or to the lump sum adjustment already applied. The customer will pay the tariff rates in effect commencing with the renewal date. The application of the monthly discount starting on the twenty-fifth month will be based on the start date of the initial East Plan commitment. The discount will be applied to the monthly rates of the plan in effect at the twenty-fifth month.

After December 31, 2003, the customer may, at its option renew the term commitment period of a service under the East Plan to the terms and conditions of the standard term plan (i.e., the non-East Plan) for the service involved. Upon renewal to a non-East Plan, such service will no longer be subject to the terms and conditions or discounts provided under this Section 32.3. (N)

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32. Conract Tariffs (Cont'd)

32.3 Contract Tariff Option 2 (Cont'd) (N)

32.3.2 IntelliLight East Renewal Plan Terms and Conditions (Cont'd)

(D) (Cont'd).

(3) Additional services or rate elements may be added during the term commitment period subject to the terms and conditions set forth for service additions in the standard term plan for the service and will not be subject to the discount applied under an East Plan.

(4) Upon completion of the East Plan term commitment period, the customer has the following options.

(a) Continue with the service at the non-East Plan rates in effect with the application of the 21.5% discount. The customer must provide the Telephone Company with written notice prior to subsequent disconnection of the service.

(b) Disconnect the service.

In all cases, the 21.5% discount will cease upon disconnection of the service or renewal of the expiring East Plan to the standard term plan for the type of service involved. (N)

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32. Conract Tariffs (Cont'd)

32.3 Contract Tariff Option 2 (Cont'd)

32.3.2 IntelliLight East Renewal Plan Terms and Conditions (Cont'd)

(D) (Cont'd)

(5) Except as set forth in (a) and (b) following, termination liability applies in accordance with the terms and conditions set forth in the following sections for the specific type of service involved.

Service	Term Plan Reference in F.C.C. No. 1	Term Plan Reference in F.C.C. No. 11	
IntelliLight Broadband Transport	8.2(C)(1)	26.1.5(C)	
Verizon Dedicated SONET Ring	23.1	34.1	(T)
IntelliLight Entrance Facility	7.2.15(E)	26.1.4(E)	
IntelliLight Shared Dual Path	7.2.14(C)(2)(a)	Not Offered	
IntelliLight Shared Single Path	8.3(D)	26.1.6(D)	
IntelliLight Dedicated SONET Ring	Not Offered	26.1	(T)

(a) In the event that service under an East Plan is disconnected within the first 24 months of the term commitment period, or the customer cancels its East Plan within the first 24 months of the term commitment period, the customer will be billed the pro-rated portion of the lump sum adjustment from the date of disconnection or cancellation through the balance of the initial 24 months of the term commitment period. The billed pro-rated portion of the lump sum adjustment is in addition to any termination liability that may be applied under the terms and conditions set forth for the specific type of service involved.

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32. Conract Tariffs (Cont'd)

32.3 Contract Tariff Option 2 (Cont'd)

32.3.2 IntelliLight East Renewal Plan Terms and Conditions (Cont'd)

(D) (Cont'd)

(5) (Cont'd)

(b) For purposes of assessing termination liability under this East Plan, the Telephone Company will grant time-in-service credit (TISC) on a per rate element basis for all rate elements for which termination liability applies (as set out in this section) for the period of time that the service was in effect prior to the date that its current East Plan was established when the customers end user disconnects service under the East Plan. The customer will provide to the Telephone Company written documentation once per month, no later than the date of issuance of the Access Order and 30 days prior to the date of disconnection, that certifies that the discontinuance of the service was the result of a disconnection order from the customer's end user. TISC will not be granted when service is disconnected (even if at the request of the customer's end user) in order to rearrange the service on to the customer's own network or on to the network of another service provider. The monthly certification will contain, where necessary, specific exceptions to detail those cases where service is disconnected in order to rearrange service on to the customer's own network or on to the network of another service provider.

When the conditions above are met, TISC will be granted as follows:

- With the exception of IDSR as set forth in Section 26.1, month-to-month billed service that was converted to an East Plan will receive TISC equal to the number of months that the service was in place up to a maximum of twelve months. (C)

- For IDSR as set forth in Section 26.1 that was billed on a month-to-month basis and converted to an East Plan, TISC will apply as follows:
  - If service is disconnected prior to September 27, 2003, TISC is equal to the number of months that the service was in place up to a maximum of twelve months.
  - If service is disconnected after September 27, 2003, TISC is equal to the number of months that the service was in place up to a maximum of thirty-six months (C)

Material formerly shown on this page now appears on Page 32-26.

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32. Conract Tariffs (Cont'd)

32.3 Contract Tariff Option 2 (Cont'd)

32.3.2 IntelliLight East Renewal Plan Terms and Conditions (Cont'd)

(D) (Cont'd)

(5) (Cont'd)

(b) (Cont'd)

- For renewal of an existing term plan to an East Plan, the amount of TISC is equal to the number of months the original term plan was in effect prior to conversion to the East Plan. (T) (M) (M)

- If a second renewal occurred under (D)(2) preceding, the amount of TISC is equal to the number of months the original term plan was in effect prior to conversion to the East Plan plus the number of months the first renewal was in effect prior to the second renewal. (T) (M) (M)

When calculating any termination liability charge that may be assessed for early disconnection of service or cancellation of the renewed plan, TISC will be applied to the beginning of the period that termination liability is assessed (i.e., beginning with the date of disconnection or cancellation).

For example: Assume (1) the term commitment for the service is 60 months; (2) the termination liability for the service is 100% of the monthly rate for the first 12 months of service and 25% of the monthly rate for the remaining months in the term commitment; (3) the service was in effect for 9 months before conversion to the East Plan, resulting in 9 months of TISC; and (4) the customer's end user disconnects after 6 months of receiving service under the East Plan.

TISC of 9 months would be added to the 6 months of service under the current East Plan, for a total of 15 months service. Termination liability would then apply to the remaining 45 months, and would be computed at the 25% rate.

Certain material now shown on this page formerly appeared on Page 32-25.

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32. Contract Tariffs (Cont'd)

32.4 Contract Tariff Option 3 (N)

(A) Scope

Contract Tariff Option 3 is an offering exclusively for new installations of Special Access High Capacity 1.544 Mbps (DS1) and 44.736 Mbps (DS3) Services ordered during a specific time period (subscription period) and connecting a premises in New York to a premises in New Jersey or a premises in New York to a wire center hub in New Jersey. Both premises must be located within the New York and New Jersey Corridor (NY/NJ Corridor).

The regulations, terms and conditions provided in this Section 32.4 apply to customers who subscribe to Contract Tariff Option 3 during the subscription period specified in (B)(2) following. The wire centers of the NY/NJ Corridor are within the New York Metropolitan LATA and the North Jersey LATA, collectively within the New York NY Metropolitan Statistical Area (MSA). The specific wire centers of the MSA that are included in Option 3 are specified in (C) following. (N)

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32. Contract Tariffs (Cont'd)

32.3 Contract Tariff Option 3 (Cont'd)

(B) General

(1) DS1 and DS3 services may be ordered under Contract Tariff Option 3 on a month-to-month basis or for a term plan of 3 or 5 years. This Contract Tariff is applicable to newly installed DS1 or DS3 services ordered during the subscription period specified in (2) following.

(2) The first subscription period during which the customer may subscribe to Contract Tariff Option 3 begins on April 10, 2003 and ends June 10, 2003. The second subscription period during which the customer may subscribe to Contract Tariff Option 3 begins on June 12, 2003 and ends July 27, 2003. The third subscription period during which the customer may subscribe to Contract Tariff Option 3 begins on July 28, 2003 and ends December 31, 2003. (C) (C) (C) (C)

A confirmed due date for installation of DS1 and DS3 services ordered during the subscription period must be (1) within sixty (60) days of the date of ordering or (2) in accordance with a negotiated schedule of service dates requested by the customer and agreed to by the Telephone Company. Failure to accept service on the confirmed due date will result in cancellation of the order and the application of cancellation charges in accordance with Section 5.2 preceding, except when such failure to accept service is due to the Telephone Company's failure to provide service on the confirmed due date.

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32. Contract Tariffs (Cont'd)

32.4 Contract Tariff Option 3 (Cont'd) (N)

(C) Serving Area for Contract Tariff Option 3

The serving area of Contract Tariff Option 3 is comprised of the following Telephone Company wire centers which are within the New York NY Metropolitan Statistical Area.

New York Wire Centers

NYCKNY14	NYCMNY42	NYCQNYFR
NYCKNY71	NYCMNY50	NYCQNYHS
NYCKNY77	NYCMNY56	NYCQNYIA
NYCKNYAI	NYCMNY73	NYCQNYJA
NYCKNYAL	NYCMNY79	NYCQNYLI
NYCKNYAR	NYCMNY97	NYCQNYLN
NYCKNYAU	NYCMNYBS	NYCQNYNJ
NYCKNYAY	NYCMNYBW	NYCQNYNW
NYCKNYBR	NYCMNYCA	NYCQNYOP
NYCKNYBU	NYCMNYMN	NYCQNYRH
NYCKNYCL	NYCMNYPS	NYCRNYND
NYCKNYFA	NYCRNYNS	NYCRNYSS
NYCKNYFT	NYCMNYTH	NYCRNYWS
NYCKNYKP	NYCMNYVS	NYCXNYCI
NYCKNYLA	NYCMNYWA	NYCXNYCR
NYCKNYRA	NYCMNYWS	NYCXNYGC
NYCKNYTY	NYCMNYZO	NYCXNYHO
NYCKNYWM	NYCQNYAS	NYCXNYJE
NYCMNY13	NYCQNYBA	NYCXNYKB
NYCMNY18	NYCQNYBH	NYCXNYMH
NYCMNY30	NYCQNYCO	NYCXNYTB
NYCMNY36	NYCQNYFH	NYCXNYTR
NYCMNY37	NYCQNYFL	

(N)

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32. Contract Tariffs (Cont'd)

32.4 Contract Tariff Option 3 (Cont'd) (N)

(C) Serving Area for Contract Tariff Option 3 (Cont'd)

New Jersey Wire Centers

BYNNNJ02	JRCYNJBR	PSSCNJPS
BLVLNJBE	JRCYNJJO	PTSNNJAR
BLFDNJBL	KRNYNJKN	PLFDNJPF
CFTNNJCF	LNDNNJ01	RCPKNJ02
CLWLNJCW	LTFLNJLF	RGWDNJRW
CFPKNJCS	LTFYNJLF	RHWYNJRA
CLSTNJCO	LVTNNJLI	RMSYNJRM
CNFRNJCR	MLBNNJMB	RSLLNJRL
DUMTNJDM	MTCLNJMC	RVDLNJPL
ELZBNJEL	MTVWNJMV	RTFRNJRU
ENWDNJEN	NBRGNJNB	SORGNJSO
EORNNJEO	NWPVNJMH	UNCYNJ02
ERLKNJEL	NWRKNJ03	UNINNJUV
FRLNNJFL	NWRKNJIR	WMFRNJ01
FRFDNJFA	NWRKNJ02	WORNNJWO
FTLENJLE	NWRKNJWA	WSFDNJWS
HCKNNJHK	NFLDNJNF	WYCKNJWK
HLDNNJ01	NTLYNJNU	
HLDLNJWE	OKLDNJ01	
IVTNNJES	RVEDNJOR	

(N)

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32. Contract Tariffs (Cont'd)

32.4 Contract Tariff Option 3 (Cont'd) (N)

(C) Serving Area for Contract Tariff Option 3 (Cont'd)

The above Telephone Company wire centers in the New York NY MSA are in effect as of the effective date of this Contract Tariff. Any additions of, or changes to Telephone Company MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 15.3 preceding of this tariff that occur after April 10, 2003 will apply.

(D) Description of Services

Contract Tariff Option 3 is an offering exclusively for new installations of Special Access DS1 and DS3 Services ordered during the subscription period and connecting a premises in New York to a premises or wire center hub in New Jersey, with both premises located within the New York and New Jersey Corridor (NY/NJ Corridor).

(E) Application of Rates and Charges

For each DS1 or DS3 Service under this Contract Tariff, a Corridor Channel Termination shall apply for the New York portion of the service and a Corridor Channel Termination shall apply for the New Jersey portion of the service.

The Corridor Channel Termination provides the communications path from the customer's designated premises to the interconnection point between the facilities of the two Exchange Telephone Companies. Each Exchange Telephone Company shall bill its channel termination in accordance with the regulations set forth in Section 2.4.7 preceding of this tariff. (N)

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32. Contract Tariffs (Cont'd)

32.4 Contract Tariff Option 3 (Cont'd) (N)

(E) Application of Rates and Charges (Cont'd)

This Contract Tariff also provides for DS3 to DS1 multiplexing optional features in the wire centers designated in (C) preceding within the New York and New Jersey Corridor in accordance with the Facility Hub regulations set forth in Section 7.4.8 preceding. All other optional features and functions or BSE applicable to High Capacity DS1 and DS3 will be provided in accordance with the regulations set forth in Section 7.2.9(D) preceding. These optional features and functions or BSEs are provided under the rates set forth in Section 30.7.9(D) preceding.

The DS1 and DS3 Services provided under this Contract Tariff are not eligible for any other service, term or volume discount offered in other sections of this tariff.

Shared use as set forth in Section 5.2.7 preceding of this tariff is not allowed on services ordered under this Contract Tariff.

Rates and charges for these services are set forth in (G) following of this tariff. (N)

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32. Contract Tariffs (Cont'd)

32.4 Contract Tariff Option 3 (Cont'd)

(F) Terms and Conditions

(1) DS1 and DS3 services may be ordered under this Contract Tariff during the subscription period on a month-to-month basis or as a 3 or 5-year term plan. (T)

All rates and charges for services ordered during the first subscription period under this contract, whether month-to-month or in a term plan, will expire by June 10, 2013. (S)(x)
All rates and charges for services ordered during the second subscription period under this contract, whether month-to-month or in a term plan, will expire by July 27, 2013. (S)(x)
All rates and charges for services ordered during the third subscription period under this contract, whether month-to-month or in a term plan, will expire by December 31, 2013. (C)(C)(C)

(2) The minimum periods for DS1 and DS3 services ordered under this Contract Tariff Option 3 are the same minimum periods that apply for DS1 and DS3 services specified in other sections of this tariff.

(3) Except as specified in (4) following, termination liability charges apply if service under this Contract Option is disconnected in full or in part prior to the end of one year on a 3-year term plan or three years on a 5-year term plan. The termination liability charge applies as follows:

- For disconnects on or prior to the end of the minimum period and prior to the end of the first year on a 3-year plan or prior to the end of the third year on a 5-year plan, the termination liability charge is 50% of the applicable monthly rates for each month and fraction thereof remaining between the end of the minimum period and the end of the first or third year, respectively.

- For disconnects after the end of the minimum period but prior to the end of the first year on a 3-year plan or prior to the end of the third year on a 5-year plan, the termination liability charge is 50% of the applicable monthly rates for each month and fraction thereof remaining between the date of termination and the end of the first or third year, respectively.

The termination liability charge applies in addition to applicable minimum period charges.

(x) Reissued material originally filed under TR 334 and scheduled to become effective July 18, 2003.

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32. Contract Tariffs (Cont'd)

32.4 Contract Tariff Option 3 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(4) Termination liability will not apply if a customer changes from a 3-year term plan to a 5-year term plan. Time-in-service credit on the lesser plan will be granted on a month-for-month basis towards the term of the longer plan. The term plan rate for the longer plan shall commence effective with the first bill date following the order to change to a longer plan. No credit will be applied to the monthly rates previously billed for the lesser plan.

(5) Replacements, rearrangements, upgrades or any other physical change to service provided under this Contract Tariff will constitute termination of the existing service from this Contract Tariff and installation of service as offered under other sections of this tariff. Termination liability charges apply if service under this Contract Option is disconnected in full or in part prior to the end of one year on a 3-year term plan or three years on a 5-year term plan, unless all of the following conditions are met.

- The customer orders new service to replace the terminated service.
- The commitment period of the new service commences with the installation of the new service.
- The replacing service is provided under an equal or longer term (as offered under other sections of this tariff) than the terminated service.
- The new service is provided between the same customer and/or Telephone Company locations as the service being replaced.

The customer remains responsible for satisfying any outstanding minimum period obligations on the terminated service. (N)

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32. Contract Tariffs (Cont'd)

32.3 Contract Tariff Option 3 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)General

(6) Upon expiration of the initial term, customers subscribing to Contract Tariff Option 3 may subscribe to this contract for an additional term of 3 or 5 years. Only one additional subscription is allowed. Upon expiration of the initial term, the customer may also convert service under this contract tariff to any other payment option offered for the applicable service under other sections of this tariff or may discontinue the service. If the customer does not notify the Telephone Company of its election prior to expiration of the term plan, the customer's current plan will be automatically renewed upon expiration. The renewed plan will have a term equal to that originally selected by the customer and the plan will be considered new. Only one renewal will occur. The customer may cancel the renewed plan within the first sixty (60) days of the date of automatic renewal without termination liability. Such cancellation will not incur termination liability. Except as set forth in (F)(4) preceding, cancellation after that date will incur termination liability.

Upon final expiration of the term of service under this Contract Tariff, the customer may continue with service under any other payment plan offered in other sections of this tariff or may discontinue service without termination liability.

(7) To subscribe to Contract Tariff Option 3, the customer must provide the Telephone Company with a written request for service that must be received during the period of subscription as specified in (B)(2) preceding and must be signed by an authorized representative of the customer. The written request must also include the term option which the customer must specify as either month-to-month, 3 years or 5 years.

(8) Billing of rates and charges for DS1 or DS3 service ordered under this Contract Tariff Option 3 will consist of rates and charges for service within the New York Metro LATA under this tariff. (N)

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32. Contract Tariffs (Cont'd)

32.4 Contract Tariff Option 3 (Cont'd) (N)

(G) Rates and Charges

Rates apply per Corridor Channel Termination or per DS3/DS1 Multiplexing arrangement, as applicable. The following rates apply in all price bands as determined in Section 15.3 preceding.

Service	USOC	Monthly Rate	Nonrecurring Charge
DS1 Corridor CT			
- Month-to-month	-----	$250.00	None
- 3 Year	-----	180.00	None
- 5 Year	-----	170.00	None
DS3 Corridor CT			
- Month-to-month	-----	$2,750.00	None
- 3 Year	-----	2,000.00	None
- 5 Year	-----	1,650.00	None
DS3/DS1 Multiplexer			
- Month-to-month	-----	$675.00	None
- 3 Year	-----	600.00	None
- 5 Year	-----	435.00	None

(N)

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32. Contract Tariffs (Cont'd)

32.5 Contract Tariff Option 4

(A) Scope

Contract Tariff Option 4, the New Connect Discount Plan B, is an offering exclusively for new installations of certain Special Access SONET and optical services ordered during a specific period of time.

The regulations, terms and conditions provided in this Section 32.5 automatically apply to all customers who install new services offered under the New Connect Discount Plan B in the applicable MSAs during the specified subscription period. The qualifying services are listed in (B) following and the applicable Metropolitan Statistical Areas (MSAs) are specified in (C) following.

The initial subscription period during which the customer qualifies for Contract Tariff Option 4, the New Connect Discount Plan B (Plan B), begins on May 6, 2003 and ends August 3, 2003. A second subscription period during which the customer qualifies for Contract Tariff Option 4 begins on August 4, 2003 and ends December 31, 2003. In order for a service to be included in Plan B:

(1) An order for the new service must be placed during the subscription period and the service must be one of the services specified in (B) following.

(2) The customer must accept the service on the original service date.

(3) If the customer does not accept service on the original service date, any change to a later date will make the service ineligible for the discount, unless the change is initiated by the Telephone Company

(B) Eligible Services

The New Connect Discount Plan B is an offering exclusively for new installations of Special Access and SONET services listed below:

- IntelliLight Broadband Service (IBT)
  - Point-to-point/non-multiplexed only
- Verizon Dedicated SONET Ring (DSR) (T)
- IntelliLight Entrance Facility (IEF)
- IntelliLight Optical Transport Service (IOTS)

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32. Contract Tariffs (Cont'd)

32.5 Contract Tariff Option 4 (Cont'd)

(C) Serving Area

The serving area of the New Connect Discount Plan B is comprised of the following Metropolitan Statistical Areas. Wire centers for the MSAs are listed in Section 15.3.

Albany-Schenectady-Troy NY	MSA #44
Binghamton NY	MSA #122
Boston MA-NH	MSA #6
Buffalo-Niagara Falls NY	MSA #25
New York NY	MSA #1
Syracuse NY	MSA #53

Any additions or changes to the wire centers included in the MSA listed above that occur after May 6, 2003 will apply and be included in the Plan.

(D) Description of New Connect Discount Plan B

The New Connect Discount Plan B offers an automatic additional discount on all eligible services ordered from Sections 7 and 26 of this tariff that meet the conditions outlined in (A), (B) and (C) preceding. The additional discount will be applied to the monthly recurring rate elements associated with transport of the service (e.g., Nodes, OCn Ports, Optical Transport Channels, Ring Mileage). Application of the additional discount on mileage is limited to those instances where the serving wire center of one end is within an MSA identified in (C) above, and the serving wire center of the other end is a Level 1 or Level 2 wire center of the same MSA or of a different MSA specified in Section 15.3 preceding. The additional discount will not be applied to special access Office Channel Terminations or Virtual Office Channel Terminations.

The services and the associated rate elements may be ordered on a month-to-month (MTM) basis or as a term plan as allowed for that particular service as described in Section 7 or 26.

Under Plan B, the customer will receive a discount applied to the MTM rates or to the monthly rates of the term plan as described in Section 7 or 26. Except for service provided under another contract tariff in this Section 32 for which minimum billed revenue is measured on a contract level basis, or under contract Tariff Option 5 following, service provided under Plan B is not eligible for any other circuit-specific service, term or volume discount offered under other sections of this tariff. (C) (C)

- For any 7-year term plan, the Plan B discount is 10%
- The Plan B discount for all other eligible services and all other term plans is 20%.

Shared use as set forth in Section 5.2.7 preceding is allowed under Plan B; however, only the special access portion of a service is eligible to receive the Plan B discount.

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32. Contract Tariffs (Cont'd)

32.5 Contract Tariff Option 4 (Cont'd)

(E) Terms and Conditions

All terms and conditions, including termination liability and minimum periods, as stated in Sections 7 & 26 preceding, apply for the respective services, except for those terms and conditions which involve the additional discount provided under New Connect Discount Plan B as stated following:

(1) For service ordered during the initial or second subscription period on a Month-to-Month basis under the New Connect Discount Plan B, the additional discount provided under Plan B will expire effective with the first bill period date after December 31, 2017.

(2) For service ordered during the initial or second subscription period in a term plan under the New Connect Discount Plan B, the discount of Plan B expires at the end of the initial term. The customer may extend Plan B for an additional term(s) of less, equal, or greater length than the expiring term plan. In all cases, the additional discount provided under Plan B will expire effective with the first bill period date following December 31, 2017.

(3) When service is disconnected prior to completing the minimum period, the Plan B discount is not used in calculating the minimum period charges for the remainder of the minimum period.

(4) With the exception of adding or removing a node to a DSR or IOTS dedicated ring, replacements, rearrangements, upgrades or any other physical change to service under the New Connect Discount Plan B will result in termination of Plan B's additional discount. Plan B's discount will not apply to any obligations of termination liability or to charges applicable to the remaining minimum period obligation. (T)

(5) When termination liability applies to a service in accordance with the terms and conditions as stated in either Section 7 or 26, the additional discount provided under the Plan B will not apply and will thus be excluded from any calculation of the termination liability for the remainder of the term plan.

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32. Contract Tariffs (Cont'd)

32.6 Contract Tariff Option 5

(N)

(A) Scope

Contract Tariff Option 5, the New Connect Discount Plan C, is an offering exclusively for new installations of certain Special Access SONET and optical services ordered during a specific period of time.

The regulations, terms and conditions provided in this Section 32.6 automatically apply to all customers who install new services offered under the New Connect Discount Plan C in the applicable MSAs during the specified subscription period. The qualifying services are listed in (B) following and the applicable Metropolitan Statistical Areas (MSAs) are specified in (C) following.

The subscription period during which the customer qualifies for Contract Tariff Option 5, the New Connect Discount Plan C (Plan C), begins on August 19, 2003 and ends December 31, 2003. In order for a service to be included in Plan C:

1) An order for the new service must be placed during the subscription period and the service must be one of the services specified in (B) following. A new service can not be a service that was disconnected from another contract option or discount plan in order to include that service in this plan.

2) The customer must accept the service on the original service date.

3) If the customer does not accept service on the original service date, any change to a later date will make the service ineligible for the discount, unless the change is initiated by the Telephone Company

(N)

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32. Contract Tariffs (Cont'd)

32.6 Contract Tariff Option 5 (Cont'd)

(B) Eligible Services

The New Connect Discount Plan C is an offering exclusively for new installations of certain Special Access and SONET services listed below:

- IntelliLight Broadband Transport (IBT)
  - Point-to-point service configurations at OC48/OC48c
  - Multiplexing Capability optional features including OC3, OC12 or OC48 multiplexing nodes and low speed ports at Optical Carrier levels (OCn) and concatenated Optical Carrier Levels (OCnc).
  - Point-to-point service configurations at OC3/OC3c or OC12/OC12c are available under the New Connect Discount Plan B preceding and under the New Connect Discount Plan D following

- Verizon Dedicated SONET Ring (DSR) (T)
  - Enhanced nodes at OC12, OC48 and OC192
  - Gigabit Ethernet ports (GigE1 through GigE24) on an Enhanced OC12, OC48 or OC192 node
  - DSR standard nodes, mileage and Optical Carrier level(OCn)ports (T) and concatenated Optical Carrier Level (OCnc) ports are available under the New Connect Discount Plan B preceding and under the New Connect Discount Plan D following

- IntelliLight Optical Transport Service (IOTS)
  - 4-Channel primary or expansion nodes
  - Protected and unprotected multi-port optical transport arrangements (facility channels and multi-port channels)
  - 16-Channel primary or expansion nodes, ring mileage, network amplification and all remaining protected and unprotected optical transport channels are available under the New Connect Discount Plan B preceding and under the New Connect Discount Plan D following

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32. Contract Tariffs (Cont'd)

32.6 Contract Tariff Option 5 (Cont'd)

(N)

(C) Serving Area

The serving area of the New Connect Discount Plan C is comprised of the following Metropolitan Statistical Areas. Wire centers for the MSAs are listed in Section 15.3.

Albany-Schenectady-Troy NY	MSA #44
Binghamton NY	MSA #122
Boston MA-NH	MSA #6
Buffalo-Niagara Falls NY	MSA #25
New York NY	MSA #1
Syracuse NY	MSA #53
Manchester NH	MSA #133
Portland ME	MSA #152

Any additions or changes to the wire centers included in the MSA listed above that occur after August 19, 2003 will apply and be included in the Plan.

(D) Description of New Connect Discount Plan C

The New Connect Discount Plan C offers an automatic additional discount on all eligible services ordered from Sections 7 and 26 of this tariff that meet the conditions outlined in (A), (B) and (C) preceding. The additional discount will be applied to the monthly recurring rate elements associated with the options and categories listed in (B) preceding. The additional discount will not be applied to special access Office Channel Terminations, Virtual Office Channel Terminations or cross-connects to Expanded Interconnection or collocation arrangements.

The services and the associated rate elements may be ordered on a month-to-month basis or as a term plan as allowed for that particular service as described in Section 7 or 26.

Under Plan C, the customer will receive a discount applied to the month-to-month rates or to the monthly rates of the term plan as described in Section 7 or 26. Except for service provided under another contract tariff in this Section 32 for which minimum billed revenue is measured on a contract level basis or under Contract Tariff Option 4 preceding or Option 6 following, service provided under Plan C is not eligible for any other circuit-specific service, term or volume discount offered under other sections of this tariff.

- For any 7-year term plan, the Plan C discount is 10%
- The Plan C discount for all other eligible services and all other term plans is 20%.

Shared use as set forth in Section 5.2.7 preceding is allowed under Plan C; however, only the special access portion of a service is eligible to receive the Plan C discount. (N)

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32. Contract Tariffs (Cont'd)

32.6 Contract Tariff Option 5 (Cont'd)

(E) Terms and Conditions

All terms and conditions, including termination liability and minimum periods, as stated in Sections 7 & 26 preceding, apply for the respective services, except for those terms and conditions which involve the additional discount provided under New Connect Discount Plan C as stated following:

(1) For service ordered during the subscription period on a Month-to-Month basis under the New Connect Discount Plan C, the additional discount provided under Plan C will expire effective with the first bill period date following December 31, 2017.

(2) For service ordered in a term plan under the New Connect Discount Plan C, the discount of Plan C expires at the end of the initial term. The customer may extend Plan C for an additional term(s) of less, equal, or greater length than the expiring term plan. In all cases, the additional discount provided under Plan C will expire effective with the first bill period date following December 31, 2017.

(3) When service is disconnected prior to completing the minimum period, the Plan C discount is not used in calculating the minimum period charges for the remainder of the minimum period.

(4) With the exception of adding or removing a node to a DSR or IOTS dedicated ring, replacements, rearrangements, upgrades or any other physical change to service under the New Connect Discount Plan C will result in termination of the Plan C additional discount. The Plan C discount will not apply to any obligations of termination liability or to charges applicable to the remaining minimum period obligation. (T)

(5) When termination liability applies to a service in accordance with the terms and conditions as stated in either Section 7 or 26, the additional discount provided under the Plan C will not apply and will thus be excluded from any calculation of the termination liability for the remainder of the term plan.

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32. Contract Tariffs (Cont'd)

32.7 Contract Tariff Option 6

(N)

(A) Scope

Contract Tariff Option 6, the New Connect Discount Plan D, is an offering exclusively for new installations of certain Special Access SONET and optical services ordered during a specific period of time.

The regulations, terms and conditions provided in this Section 32.7 automatically apply to all customers who install new services offered under the New Connect Discount Plan D in the applicable MSAs during the specified subscription period. The qualifying services are listed in (B) following and the applicable Metropolitan Statistical Areas (MSAs) are specified in (C) following.

The subscription period during which the customer qualifies for Contract Tariff Option 6 the New Connect Discount Plan D (Plan D), begins on August 1, 2003 and ends December 31, 2003. In order for a service to be included in Plan D:

1) An order for the new service must be placed during the subscription period and the service must be one of the services specified in (B) following. A new service can not be a service that was disconnected from another contract option or discount plan in order to include that service in this plan.

2) The customer must accept the service on the original service date.

3) If the customer does not accept service on the original service date, any change to a later date will make the service ineligible for the discount, unless the change is initiated by the Telephone Company

(N)

32. Contract Tariffs (Cont'd)

32.7 Contract Tariff Option 6 (Cont'd)

(B) Eligible Services

The New Connect Discount Plan D is an offering exclusively for new installations of Special Access and SONET services listed below:

- IntelliLight Broadband Transport (IBT): Point-to-Point/non-multiplexed services only. Plan D excludes multiplexing capability and point-to-point OC48/OC48c service configurations, which are offered under the New Connect Discount Plan C preceding.

- Verizon Dedicated SONET Ring (DSR): excluding enhanced nodes, DS1 ports on enhanced OC12, OC48 and OC192 nodes, and Gigabit Ethernet ports on enhanced nodes (GigE1 through GigE24). Enhanced nodes and gigabit Ethernet ports (GigE1 through GigE24) are offered under the New Connect Discount Plan C preceding. (T)

- IntelliLight Entrance Facility (IEF)

- IntelliLight Optical Transport Service (IOTS): excluding 4 channel primary and expansion nodes, and protected and unprotected multi-port optical transport arrangements (facility channels and multi-port channels) which are offered under the New Connect Discount Plan C preceding.

(C) Serving Area

The serving area of the New Connect Discount Plan D is comprised of the following Metropolitan Statistical Areas. Wire centers for the MSAs are listed in Section 15.3.

Manchester NH	MSA #133
Portland ME	MSA #152

Any additions or changes to the wire centers included in the MSAs listed above that occur after August 1, 2003 will apply and be included in Plan D.

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32. Contract Tariffs (Cont'd)

32.7 Contract Tariff Option 6

(N)

(D Description of New Connect Discount Plan D

The New Connect Discount Plan D offers an automatic additional discount on all eligible services ordered from Sections 7 and 26 of this tariff that meet the conditions outlined in (A), (B) and (C) preceding. The additional discount will be applied to the monthly recurring rate elements associated with transport of the service (e.g., Nodes, OCn, Ports, Optical Transport Channels, Ring Mileage). Application of the additional discount on mileage is limited to those instances where the serving wire center of one end is within an MSA identified in (C) above, and the serving wire center of the other end is a Level 1 or Level 2 wire center of the same MSA or of a different MSA specified in Section 15.3 preceding. The additional discount will not be applied to special access Office Channel Terminations, Virtual Office Channel Terminations or cross-connects to Expanded Interconnection or collocation arrangements.

The services and the associated rate elements may be ordered on a month-to-month basis or as a term plan as allowed for that particular service as described in Section 7 or 26.

Under Plan D, the customer will receive a discount applied to the month-to-month rates or to the monthly rates of the term plan as described in Section 7 or 26. Except for service provided under another contract tariff in this Section 32 for which minimum billed revenue is measured on a contract level basis, service provided under Plan D is not eligible for any other circuit-specific service, term, or volume discount offered under other sections of this tariff.

- For any 7-year term plan, the Plan discount is 10%
- The Plan D discount for all other term plans is 20%.

Shared use as set forth in Section 5.2.7 preceding is allowed under Plan D; however, only the special access portion of a service is eligible to receive the Plan D discount.

(N)

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32. Contract Tariffs (Cont'd)

32.7 Contract Tariff Option 6 (Cont'd)

(E) Terms and Conditions

All terms and conditions, including termination liability and minimum periods, as stated in Sections 7 & 26 preceding, apply for the respective services, except for those terms and conditions which involve the additional discount provided under New Connect Discount Plan D as stated following:

(1) When service is ordered on a Month-to-Month basis under the New Connect Discount Plan D, the Plan D additional discount will expire effective with the first bill period date following December 31, 2017.

(2) When service is ordered in a term plan under the New Connect Discount Plan D, the Plan D discount expires at the end of the initial term. The customer may extend Plan D for an additional term(s) of less, equal, or greater length than the expiring term plan. In all cases, the additional discount provided under Plan D will expire effective with the first bill period date following December 31, 2017.

(3) When service is disconnected prior to completing the minimum period, Plan D discount is not used in calculating the minimum period charges for the remainder of the minimum period.

(4) With the exception of adding or removing a node to a DSR or IOTS dedicated ring, replacements, rearrangements, upgrades or any other physical change to service under the New Connect Discount Plan D will result in termination of the Plan D additional discount. The Plan D discount will not apply to any obligations of termination liability or to charges applicable to the remaining minimum period obligation. (T)

(5) When termination liability applies to a service in accordance with the terms and conditions as stated in either Section 7 or 26, the additional discount provided under Plan D will not apply and will thus be excluded from any calculation of the termination liability for the remainder of the term plan.

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32. Conract Tariffs (Cont'd)

32.8 Contract Tariff Option 7

The Enterprise SONET Service (ESS) Renewal and New Connect Plan (ESS Plan) provides for the application of a discount to qualifying ESS ring networks which are renewed as an ESS Plan under this Section 32.8 for a term commitment period of five years.

32.8.1 ESS Plan Eligibility

(A) To be eligible for the ESS Plan, the customer must subscribe to Enterprise SONET Service under Section 26.1.2 preceding with a 5-year term commitment period that is expiring by September 1, 2003 or between September 27, 2003 and October 15, 2003, and must renew that expiring plan as an ESS Plan under this Section 32.8. (C) (C)

(C) A customer subscribes to Contract Tariff Option 7 by submitting a written order to the Telephone Company that authorizes renewal of its expiring ESS services as an ESS Plan with a term commitment of five years for all renewed services. The written order provided to the Telephone Company must be signed by an authorized representative of the customer and must include the mutually agreed upon minimum commitment level as determined in 32.8.2(B)(3) following.

A customer subscribing to Contract Tariff Option 7 may not concurrently subscribe to any other Contract Tariff Option in this Section 32, unless specifically allowed to do so in the other Contract Tariff option.

(C) Serving Area for Contract Tariff Option 7

The serving area of Contract Tariff Option 7 is comprised of the following Telephone Company MSA(s).

Metropolitan statistical Area	MSA Identification #
Boston MA-NH	# 6

The above Telephone Company MSA(s) are in effect as of the effective date of this Contract Tariff. Any additions of, or changes to, Telephone Company MSAs that occur after the effective date of this Contract Tariff do not apply. This restriction includes changes to Level 1/Level 2 pricing status as described in Section 15.3 preceding of this tariff.

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32. Conract Tariffs (Cont'd)

32.8 Contract Tariff Option 7 (Cont'd)

32.8.1 ESS Plan Eligibility (Cont'd)

(D) The ESS Plan includes DS1 and DS3 Ring Transport services that are either renewed under the ESS Plan prior to September 1, 2003 or between September 27, 2003 and October 15, 2003, or added to a renewed ESS Plan prior to October 15, 2008. Services ordered prior to August 1, 2003 and not yet completed as of the date of renewal to an ESS Plan will be eligible for renewal by September 1, 2003 or between September 27, 2003 and October 15, 2003. When adding additional DS1 and DS3 Ring Transport Services, the customer must order these services via an Access Service Request, and must have an Application Date on the order that is within the term period of this contract tariff (i.e., a date that is not prior to August 1, 2003. (C) (C) (C) (C)

(E) When renewing service under this ESS Plan (Contract Tariff Option 7), no other changes may be made to the physical characteristics of the ESS Ring Transport services (e.g., no changes in speed, type or capacity).

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32. Conract Tariffs (Cont'd)

32.8 Contract Tariff Option 7 (Cont'd) (N)

32.8.2 ESS Plan Terms and Conditions

(A) On a network level, the term commitment period for the ESS Plan is five years.

(B) The following terms and conditions apply in addition to, or in lieu of, the terms and conditions that apply under Sections 7.4.10 and 26.1.2 preceding.

(1) Under the five year ESS Plan, the customer will receive the following discount percentages applied to the monthly rates set forth in Section 30.26.2 preceding for DS1 and DS3 Ring Transport services.

- A discount of fifty-seven percent (57%) will be applied to DS1 and DS3 Ring Transport services that are renewed with a five-year term commitment under the ESS Plan.

- A discount of fifty-seven percent (57%) will be applied to DS1 and DS3 Ring Transport services that are added to the ESS Plan under a five-year term commitment. The service must be added in accordance with 32.8.1 preceding in order to receive the discount provided under the ESS Plan.

- A discount of thirty-seven percent (37%) will be applied to DS1 and DS3 Ring Transport services that are added to the ESS Plan under a three-year term commitment. The service must be added in accordance with 32.8.1 preceding in order to receive the discount provided under the ESS Plan.

(2) The commitment periods and discount percentages for ESS Service Discount Plans in New England as set forth in Section 7.4.10(B)(1)(h) preceding do not apply to DS1 and DS3 Ring Transport Services that are renewed under the ESS Plan or that are added to a renewed ESS Plan in accordance with (B)(1) above. (N)

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32. Conract Tariffs (Cont'd)

32.8 Contract Tariff Option 7 (Cont'd) (N)

32.8.2 ESS Plan Terms and Conditions (Cont'd)

(B) (Cont'd)

(3) A new minimum service commitment will be established upon renewal to an ESS Plan that is seventy-five percent (75%) of the customer's eligible DS1 equivalents based on the ESS DS1 and DS3 Ring Transport Service on record as of August 1, 2003 that are within the MSA(s) specified in 32.8.1(C) preceding. When determining the number of equivalent DS1s, each DS1 level service represents one equivalent DS1 and each DS3 level service represents twenty-eight equivalent DS1s. The minimum service commitment for the renewed plan under this Contract Tariff Option 7 applies in lieu of the minimum service commitment specified in Section 26.1.2(D) preceding. The number of DS1 equivalents that comprise the minimum service commitment must be a mutually agreed upon by the customer and the Telephone Company.

(C) Upon completion of this Contract Tariff Option 7 term commitment period, the customer has the following options.

(1) Renew the services expiring under Contract Tariff Option 7 for an additional three-year or five-year term commitment under the terms and conditions set forth for the term plans in Section 26.1.2 preceding and at the discount percentage set forth in Section 7.4.10(B)(1)(h) preceding. Upon renewal to a term commitment under Section 7.4.10(B)(1)(h), the terms, conditions, and discounts offered under Contract Tariff Option 7 will cease.

(2) Disconnect the service.

In all cases, the discount percentage applied under the ESS Plan in this Section 32.8 will cease upon disconnection of the service or renewal of the expiring ESS Plan to the standard plan offered under Section 7.4.10(B)(1)(h) preceding. (N)

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32. Contract Tariffs (Cont'd)

32.9 Contract Tariff Option 8

(A) Scope

(1) Contract Tariff Option 8 (Option 8) is an offering exclusively for new installations of certain Special Access services ordered during a specific period of time.

(2) The regulations, terms, and conditions provided in this Section 32.9 apply to any customer who subscribes to new qualifying services offered under Option 8 as listed in (B) following in the applicable Metropolitan Statistical Area (MSA) that is specified in (C) following during the specified subscription period.

(3) The subscription period during which the customer qualifies for Option 8 begins October 7, 2003, and ends November 6, 2003.

(4) In order to be included in Option 8, the customer must provide the Telephone company with a written order, signed by an authorized representative of the customer, that specifies the date for Option 8 to commence, the service as specified in (B) following, and the Access Customer Name Abbreviation (ACNA) within the serving area of the contract.

(B) Eligible Services

Option 8 is an offering exclusively for new installations of the Special Access service and configurations listed below:

(1) Verizon Dedicated SONET Ring (DSR), consisting of: (T)

- Four OC3 Nodes
- OC3 Mileage
- DS3 Ports
- DS1 Ports

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32. Contract Tariffs (Cont'd)

32.9 Contract Tariff Option 8 (Cont'd)

(C) Serving Area

(1) The serving area of Option 8 is comprised of the following MSA. Wire centers for the MSA are listed in Section 15.3 preceding.

New York, NY MSA #1

(2) Any additions or changes to the wire centers included in the MSA listed above that occur after October 7, 2003, will apply and be included in Option 8.

(D) Description of Contract Tariff Option 8

(1) Option 8 offers a discount on all eligible services ordered from Section 7 preceding of this tariff that meet the conditions outlined in (A), (B), and (C) preceding. The discount will be applied to the monthly recurring rate elements associated with transport of the service (e.g., DSR OC3 Nodes and Mileage, DS3 and DS1 Ports). (T)
Application of the discount on mileage is limited to those instances where the serving wire center of one end is within an MSA identified in (C) above, and the serving wire center of the other end is a Level 1 or Level 2 wire center of the same MSA or of a different MSA specified in Section 15.3 preceding.

(2) The services and the associated rate elements included in Option 8 must be ordered as a 5-Year DSR term plan as described in Section (T)
34.1 following. (T)

(3) Under Option 8, the customer will receive a discount applied to the monthly rates of the term plan as described in Section 34.1 (T)
following. Except for service provided under another contract (T)
tariff in this Section 32 for which minimum billed revenue is measured on a contract level basis, or under contract Tariff Option 5 preceding, service provided under Option 8 is not eligible for any other circuit-specific service, term, or volume discount offered under other sections of this tariff.

(4) The Option 8 discount for all eligible services is 28 percent.

(5) Shared use, as set forth in Section 5.2.7 preceding, is allowed under Option 8; however, only the special access portion of a service is eligible to receive the Option 8 discount.

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32. Contract Tariffs (Cont'd)

32.9 Contract Tariff Option 8 (Cont'd)

(E) Terms and Conditions (N)

All terms and conditions, including termination liability and minimum periods, as stated in Section 7 preceding, apply for the respective services, except for those terms and conditions which involve the discount provided under Option 8 as stated following:

(1) For service ordered during the subscription period, Option 8's discount expires at the end of the 5-Year Term. The discount will expire effective with the first bill period date following October 7, 2008.

(2) When service is disconnected prior to completing the minimum period, the Option 8 discount is not used in calculating the minimum period charges for the remainder of the minimum period.

(3) When termination liability applies to a service in accordance with the terms and conditions, as stated in Section 7 preceding, the discount provided under Option 8 will not apply and will thus be excluded from any calculation of the termination liability for the remainder of the term plan. (N)

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32. Conract Tariffs (Cont'd)

32.10 Contract Tariff Option 9

Contract Tariff Option 9 is an offering exclusively for customers who subscribe to Verizon Dedicated SONET Ring services that are equipped with enhanced nodes (DSR) and transport at least 450 DS1 channels and 4 DS3 channels over their dedicated rings when connecting locations that are within the New York NY Metropolitan Statistical Area (MSA). Eligible customers under 32.10.1 who subscribe to this Contract Tariff Option 9 (Option 9) will receive discounted rates and charges for the DS1, DS3 and multiplexed DS3 services transported over their DSRs. (T)

32.10.1 ESS Plan Eligibility

To be eligible for Option 9, the customer must meet all of the following requirements.

(A) The customer must subscribe to Option 9 by submitting a written authorization to the Telephone Company no later than January 19, 2004.

(B) The customer must meet an annual minimum requirement of:
- Between 450 and 1,000 1.544 Mbps (DS1) High Capacity Standard Channel Terminations
- Between 4 and 25 44.736 Mbps (DS3 and/or multiplexed DS3) High Capacity Services with no more than 20% of the DS3s not being transported over the customer's DSRs. (T)
- The customer subscribes to one OC12 DSR and one OC48 DSR, with each ring being configured with at least 8 nodes. DSR is available under Section 34.1 following and under Contract Tariff Options 5 & 6. (T) (T) (T)
- Each DS1, DS3 and multiplexed DS3 under this Option 9 must originate and terminate at locations that are served by New York wire centers that are within the New York NY MSA.
- The service period for each DS1 or DS3 may not exceed 60 months.

32.10.2 Serving Area

The serving area of Contract Tariff Option 9 is comprised of the following Telephone Company MSA(s).

Metropolitan Statistical Area	MSA Identification #
New York NY	1

The above Telephone Company MSA is in effect as of the effective date of this Contract Tariff. Any additions or changes to the wire centers included in the MSA listed above that occur after December 20, 2003, will apply and be included in the Plan.

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32. Conract Tariffs (Cont'd)

32.10 Contract Tariff Option 9 (Cont'd)

32.10.3 Application of Rates and Charges

(A) The rates and charges for DS1 and DS3 services under Option 9 are dependent on whether or not the customer maintains the required number of services set forth in 32.10.1(B), where each channel originates and terminates and whether or not the DS3 service is multiplexed as follows.

(1) For each DS1 and DS3 that originates and/or terminates at customer designated premises that are within the 5 boroughs of the New York Metropolitan LATA, Standard Channel Termination rates as set forth in 32.10.5 apply per point of termination. The 5 boroughs of the New York Metropolitan LATA are comprised of serving wire centers located in Brooklyn, The Bronx, Manhattan, Staten Island and Queens. Service that originates and terminates at locations served by wire centers that are within the 5 boroughs of the New York Metropolitan LATA are not subject to channel mileage charges.

(2) For each multiplexed DS3, service that originates and terminates at locations served by wire centers that are within the 5 boroughs of the New York Metropolitan LATA, channel mileage charges does not apply. Additionally, the DS3 to DS1 Central Office Multiplexing optional feature also applies per arrangement.

(3) For service that originates at a location served by a wire center that is within a borough of the New York Metropolitan LATA and terminates at a location served by a wire center that is outside a borough of the New York Metropolitan LATA, but is still within the New York NY MSA, channel mileage charges apply. In this case, channel mileage is measured and applies from the wire center serving the location that is outside a borough of the New York Metropolitan LATA to the closest wire center that is within a borough of the New York Metropolitan LATA. Channel Mileage applies in addition to any Standard Channel Termination, DS3 to DS1 central office multiplexing, and/or DSR port charge(s) as they may apply. (T)

(4) For each DS1 and DS3 that is transported over DSR, the applicable DSR port charge applies to that end of the service. DSR Ports are described in Section 34.1 following. (T) (T) (T) (T)

(5 The application of Standard Channel Terminations, Channel Mileage, and DS3 to DS1 Central Office Multiplexing rate elements are described in Section 7 preceding. However, these rate elements are subject to the rates and charges under this Option 9 as set forth in 32.10.5 following.

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32. Contract Tariffs (Cont'd)

32.10 Contract Tariff Option 9 (Cont'd)

32.10.3 Application of Rates and Charges (Cont'd)

(B) On an annual basis, the Telephone Company will review the customer's eligibility for Option 9 to determine if the annual minimum commitments for the services specified in 32.10.1(B) have been met. In the event that the customer has not met the annual minimum commitments, the customer will be charged the difference between the rates assessed under this Option 9 and the rates that would have been billed under other sections of this tariff.

32.10.4 Terms and Conditions

(A) Additions of Service

The customer may add DS1, DS3 and multiplexed DS3 services anytime during the service period. Service additions within the first twenty-four months of the service period will be added coterminous with the expiration date of the DSR on which the service is transported. Service added after the first twenty-four months of the service period will result in establishment of a new service period for the added service(s) that begins on the day of installation and ends 60 months later. Additions of service are subject to the rates set forth in this Option 9. (T)

(B) Termination Liability

In the event that service is discontinued prior to the end of the service period, termination liability applies at an amount equal to 20% of the applicable monthly rate set forth in 32.10.5 following from the date of discontinuance to the end of the service period.

(C) Expiration of the Service Period

Upon completion of the service period on each DS1, DS3 or multiplexed DS3, the customer has the option to (a) discontinue the service without termination liability; (b) select any then offered service discount plan, term plan or contract tariff option for which the customer is eligible; or (c) continue with the service at the rates and charges set forth in 32.10.5 on a month-to-month basis. If the customer elects to continue with the service under (c), in no case will the discounted rates under this Option 9 continue beyond December 20, 2013.

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32. Conract Tariffs (Cont'd)

32.10 Contract Tariff Option 9 (Cont'd) (N)

32.10.5 Rates and Charges

Channel Terminations	USOC	Monthly Rate	Nonrecurring Charge
- DS1 Standard Channel Termination, per point of termination	-----	$165.00	None
- DS3 Standard Channel Termination, per point of termination	-----	$1,700.00	None
DS3 to DS1 Central Office Multiplexing			
- per arrangement	-----	$650.00	None

Channel Mileage	USOC	Monthly Rate Fixed	Monthly Rate Per Mile
- DS1 Channel Mileage	-----	None	$12.00
- DS3 Channel Mileage	-----	None	$92.00

(N)

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32. Contract Tariffs (Cont'd)

32.11 Contract Tariff Option 10

32.11.1 Scope

Contract Tariff Option 10 is an offering exclusively for customers currently subscribing to Frame Relay Service within the interstate corridor between New York and New Jersey, as defined in Section 2.8 preceding, who replace the Frame Relay Service with Enhanced Verizon Dedicated SONET Ring (DSR) service at the same locations and in the quantities specified herein. (T)

Rate Element	Initial Quantity	
Enhanced DSR OC12 nodes	5	(T)
DSR OC12 mileage	9	(T)
DS3 Ports	24	

The customer's existing Frame Relay Service network must consist of 200 to 275 Frame Relay ports with eighty percent (80%) utilizing 56 kbps ports.

In order to be eligible for Contract Tariff Option 10, the customer must also subscribe to a specified quantity of interstate DS1 Channel Terminations connecting to the DSR service. The end points of the DS1s must be located within the New Jersey and New York Corridor. (T)

Rate Element	Initial Quantity
DS1 Channel Terminations	16

The regulations, terms and conditions provided in this Section 32.11 apply to customers who subscribe to Contract Tariff Option 10 during the subscription period specified in Section 32.11.2 following. The wire centers of the New York and New Jersey corridor are within the New York Metropolitan LATA and the North Jersey LATA, collectively within the New York NY Metropolitan Statistical Area (MSA 1). The specific wire centers of the MSA that are included in Option 10 are specified in Section 32.11.3 following.

Billing of the initial quantity of DSR service (OC12 nodes and mileage) ordered during the subscription period will begin ninety (90) days after they are installed and operational. Any rate elements added to the installed DSR service after the subscription period ends and which are installed and operational from day ninety and after will be billed from the date of their respective installation to the end of their respective five year service period. Billing of existing Frame Relay Services will continue until they are disconnected. Frame Relay Services will be deemed disconnected effective the date provided by the customer. Customer must notify the Telephone Company a minimum of five (5) business days prior to the effective date of disconnection. (T) (T)

The minimum period for services ordered under this Contract Tariff is the same minimum period that applies to services specified in other sections of this tariff. The term period for services ordered under this Contract Tariff is five years.

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32. Contract Tariffs (Cont'd)

32.11 Contract Tariff Option 10 (Cont'd)

32.11.2 General

The subscription period during which the customer qualifies for Contract Tariff Option 10 begins on February 10, 2004 and ends on March 11, 2004.

After the subscription period ends, the customer may add to the installed DSR service up to the maximum quantities of the rate elements specified herein at the same locations. Each new rate element will have its own term commitment period of five years. (T)

Rate Element	Quantity Range	
Enhanced DSR OC12 nodes	5 - 10	(T)
DSR OC12 mileage	1 - 18	(T)
DS3 Ports	20 - 24	
DS1 Channel Terminations	15 - 65	

During the subscription period, the customer must provide the Telephone Company with a written request, signed by an authorized representative of the customer, for Contract Tariff Option 10 DSR service. The service date will be negotiated between the Telephone Company and the customer. The customer must accept the service on the original service date. If the customer does not accept service on the original service date, any change to a later date will make the service ineligible for Contract Tariff Option 10, unless the change is initiated by the Telephone Company. (T)

Upon expiration of the five-year term, the rates and charges applicable under Contract Tariff Option 10 will expire, and services will continue on a month-to-month basis at the rates and charges applicable in other sections of this tariff unless the customer requests in writing that the Telephone Company discontinue the service.

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32. Contract Tariffs (Cont'd)

32.11 Contract Tariff Option 10 (Cont'd) (N)

32.11.3 Serving Area

The serving area of Contract Tariff Option 10 is comprised of the following Telephone Company wire centers which are within the New York NY Metropolitan Statistical Area.

New York Wire Centers

NYCKNY14	NYCMNY42	NYCQNYFR
NYCKNY71	NYCMNY50	NYCQNYHS
NYCKNY77	NYCMNY56	NYCQNYIA
NYCKNYAI	NYCMNY73	NYCQNYJA
NYCKNYAL	NYCMNY79	NYCQNYLI
NYCKNYAR	NYCMNY97	NYCQNYLN
NYCKNYAU	NYCMNYBS	NYCQNYNJ
NYCKNYAY	NYCMNYBW	NYCQNYNW
NYCKNYBR	NYCMNYCA	NYCQNYOP
NYCKNYBU	NYCMNYMN	NYCQNYRH
NYCKNYCL	NYCMNYPS	NYCRNYND
NYCKNYFA	NYCRNYNS	NYCRNYSS
NYCKNYFT	NYCMNYTH	NYCRNYWS
NYCKNYKP	NYCMNYVS	NYCXNYCI
NYCKNYLA	NYCMNYWA	NYCXNYCR
NYCKNYRA	NYCMNYWS	NYCXNYGC
NYCKNYTY	NYCMNYZO	NYCXNYHO
NYCKNYWM	NYCQNYAS	NYCXNYJE
NYCMNY13	NYCQNYBA	NYCXNYKB
NYCMNY18	NYCQNYBH	NYCXNYMH
NYCMNY30	NYCQNYCO	NYCXNYTB
NYCMNY36	NYCQNYFH	NYCXNYTR
NYCMNY37	NYCQNYFL	(N)

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32. Contract Tariffs (Cont'd)

32.11 Contract Tariff Option 10 (Cont'd) (N)

32.11.3 Serving Area (Cont'd)

New Jersey Wire Centers

BYNNNJ02	JRCYNJBR	PSSCNJPS
BLVLNJBE	JRCYNJJO	PTSNNJAR
BLFDNJBL	KRNYNJKN	PLFDNJPF
CFTNNJCF	LNDNNJ01	RCPKNJ02
CLWLNJCW	LTFLNJLF	RGWDNJRW
CFPKNJCS	LTFYNJLF	RHWYNJRA
CLSTNJCO	LVTNNJLI	RMSYNJRM
CNFRNJCR	MLBNNJMB	RSLLNJRL
DUMTNJDM	MTCLNJMC	RVDLNJPL
ELZBNJEL	MTVWNJMV	RTFRNJRU
ENWDNJEN	NBRGNJNB	SORGNJSO
EORNNJEO	NWPVNJMH	UNCYNJ02
ERLKNJEL	NWRKNJ03	UNINNJUV
FRLNNJFL	NWRKNJIR	WMFRNJ01
FRFDNJFA	NWRKNJ02	WORNNJWO
FTLENJLE	NWRKNJWA	WSFDNJWS
HCKNNJHK	NFLDNJNF	WYCKNJWK
HLDNNJ01	NTLYNJNU	
HLDLNJWE	OKLDNJ01	
IVTNNJES	RVEDNJOR	

The preceding Telephone Company wire centers in the New York NY MSA are in effect as of February 10, 2004. Any additions of, or changes to, Telephone Company MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 15.3 preceding of this tariff that occur after February 10, 2004 will apply. (N)

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32. Contract Tariffs (Cont'd)

32.11 Contract Tariff Option 10 (Cont'd)

32.11.4 Application of Rates and Charges

Monthly recurring charges based on a five-year term plan apply for the enhanced nodes, ports and mileage between the nodes.

For each DS1 Service under this Contract Tariff, a Corridor Channel Termination monthly recurring charge shall apply for the New Jersey portion of the service and a Corridor Channel Termination monthly recurring charge shall apply for the New York portion of the service.

The Corridor Channel Termination provides the communications path from the customer's designated premises to the interconnection point between the facilities of the two Exchange Telephone Companies. Each Exchange Telephone Company shall bill its channel termination in accordance with the regulations set forth in Section 2.4.7 preceding of this tariff.

Except for service provided under another contract tariff in this Section 32 for which minimum billed revenue is measured on a contract level basis, service provided under Contract Tariff Option 10 is not eligible for any other circuit-specific service, term or volume discount offered under other sections of this tariff.

Rates and charges are set forth in Section 32.11.6 following.

32.11.5 Terms and Conditions

All DSR terms and conditions as stated in Section 34.1 following apply, including termination liability and minimum periods. (T)

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32. Contract Tariffs (Cont'd)

32.11 Contract Tariff Option 10 (Cont'd) (N)

32.11.6 Rates and Charges

Rates apply per Corridor Channel Termination. The following rates apply in all price bands as determined in Section 15.3 preceding.

Service	USOC	Monthly Rate	Nonrecurring Charge	
Enhanced OC12 Node, Per Node - 5 Year Term	-----	$2,160.00	N/A	
OC12 Mileage, Per mile between nodes - 5 Year Term	-----	287.20	N/A	
DS3 Ports, Per Node - 5 Year Term	-----	115.00	N/A	
DS1 Corridor CT, Per CT - 5 Year Term	-----	170.00	$1.00	(N)

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32. Contract Tariffs (Cont'd)

32.12 Contract Tariff Option 11 (N)

(A) Scope

(1) Contract Tariff Option 11 (Option 11) is an offering exclusively for new installations of IntelliLight Optical Transport Service (IOTS) Special Access service ordered during a specific period of time.

(2) The regulations, terms, and conditions provided in this Section 32.12 apply to any customer who subscribes to new qualifying services offered under Option 11 as listed in (B) following in the applicable Metropolitan Statistical Area (MSA) that is specified in (D) following during the specified subscription period.

(3) The subscription period during which the customer qualifies for Option 11 begins February 25, 2004, and ends April 24, 2004.

(B) Eligible Services

Option 11 is an offering exclusively for new installations of the Special Access service and configurations listed below:

IntelliLight Optical Transport Service (IOTS) as set forth in Section 7 preceding, consisting of:

- Primary and Expansion 16 Channel Nodes (CO and Premise)
- Primary and Expansion 4 Channel Nodes (CO and Premise)
- All IOTS Ring Mileage
- At-Node Amplification Devices
- Mid-Span Amplification Devices
- All Point-to-Point Optical Transport Channels (Protected and Unprotected)

(C) Contract Option 11 Plan Eligibility

To be eligible for Option 11, the customer must meet all of the following requirements.

(1) The customer must subscribe to Option 11 by submitting a written authorization to the Telephone Company no later than April 24, 2004. (N)

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32. Contract Tariffs (Cont'd)

32.12 Contract Tariff Option 11 (Cont'd)

(C) Contract Option 11 Plan Eligibility (Cont'd) (N)

(2) The customer must currently purchase at least one of the optical network services listed below in one of the MSAs listed in (D) following for a term of service up to 5 years.

- Channel Extension Service, Section 7.2.15 preceding
- IntelliLight Broadband Transport, Section 26.1.5 preceding
- NYNEX Enterprise SONET Private Network Service, Section 26.1.1 preceding

(3) The newly installed IOTS service that is ordered under Option 11 must replace the existing optical network service. The customer may add additional locations to the IOTS service provided that the newly installed IOTS service replaces the existing optical network service at the same location.

(D) Serving Area

(1) The serving area of Option 11 is comprised of the following MSA. Wire centers for the MSA are listed in Section 15.3 preceding.

New York, NY MSA #1

(2) Any additions or changes to the wire centers included in the MSAs listed above that occur after February 25, 2004, will apply and be included in Option 11.

(E) Description of Contract Tariff Option 11

(1) Option 11 offers a discount on all eligible services ordered from Section 7 preceding of this tariff that meet the conditions outlined in (A), (B), (C), and (D) preceding. The discount will be applied to the monthly recurring rate elements associated with transport of the service as shown in (B) above. Application of the discount on Ring Mileage rate elements is limited to those instances where the serving wire center of both ends of the mileage is within the MSA identified in (D) above.

(2) The newly installed IOTS service must include bandwidth of equal or greater capacity than the current optical service. The term for the newly installed IOTS service must be ordered as a 5-Year IOTS term plan as described in Section 7 preceding.

(3) Under Option 11, the customer will receive a 33% discount applied to the monthly rates of the IOTS 5-Year term plan as described in Section 7 preceding that are in effect as of February 25, 2004. (N)

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32. Contract Tariffs (Cont'd)

32.12 Contract Tariff Option 11 (Cont'd)

(E) Description of Contract Tariff Option 11 (Cont'd) (N)

(4) Except for service provided under another contract tariff in this Section 32 for which minimum billed revenue is measured on a contract level basis, or under contract Tariff Option 5 preceding, service provided under Option 11 is not eligible for any other circuit-specific service, term, or volume discount offered under other sections of this tariff.

(5) Billing for Option 11 will commence for all rate elements of the IOTS service simultaneously at the start of the 5-Year term plan. When such billing commences, billing will cease, without term liability, for the existing optical network service that is being replaced by the IOTS service.

(6) Shared use, as set forth in Section 5.2.7 preceding, is allowed under Option 11; however, only the special access portion of a service is eligible to receive the Option 11 discount.

(F) Terms and Conditions

All terms and conditions, including termination liability and minimum periods, as stated in Section 7 preceding, apply for the respective services, except for those terms and conditions which involve the discount provided under Option 11 as stated following:

(1) For service ordered during the subscription period, the discount available under Option 11 expires at the end of the 5-Year Term. Upon expiration of the Option 11 5-Year term, the service will revert to the rates, terms, and conditions of the IOTS 5-Year term plan as set forth in Section 7 preceding.

(2) When service is disconnected prior to completing the Option 11 5-Year term plan, the Option 11 discount is not used in calculating the minimum period charges for the remainder of the minimum period.

(3) When termination liability applies to a service in accordance with the terms and conditions, as stated in Section 7 preceding, the discount provided under Option 11 will not apply and thus will be excluded from any calculation of the termination liability for the remainder of the term plan. (N)

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32. Contract Tariffs (Cont'd)

32.13 Contract Tariff Option 12

32.13.1 Scope

Contract Tariff Option 12 is an offering exclusively for customers subscribing to an Advanced Uncompressed Digital Video Service (AUDVS) network.

32.13.2 General

(A) The subscription period during which the customer qualifies for Contract Tariff Option 12 begins on March 11, 2004 and ends on May 10, 2004 (60 days after effective date of tariff). Customer must place a firm order for services described herein during the subscription period. (T)

(B) The customer must subscribe to a minimum of 960 channel terminations, at least 600 channel terminations during the subscription period and the remaining 360 channel terminations by July 9, 2004 (120 days from tariff effective date) in order to qualify for the prices and terms under Contract Tariff Option 12. All services subscribed to under Option 12 are subject to the 48-month term period (**Service Period**) which commences when the customer places its firm order for services. Within thirty (30) days of the end of the Service Period, the customer may elect to extend the Service Period for an additional twelve (12) months (**Extended Service Period**). Within thirty (30) days of the end of the Extended Service Period, the customer may elect to further extend the Service Period by an additional twelve (12) months (also, an Extended Service Period). Only two (2) twelve (12) month extensions are permitted, and the extension request(s) must be in writing. Upon completion of the two (2) twelve (12) month extensions, the customer may continue with the services on a month-to-month basis at the rates set forth herein for up to twelve (12) months beyond the expiration date (**Continuation Period**). Upon expiration of the Service Period, Extended Service Period(s), or Continuation Period, all services will continue on a month-to-month basis under Section 30.7.16 of this tariff unless the customer requests in writing that the Telephone Company discontinue the service. (T) (T) (N) (N) (C) (C)

(C) Except as otherwise provided for in Section 32.13 herein, the terms and conditions for AUDVS in Section 7.2.13 and 7.2.14 preceding apply. Any other work, services or facilities required, including but not limited to special construction, will be provided subject to applicable rates, terms and conditions in other sections of this tariff. (T)

(D) Billing at the rates set forth herein for existing AUDVS used to qualify for Option 12 shall commence with the firm order placed during the Subscription Period and continue for duration of the 48 month term period. If the Service Period is extended for one (1) or two (2) additional 12 month period(s) or continued in accordance with (B) preceding, billing at the rates set forth herein shall continue during the Extended Service Period(s) or Continuation Period, as applicable. Billing of new services subscribed to under Option 12 shall commence in the month such new services are available for customer's use. (T) (C) (C)

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32. Contract Tariffs (Cont'd)

32.13 Contract Tariff Option 12 (Cont'd) (N)

32.13.3 Serving Area

The serving area of Contract Tariff Option 12 is comprised of the following Telephone Company wire centers which are within the New York NY Metropolitan Statistical Area.

New York Wire Centers

NYCKNY14	NYCMNY42	NYCQNYFR
NYCKNY71	NYCMNY50	NYCQNYHS
NYCKNY77	NYCMNY56	NYCQNYIA
NYCKNYAI	NYCMNY73	NYCQNYJA
NYCKNYAL	NYCMNY79	NYCQNYLI
NYCKNYAR	NYCMNY97	NYCQNYLN
NYCKNYAU	NYCMNYBS	NYCQNYNJ
NYCKNYAY	NYCMNYBW	NYCQNYNW
NYCKNYBR	NYCMNYCA	NYCQNYOP
NYCKNYBU	NYCMNYMN	NYCQNYRH
NYCKNYCL	NYCMNYPS	NYCRNYND
NYCKNYFA	NYCRNYNS	NYCRNYSS
NYCKNYFT	NYCMNYTH	NYCRNYWS
NYCKNYKP	NYCMNYVS	NYCXNYCI
NYCKNYLA	NYCMNYWA	NYCXNYCR
NYCKNYRA	NYCMNYWS	NYCXNYGC
NYCKNYTY	NYCMNYZO	NYCXNYHO
NYCKNYWM	NYCQNYAS	NYCXNYJE
NYCMNY13	NYCQNYBA	NYCXNYKB
NYCMNY18	NYCQNYBH	NYCXNYMH
NYCMNY30	NYCQNYCO	NYCXNYTB
NYCMNY36	NYCQNYFH	NYCXNYTR
NYCMNY37	NYCQNYFL	

The preceding Telephone Company wire centers in the New York NY MSA are in effect as of the effective date of this Contract Tariff. Any additions of, or changes to, Telephone Company MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 15.3 preceding of this tariff that occur after March 11, 2004 will apply. (N)

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32. Contract Tariffs (Cont'd)

32.13 Contract Tariff Option 12 (Cont'd)

32.13.4 Terms and Conditions

(A) For purposes of calculating termination liability, the customer must maintain a minimum of 960 Channel Terminations on the network during the Service Period or Extended Service Period(s), except as otherwise specified herein (the **Minimum Commitment**). The Minimum Commitment will not apply until after July 9, 2004 (120 days from effective date of tariff, or at anytime during the Continuation Period. A review of the Minimum Commitment will be conducted during the 13th, 25th, 37th and 48th months of the Service Period and at the end of the Extended Service Period (if only one (1) Extension is requested), or at the end of each Extended Service Period (if two (2) extensions are requested). (T) (C) (T) (C) (C) (C) | (C)

(B) If customer cancels AUDVS provided under Option 12 in whole or in part or terminates any AUDVS to fall below the Minimum Commitment prior to the expiration of the Service Period or Extended Service Period(s), customer shall pay a termination liability charge equal to the Additional Receive Channel Termination rate set forth in Section 32.13.6 following times difference between the Minimum Commitment and the actual quantity of channel terminations in service at each review in the Service. (T) (C)

(C) In addition, if customer terminates all service prior to expiration of the Service Period or Extended Service Period(s), customer shall pay termination liability (option 1) as set forth in Section 7.4.10(C). Termination liability does not apply during the Continuation Period. (T) (C) (N) (N)

32.13.5 Application of Rates and Charges

Except for service provided under another contract tariff in this Section 32 for which minimum billed revenue is measured on a contract level basis, service provided under Contract Tariff Option 12 is not eligible for any other circuit-specific service, term or volume discount offered under other sections of this tariff.

Rates and charges for AUDVS purchased under Contract Tariff Option 12 are set forth in Section 32.13.6 following.

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32. Contract Tariffs (Cont'd)

32.13 Contract Tariff Option 12 (Cont'd) (N)

32.13.6 Rates and Charges

The following rates apply in all price bands as determined in Section 15.3 preceding.

Service	USOC	Monthly Rate	Nonrecurring Charge	
Receive Channel Termination				
First	-----	$532.00	N/A	
Additional	-----	52.00	N/A	
Transmit Channel Termination				
First	-----	592.00	N/A	
Additional	-----	56.00	N/A	
Channel Mileage	-----	120.00	N/A	(N)

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32. Contract Tariffs (Cont'd)

32.14 Contract Tariff Option 13 (N)

(A) Scope

(1) Contract Tariff Option 13 (Option 13) is offered for a service period of twelve (12) months and provides a customer with a one-time credit(s) when it achieves total billed revenue (TBR) during the service period of between $49,000,000 ($49M) and $56,000,000 ($56M) in qualifying services, as defined in (B) following.

(2) Eligible customers who wish to subscribe to Option 13 must do so by submitting a written request, in a form prescribed by the Telephone Company and signed by an authorized representative of the customer, during the subscription period that begins May 27, 2004 and ends July 26, 2004. Eligibility for Option 13 is set forth in (B) following. The twelve month service period (service period) commences on the first day of the month following receipt of the customer's written authorization.

(B) Eligibility and Qualification for Option 13

All of the following apply in order to subscribe to Option 13.

(1) The customer must achieve TBR for qualifying services, as defined in (2) following, that is between $45,000,000 ($45M) and $56M during the service period. TBR for qualifying services is subject to (2) through (7) following.

(2) TBR for qualifying services are comprised of (a) Special Access Voice Grade Services, Digital Data Services, High Capacity 1.544 Mbps Services, and High Capacity 44.736 Mbps Services and (b) Switched Access DS1 and DS3 Direct Trunked Transport services which the customer subscribes to in all operating territories under this (x)
tariff and under the Telephone Company's Tariff F.C.C. Nos. 1, 14, (x)
and 16. The customer may subscribe to these services under other term and commitment discount plans as they may be offered under (x)
general sections of this tariff and under the general sections of (x)
the other Telephone Company tariffs included in this Option 13. The customer's TBR shall be calculated using only monthly recurring charges billed by the Telephone Company to the customer for the qualifying services. Any reductions and discounts associated with other term and commitment plans for the qualifying services will be included in the total TBR for qualifying services under this Option 13.

(3) The portion of the TBR for qualifying services attributable to the customer's Switched Access DS1 and DS3 Direct Trunked Transport services must be at least $350,000 ($350K), but may not exceed $2,000,000 ($2M). (N)

(x) Issued under authority of Special Permission No. 04-037 of the Federal Communications Commission.

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32. Contract Tariffs (Cont'd)

32.14 Contract Tariff Option 13 (Cont'd)

(B) Eligibility and Qualification for Option 13 (Cont'd)

(4) TBR for qualifying services does not include any revenue other than monthly billed recurring revenue as set forth in (2) above, including without limitation, any of the following: (N)

- nonrecurring charges
- taxes or other charges (e.g., Federal Universal Service Fund) imposed by federal, state, local or other government entity
- service or administrative fees or charges (e.g., interest penalty, late payment penalty)
- other charges which are not applied on a recurring monthly basis
- any other billed amount for which payment is being withheld by the customer
- any billed amounts that are under dispute by the customer
- revenues, credits or adjustments associated with services other than those specified in (2) preceding
- credits or adjustments assessed by the Telephone Company that are associated with periods outside of the service period as defined in (1) preceding
- shortfall or overage charges associated with other term or commitment plans
- termination liabilities assessed under other term or commitment plans
- amounts billed for intrastate services
- amounts billed for non-tariffed services

(5) Other than as set forth in (6) below, the customer may not concurrently subscribe to any other contract tariff option, special service arrangement, or Individual Case Basis (ICB) arrangement 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 total billed revenue by the customer for the qualifying services in (2) preceding.

(6) Provided that the customer meets all of the criteria set forth in this Option 13, the customer will be allowed to terminate this Option 13 and subscribe to a New Plan, as defined below, without paying the termination charges set forth in (E) following. A New Plan shall mean another contract tariff option, ICB arrangement, or special service arrangement for the qualifying services in (2) preceding and offered by the Telephone Company during the Service Period with identical or greater total billed revenue levels than those provided under this Option 13. If the customer elects to terminate this Option 13 in order to subscribe to a New Plan, then (1) the customer must so elect in writing; (2) the customer must subscribe to the New Plan concurrently with or prior to the termination date of this Option 13; and (3) the customer must independently qualify and be eligible for such new plan. The customer shall not be afforded any credit in the New Plan for any portion of the elapsed Service Period under this Option 13. (N)

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32. Contract Tariffs (Cont'd)

32.14 Contract Tariff Option 13 (Cont'd)

(B) Eligibility and Qualification for Option 13 (Cont'd)

(7) In the event the customer merges with another company, acquires another company, or acquires a portion of the business of another company, or is acquired by another company, either in whole or in part, the following regulations will apply: (N)

(a) The customer may not include in the calculation of TBR for the qualifying services any revenues of the merged or acquired company or assets for the purpose of obtaining the credit provided under this Option 13.

(b) The customer may continue subscribing to this Option 13 for the duration of the service period based on its business with the Telephone Company as of the beginning of its subscription to this Option 13, without adding the revenues attributable to expansion of the customer's purchase of services from the Telephone Company through merger or acquisition action.

(c) The Telephone Company reserves the right to terminate the customer's subscription to this Option 13 if the customer does not adhere to the provisions herein. Customer shall not be eligible for any credits in such event.

(C) Serving Area

The serving area of Option 13 is comprised of all Telephone Company Phase 1 and Phase 2 Metropolitan Service Areas (MSAs).

Any additions or changes to the wire centers included in the MSAs described above that occur after May 27, 2004 will apply and be included in Option 13.

(D) Application of Credits Under Option 13

The customer may receive a one-time credit under this Option 13 depending on the actual TBR for qualifying services achieved at the end of the service period. The one-time credit shall consist of a Billing Credit or a Billing Credit and an Incremental Credit, as described below. The actual TBR for qualifying services is determined in accordance with (B)(1) through (B)(7) preceding. Based on the actual TBR for qualifying services, the following applies. (N)

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32. Contract Tariffs (Cont'd)

32.14 Contract Tariff Option 13 (Cont'd)

(D) Application of Credits Under Option 13 (Cont'd)

(1) If the TBR for qualifying services for the service period was less than $45M (i.e., the minimum TBR for qualifying services), a shortfall penalty equal to fifty percent (50%) of the difference between the minimum TBR for qualifying services and the actual TBR for qualifying services will apply. For example, if the customer achieved actual TBR for qualifying services of $44,000,000 ($44M), the shortfall penalty would be 50% of the difference between the minimum TBR for qualifying services ($45M) and the actual TBR for qualifying services ($44M) or $500,000 in shortfall penalty. The shortfall penalty is due to the Telephone Company within sixty (60) days of the end of the service period. No Billing Credit or Incremental Credit will be applied under this Option 13 when the minimum TBR for qualifying services has not been met. (N)

(2) If the TBR for qualifying services for the service period was between $45M and $48,999,999.00, the customer is not eligible for a credit, and no shortfall penalty applies under this Option 13.

(3) If the TBR for qualifying services for the service period was between $49M and $56M, a single Billing Credit of $1,000,000 ($1M) will apply under this Option 13. The Billing Credit for the qualifying services shall be provided in Phase 1 and Phase 2 MSAs. Credit will be applied to the customer's account(s) in accordance with (E)(1) following.

(4) If the TBR for qualifying services for the service period was between $51,000,000 ($51M) and $56M, the customer will also receive an Incremental Credit in addition to the Billing Credit specified in (D)(3) preceding. The Incremental Credit amount will be applied in the same manner as the Billing Credit. The amount of Incremental Credit is determined by the amount of TBR for qualifying services actually achieved as follows.

TBR for Qualifying Services Achieved During Service Period	One-time Incremental Credit
$51,000,000 - $52,000,000	$ 250,000
$52,000,001 - $53,000,000	500,000
$53,000,001 - $54,000,000	1,000,000
$54,000,001 - $55,000,000	1,500,000
$55,000,001 - $56,000,000	2,000,000

(5) If the TBR for qualifying services for the service period was in excess of $56M, the customer is not eligible to receive a credit under this Option 13. (N)

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32. Contract Tariffs (Cont'd)

32.14 Contract Tariff Option 13 (Cont'd)

(E) Terms and Conditions (N)

(1) Subject to the terms and conditions of this Option 13, if the customer is eligible for the Billing Credit or the Incremental Credit under (D)(3) or (D)(4) preceding, the Billing Credit or Incremental Credit will be credited to the customer's account within sixty (60) days after the end of the Service Period. The amount of the credit is contingent on (a) resolution of outstanding billing disputes related to qualifying services provided by the Telephone Company to the customer no later than the 60th day after the end of the Service Period; and (b) payment in full by the customer of all undisputed billed amounts for qualifying services. After the 61st day following the end of the Service Period, any amounts that remain disputed or are withheld by the customer (even if the amount is resolved in favor of the customer or paid by the customer at a later date) shall not be used in calculation of the TBR for qualifying services, the Billing Credit, or the Incremental Credit. The amount of the Billing Credit and the Incremental Credit shall not be subject to any interest penalty.

(2) The customer may discontinue individual services during the service period subject to the terms and conditions, including any applicable termination or shortfall liabilities that may be applicable, for the specific service involved as set forth in the applicable sections of this tariff and of the other Telephone Company tariffs under which TBR for qualifying services is determined. (x) (x)

(3) In the event that the customer cancels its subscription to this Option 13, cancellation penalty equal to one hundred percent (100%) of the difference between the minimum TBR for qualifying services ($45M) and the actual TBR for qualifying services achieved by the customer at the time of cancellation shall apply. Cancellation penalty is due to the Telephone Company within sixty (60) days of the date of cancellation of Option 13. If the actual TBR for qualifying services on the date of cancellation is in excess of $45M, the customer shall not be eligible for any credit(s) under this Option 13. (N)

(x) Issued under authority of Special Permission No. 04-037 of the Federal Communications Commission.

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32. Contract Tariffs (Cont'd)

32.15 Contract Tariff Option 14

(A) Scope

(1) Contract Tariff Option 14, the New Connect Discount Plan F (Plan F), is an offering exclusively for new installations of IntelliLight Optical Transport Service (IOTS), as set forth Section 7.2.19 preceding, ordered during a specific period of time.

(2) The regulations, terms, and conditions provided in this Section 32.15 automatically apply to all customers who order new services offered under Plan F in the applicable Metropolitan Statistical Areas (MSAs) during the specified subscription periods. The qualifying services are listed in (B) following and the applicable MSAs are specified in (C) following. (C)

(3) Customers who wish to subscribe to Plan F must do so during the following subscription periods. An initial subscription period begins on June 12, 2004 and ends on December 31, 2004 (initial subscription period). A second subscription period begins on January 1, 2005 and ends February 28, 2005 (second subscription period). In order for a service to be included in Plan F: (C)

(a) An order for the new service must be placed during either the initial or second subscription period, and the service must be one of the services specified in (B) following. A new service can not be a service that was disconnected from another contract option, discount plan, or tariff arrangement and subsequently ordered under this plan in order to include that service in this plan. (C)

(b) The customer must accept the service on the original service date.

(c) If the customer does not accept service on the original service date, any change to a later date will make the service ineligible for the discount, unless the change is initiated by the Telephone Company.

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32. Contract Tariffs (Cont'd)

32.15 Contract Tariff Option 14 (Cont'd)

(B) Eligible Services (N)

Plan F is an offering exclusively for new installations of the following IOTS services.

- 4-Channel Nodes, Primary or Expansion Customer Premises Nodes
- 4-Channel Nodes, Primary or Expansion Central Office Nodes
- 16-Channel Nodes, Primary or Expansion Customer Premises Nodes
- 16-Channel Nodes, Primary or Expansion Central Office Nodes
- Ring Mileage, Miles 1-20 and Miles 21 and Over
- Network Optimization, At-Node Amplification Devices and Mid-Span Amplification Devices
- Point-to-Point Optical Transport Channels
  - Protected and Unprotected Optical Transport Channels
  - Protected and Unprotected Multi-Port Optical Transport Channels (Multi-Port Facilities and Multi-Port Channels)

(C) Serving Area

The serving area of Plan F is comprised of the following MSAs. Wire centers for the MSAs are listed in Section 15.3 preceding.

New York NY	MSA #1
Springfield MA	MSA #63
Boston MA-NH	MSA #6
Binghamton NY	MSA #122
Buffalo-Niagara Falls NY	MSA #25
Manchester NH	MSA #133
Providence-Warwick RI	MSA #38
Portland ME	MSA #152
Stamford-Norwalk CT	MSA #42
Portsmouth NH-Rochester ME	MSA #156
Albany-Schenectady-Troy	MSA #44
Bangor ME	MSA #224
Syracuse NY	MSA #53
Burlington VT	MSA #248
Worcester MA-CT	MSA #55

Any additions or changes to the wire centers included in the MSAs listed above that occur after June 12, 2004 will apply and will be included in Plan F. (N)

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32. Contract Tariffs (Cont'd)

32.15 Contract Tariff Option 14 (Cont'd)

(D) Description of Plan F

(1) Plan F offers an automatic additional discount on all eligible IOTS services ordered from Section 7.2.19 preceding of this tariff that meet the conditions outlined in (A), (B), and (C) above. The discount will apply to new installations of IOTS rate elements (Nodes, Amplifiers, and Mileage). In addition, the discount will apply to new installations of Optical Transport Channels ordered during either the initial or second subscription period on any new or existing IOTS service. The additional discount will be applied to the monthly recurring rate elements associated with the options and categories listed in (B) above. The additional discount will not be applied to cross-connect services or to Collocated Interconnection arrangements. Application of the discount on Ring Mileage rate elements is limited to those instances where serving wire centers at each end of the mileage are within an MSA identified in (C) above. (C)

(2) The services and the associated rate elements may be ordered only on a term plan as allowed for IOTS as described in Section 7.2.19 preceding.

(3) Under Plan F, the customer will receive a discount applied to the monthly recurring rate elements of the term plan in effect from time to time as described in Section 7.2.19 preceding. Except for service provided under another contract tariff in this Section 32 for which minimum billed revenue is measured on a contract level basis or under Contract Tariff Option 4 or 5 preceding, service provided under Plan F is not eligible for any other circuit-specific service, term, or volume discount offered under other sections of this tariff.

- For any 3-year, 5-year, or 7 year term plan, the Plan F discount is 33%.

(4) Shared use as set forth in Section 5.2.7 preceding is allowed under Plan F; however, only the special access portion of a service is eligible to receive the Plan F discount.

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32. Contract Tariffs (Cont'd)

32.15 Contract Tariff Option 14 (Cont'd)

(E) Terms and Conditions

Unless superseded by the terms and conditions set forth herein, all terms and conditions, including termination liability and minimum periods, as stated in Section 7.2.19 preceding, apply to the respective services subject to this Plan F:

(1) At the expiration of the initial term plan, if a new agreement for the service is not effective and the customer has not requested a discontinuance of the service in writing, the Telephone Company will automatically renew the service, and the discount of Plan F will automatically be extended for one additional term of equal length to the expiring term plan. The automatic extension will not apply if the customer notifies the Telephone Company within sixty (60) days after the expiration of the initial term that it wishes to select a new term plan or disconnect the service. Upon expiration of the renewal term of Plan F, the customer's rates will revert to the then current tariff rates for the same term.

(2) When service is disconnected prior to completing the minimum period, the Plan F discount is not used in calculating the minimum period charges for the remainder of the minimum period, and the customer shall be responsible for any cancellation charges and/or termination liabilities as set forth in Section 7.2.19 preceding.

(3) With the exception of adding or removing a node to a Verizon Dedicated SONET Ring (DSR) or an IOTS dedicated ring, replacements, rearrangements, or any other physical change to service under the Plan F will result in termination of the Plan F additional discount. The Plan F discount will not apply to any obligations or calculations of cancellation charges, termination liability, or charges applicable to the remaining minimum period obligation. (T) (T)

32. Contract Tariffs (Cont'd)

32.15 Contract Tariff Option 14 (Cont'd)

(E) Terms and Conditions (Cont'd)

(4) Termination liability will not apply to the disconnection of an existing IDSR service as described in Section 26.1.1 preceding if:

- the IDSR service is replaced with IOTS under Plan F provided that at least one customer premise node from the IDSR service remains on the new IOTS as a 4 Channel or 16 Channel customer premise node and
- the IOTS has a greater total capacity than the existing IDSR service.

Termination liability will apply to the disconnection of an existing DSR service as described in Section 34.1 following if the DSR service is replaced with IOTS under Plan F with a lesser total capacity. (T) (T)

(5) Only additional IOTS Optical Transport Channel rate elements may be added to an existing IOTS service or an IOTS service already under Plan F. Firm orders for such additional rate elements placed during either the initial or second subscription period will receive the discounts available under Plan F.

(6) Billing for Plan F will commence for all rate elements of the IOTS service simultaneously at the start of the 5-Year term plan. When such billing commences, billing will cease, without term liability, for the existing optical network service that is being replaced by the IOTS service.

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32. Contract Tariffs (Cont'd)

32.16 Contract Tariff Option 15

(A) Scope

(1) Contract Tariff Option 15, the New Connect Discount Plan G (Plan G), is an offering exclusively for new installations as set forth below of Verizon Dedicated SONET Ring (DSR) service, as set forth in Section 34.1 following, ordered during a specific period of time. (T) (T)

(2) The regulations, terms, and conditions provided in this Section 32.16 apply to all customers who order new services offered under Plan G in the applicable Metropolitan Statistical Areas (MSAs) during the specified subscription periods. The qualifying services are listed in (B) following, and the applicable MSAs are specified in (C) following.

(3) Customers who wish to subscribe to Plan F must do so during the following subscription periods. An initial subscription period begins on June 12, 2004 and ends on December 31, 2004 (initial subscription period). A second subscription period begins on January 1, 2005 and ends February 28, 2005 (second subscription period). In order for a service to be included in Plan G:

(a) An order for the new service must be placed during either the initial or second subscription period, and the service must be one of the services specified in (B) following. A new service can not be a service that was disconnected from another contract option, discount plan, or tariff arrangement and subsequently ordered under this plan in order to include that service in this plan.

(b) The customer must accept the service on the original service date.

(c) If the customer does not accept service on the original service date, any change to a later date will make the service ineligible for the discount, unless the change is initiated by the Telephone Company.

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32. Contract Tariffs (Cont'd)

32.16 Contract Tariff Option 15 (Cont'd)

(B) Eligible Services

(1) Plan G is an offering exclusively for new installations as described in (D)(1) below of the following DSR services. (T)

- Enhanced nodes (OC12, OC48, OC192)
- Non-enhanced nodes (OC3, OC12, OC48, OC192)
- Mileage (OC3, OC12, OC48, OC192)
- Ports (DS1, DS3, STS1, OC3/3c, OC12/12c, OC48/48c, GigE1, GigE3, GigE6, GigE9, GigE12, GigE24)

(C) Serving Area

The serving area of Plan G is comprised of the following MSAs. Wire centers for the MSAs are listed in Section 15.3 preceding.

New York NY	MSA #1
Springfield MA	MSA #63
Boston MA-NH	MSA #6
Binghamton NY	MSA #122
Buffalo-Niagara Falls NY	MSA #25
Manchester NH	MSA #133
Providence-Warwick RI	MSA #38
Portland ME	MSA #152
Stamford-Norwalk CT	MSA #42
Portsmouth NH-Rochester ME	MSA #156
Albany-Schenectady-Troy	MSA #44
Bangor ME	MSA #224
Syracuse NY	MSA #53
Burlington VT	MSA #248
Worcester MA-CT	MSA #55

Any additions or changes to the wire centers included in the MSAs listed above that occur after June 12, 2004 will apply and be included in Plan G.

32. Contract Tariffs (Cont'd)

32.16 Contract Tariff Option 15 (Cont'd)

(D) Description of Plan G

(1) Plan G offers a discount as set forth in (D)(3) following on all eligible DSR services ordered from Section 34.1 following of this tariff that meet the conditions outlined in this Plan G. For the purchase of new DSR Ring arrangements, the Plan G discount will apply to DSR rate elements (Nodes, Ports, and Mileage). In addition, the discount will apply to new installations of DSR Ports ordered during either the initial or second subscription period on any new or existing DSR service. The Plan G discount will be applied to the monthly recurring rate elements associated with the options and categories listed in (B) above. Application of the discount on Ring Mileage rate elements is limited to those instances where serving wire centers at each end of the mileage is within an MSA identified in (C) above. (T)

(2) The services and the associated rate elements may only be ordered on a term plan as allowed for DSR and as described in Section 34.1 following. (T)

(3) Under Plan G, the customer will receive a discount, as set forth below, applied to the monthly recurring rate elements at the term plan and corresponding term plan rate then in effect as described in Section 34.1 following. Except for service provided under another contract tariff in this Section 32 for which minimum billed revenue is measured on a contract level basis or a term plan as described in Section 34.1 following, service subscribed to under Plan G is not eligible for any other service, term, or volume discount offered under this tariff. (T)

- For any 3-year or 5-year term plan, the Plan G discount is 20%.
- For any 7 year term plan, the Plan G discount is 10%.

(4) Shared use as set forth in Section 5.2.7 preceding is allowed under Plan G; however, only the special access portion of a service is eligible to receive the Plan G discount.

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32. Contract Tariffs (Cont'd)

32.16 Contract Tariff Option 15 (Cont'd)

(E) Terms and Conditions

Unless superseded by the terms and conditions set forth herein, all terms and conditions, including termination liability and minimum periods, as stated in Section 34.1 following, apply to the respective services subject to this Plan G: (T)

(1) For service ordered with a term plan under Plan G, the Plan G discount expires at the end of the initial term.

(2) When service is disconnected prior to completing the minimum period, the Plan G discount is not used in calculating the minimum period charges for the remainder of the minimum period, and the customer shall be responsible for any cancellation charges and/or termination liabilities as set forth in Section 34.1 following. (T)

(3) Replacements, rearrangements, or any other physical change to service under the Plan G will result in termination of the Plan G discount, with the exception of adding or removing a node and ports to DSR. The Plan G discount will not apply to any obligations or calculations of cancellation charges, termination liability, or charges applicable to the remaining minimum period obligation. (T)

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32. Contract Tariffs (Cont'd)

32.17 Contract Tariff Option 16 (N)

(A) Scope

Contract Tariff Option 16 is an offering exclusively for new installations of Special Access High Capacity 1.544 Mbps (DS1) and 44.736 Mbps (DS3) Services ordered during a specific time period (subscription period) and connecting a premises in New York to a premises or a wire center hub in New Jersey, with both premises located within the New York and New Jersey Corridor (NY/NJ Corridor).

The regulations, terms and conditions provided in this Section 32.17 apply to customers who subscribe to Contract Tariff Option 16 during the subscription period specified in (B)(2) following. The wire centers of the NY/NJ Corridor are within the New York Metropolitan LATA and the North Jersey LATA, collectively within the New York NY Metropolitan Statistical Area (MSA). The specific wire centers of the MSA that are included in Contract Tariff Option 16 are specified in (C) following. (N)

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32. Contract Tariffs (Cont'd)

32.17 Contract Tariff Option 16 (Cont'd)

(B) General (N)

(1) DS1 and DS3 services may be ordered under Contract Tariff Option 16 on a month-to-month basis or for a term plan of 3 or 5 years. This Contract Tariff Option 16 is applicable to newly installed DS1 or DS3 services ordered during the subscription period specified in (2) following.

(2) The subscription period during which the customer may subscribe to Contract Tariff Option 16 begins on June 12, 2004 and ends September 10, 2004. In order for a service to be included in Contract Tariff Option 16:

(a) A new service cannot be a service that was disconnected from another contract tariff option, discount plan, or tariff arrangement and subsequently ordered under this plan in order to include that service in this plan.

(b) The written request for service must be signed by an authorized representative of the customer and must specify the term option as either month-to-month, 3 years or 5 years.

(c) A confirmed due date for installation of DS1 and DS3 services ordered during the subscription period must be (1) within sixty (60) days of the date of ordering or (2) in accordance with a negotiated schedule of service dates requested by the customer and agreed to by the Telephone Company. Failure to accept service on the confirmed due date will result in cancellation of the order and the application of cancellation charges in accordance with Section 5.2 preceding, except when such failure to accept service is due to the Telephone Company's failure to provide service on the confirmed due date.

(N)

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32. Contract Tariffs (Cont'd)

32.17 Contract Tariff Option 16 (Cont'd) (N)

(C) Serving Area for Contract Tariff Option 16

The serving area of Contract Tariff Option 16 is comprised of the following Telephone Company wire centers which are within the New York NY Metropolitan Statistical Area.

New York Wire Centers

NYCKNY14	NYCMNY42	NYCQNYFR
NYCKNY71	NYCMNY50	NYCQNYHS
NYCKNY77	NYCMNY56	NYCQNYIA
NYCKNYAI	NYCMNY73	NYCQNYJA
NYCKNYAL	NYCMNY79	NYCQNYLI
NYCKNYAR	NYCMNY97	NYCQNYLN
NYCKNYAU	NYCMNYBS	NYCQNYNJ
NYCKNYAY	NYCMNYBW	NYCQNYNW
NYCKNYBR	NYCMNYCA	NYCQNYOP
NYCKNYBU	NYCMNYMN	NYCQNYRH
NYCKNYCL	NYCMNYPS	NYCRNYND
NYCKNYFA	NYCRNYNS	NYCRNYSS
NYCKNYFT	NYCMNYTH	NYCRNYWS
NYCKNYKP	NYCMNYVS	NYCXNYCI
NYCKNYLA	NYCMNYWA	NYCXNYCR
NYCKNYRA	NYCMNYWS	NYCXNYGC
NYCKNYTY	NYCMNYZO	NYCXNYHO
NYCKNYWM	NYCQNYAS	NYCXNYJE
NYCMNY13	NYCQNYBA	NYCXNYKB
NYCMNY18	NYCQNYBH	NYCXNYMH
NYCMNY30	NYCQNYCO	NYCXNYTB
NYCMNY36	NYCQNYFH	NYCXNYTR
NYCMNY37	NYCQNYFL	

(N)

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32. Contract Tariffs (Cont'd)

32.17 Contract Tariff Option 16 (Cont'd) (N)

(C) Serving Area for Contract Tariff Option 16 (Cont'd)

New Jersey Wire Centers

BYNNNJ02	JRCYNJBR	PSSCNJPS
BLVLNJBE	JRCYNJJO	PTSNNJAR
BLFDNJBL	KRNYNJKN	PLFDNJPF
CFTNNJCF	LNDNNJ01	RCPKNJ02
CLWLNJCW	LTFLNJLF	RGWDNJRW
CFPKNJCS	LTFYNJLF	RHWYNJRA
CLSTNJCO	LVTNNJLI	RMSYNJRM
CNFRNJCR	MLBNNJMB	RSLLNJRL
DUMTNJDM	MTCLNJMC	RVDLNJPL
ELZBNJEL	MTVWNJMV	RTFRNJRU
ENWDNJEN	NBRGNJNB	SORGNJSO
EORNNJEO	NWPVNJMH	UNCYNJ02
ERLKNJEL	NWRKNJ03	UNINNJUV
FRLNNJFL	NWRKNJIR	WMFRNJ01
FRFDNJFA	NWRKNJ02	WORNNJWO
FTLENJLE	NWRKNJWA	WSFDNJWS
HCKNNJHK	NFLDNJNF	WYCKNJWK
HLDNNJ01	NTLYNJNU	
HLDLNJWE	OKLDNJ01	
IVTNNJES	RVEDNJOR	

(N)

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32. Contract Tariffs (Cont'd)

32.17 Contract Tariff Option 16 (Cont'd) (N)

(C) Serving Area for Contract Tariff Option 16 (Cont'd)

The preceding Telephone Company wire centers in the New York NY MSA are in effect as of the effective date of this Contract Tariff Option 16. Any additions of, or changes to Telephone Company MSAs, including changes to wire centers or Level 1/Level 2 pricing status as described in Section 15.3 preceding of this tariff that occur after June 12, 2004, will apply. (N)

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32. Contract Tariffs (Cont'd)

32.17 Contract Tariff Option 16 (Cont'd)

(D) Terms and Conditions (N)

Unless superceded by the terms and conditions set forth herein, all terms and conditions, including termination liability and minimum periods, as stated in Section 7.2.9 preceding, apply to the respective services ordered under this Contract Tariff Option 16.

(1) DS1 and DS3 services may be ordered under this Contract Tariff Option 16 during the subscription period on a month-to-month basis or as a 3 or 5-year term plan.

(2) The minimum periods for DS1 and DS3 services ordered under this Contract Tariff Option 16 are the same minimum periods that apply for DS1 and DS3 services specified in other sections of this tariff.

(3) Except as specified in (4) following, termination liability charges apply if service under this Contract Tariff Option 16 is disconnected in full or in part prior to the end of one year on a 3-year term plan or three years on a 5-year term plan. The termination liability charge applies as follows:

- For disconnects on or prior to the end of the minimum period and prior to the end of the first year on a 3-year plan or prior to the end of the third year on a 5-year plan, the termination liability charge is 50% of the applicable monthly rates for each month and fraction thereof remaining between the end of the minimum period and the end of the first or third year, respectively.

- For disconnects after the end of the minimum period but prior to the end of the first year on a 3-year plan or prior to the end of the third year on a 5-year plan, the termination liability charge is 50% of the applicable monthly rates for each month and fraction thereof remaining between the date of termination and the end of the first or third year, respectively.

The termination liability charge applies in addition to applicable minimum period charges. (N)

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32. Contract Tariffs (Cont'd)

32.17 Contract Tariff Option 16 (Cont'd) (N)

(D) Terms and Conditions (Cont'd)

(9) Termination liability will not apply if a customer changes from a 3-year term plan to a 5-year term plan. Time-in-service credit on the shorter plan will be granted on a month-for-month basis towards the term of the longer plan. The term plan rate for the longer plan shall commence effective with the first bill date following the order to change to a longer plan. No credit will be applied to the monthly rates previously billed for the shorter plan.

(10) Replacements, rearrangements, upgrades or any other physical change to service provided under this Contract Tariff Option 16 will constitute termination of the existing service under this Contract Tariff Option 16 and installation of service as offered under other sections of this tariff. Termination liability charges apply as set forth in Section (D)(3) preceding unless all of the following conditions are met:

- The customer orders new DS1, DS3 or higher bandwidth service to replace the terminated service.
- The commitment period of the new service commences with the installation of the new service.
- The replacing service is provided under an equal or longer term (as offered under other sections of this tariff) than the terminated service.
- The new service is provided between the same customer and/or Telephone Company locations as the service being replaced.

The customer remains responsible for satisfying any outstanding minimum period obligations on the terminated service. (N)

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32. Contract Tariffs (Cont'd)

32.17 Contract Tariff Option 16 (Cont'd) (N)

(D) Terms and Conditions (Cont'd)

(11) Upon expiration of the initial term, customers subscribing to Contract Tariff Option 16 may renew their subscription for one additional term of 3 or 5 years. Upon expiration of the initial term, the customer may also convert service under this Contract Tariff Option 16 to any other payment option offered for the applicable service under other sections of this tariff, or may discontinue the service. If the customer does not notify the Telephone Company of its election prior to expiration of the initial term plan, the customer's initial term plan will be automatically renewed upon expiration. The renewed plan will have a term equal to that of the original plan, and the plan will be considered new. Only one automatic renewal will occur. The customer may cancel the renewed plan within the first sixty (60) days of the date of automatic renewal without termination liability. Except as set forth in (D)(4) preceding, cancellation after that date will incur termination liability.

All rates and charges for services ordered during the subscription period under this Contract Tariff Option 16, whether month-to-month or in a term plan, will expire no later than September 10, 2014.

Upon final expiration of the term of service under this Contract Tariff Option 16, the customer may continue with service under any other payment plan offered in other sections of this tariff or may discontinue service without termination liability. (N)

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32. Contract Tariffs (Cont'd)

32.17 Contract Tariff Option 16 (Cont'd) (N)

(E) Application of Rates and Charges

For each DS1 or DS3 Service under this Contract Tariff Option 16, a Corridor Channel Termination shall apply for the New York portion of the service and a Corridor Channel Termination shall apply for the New Jersey portion of the service.

The Corridor Channel Termination provides the communications path from the customer's designated premises to the interconnection point between the facilities of the two Exchange Telephone Companies. Each Exchange Telephone Company shall bill its channel termination in accordance with the regulations set forth in Section 2.4.7 preceding of this tariff.

Optional features and functions or Basic Service Elements (BSEs) applicable to High Capacity DS1 and DS3 will be provided in accordance with the regulations set forth in Section 7.2.9(D) preceding. These optional features and functions or BSEs are provided under the rates set forth in Section 30.7.9(D) preceding.

Except when allowed under another contract tariff option in this Section 32, the DS1 and DS3 Services provided under this Contract Tariff Option 16 are not eligible for any other contract tariff option or service, term or volume discount offered in this and other sections of this tariff.

Shared use as set forth in Section 5.2.7 preceding of this tariff is not allowed on services ordered under this Contract Tariff Option 16.

Rates and charges for these services are set forth in (F) following of this tariff. (N)

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32. Contract Tariffs (Cont'd)

32.17 Contract Tariff Option 16 (Cont'd) (N)

(F) Rates and Charges

Rates apply per Corridor Channel Termination. The following rates apply in all price bands as determined in Section 15.3 preceding.

Service	USOC	Monthly Rate	Nonrecurring Charge
DS1 Corridor CT			
- Month-to-month	-----	$ 425.00	None
- 3 Year	-----	200.00	None
- 5 Year	-----	200.00	None
DS3 Corridor CT			
- Month-to-month	-----	$2,750.00	None
- 3 Year	-----	2,050.00	None
- 5 Year	-----	2,050.00	None

(N)

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32. Contract Tariffs (Cont'd)

32.18 Contract Tariff Option 17 (N)

32.18.1 Scope

Contract Tariff Option 17 (Option 17) is an offering exclusively for customers subscribing to new IntelliLight Entrance Facility (IEF) Special Access Services at fifteen (15) or more different customer designated premises within the Metropolitan Statistical Areas (MSAs) of this tariff and of those specified in the Telephone Company's Tariff F.C.C. No. 1. (x)

32.18.2 General

(A) A customer subscribes to Option 17 by submitting an order for service using an ordering procedure designated by the Telephone Company during the first sixty (60) days following the effective date of this Option 17 (i.e., the subscription period).

(B) The customer must subscribe to a minimum of fifteen (15) new IEF systems with each system configured to include a Fractional OC48 Interface and twelve (12) or more STS1 Terminations. Connection of other access services to IEF systems is described in Section 26.1.4 preceding. Under this Option 17, STS1/51.84 Mbps Termination with a Fractional OC48 Interface IEF system shall be referred to as "STS1 Terminations."

(C) Except as otherwise provided for in this Option 17, the terms and conditions for IEF in Section 26.1.4 preceding apply. Other services required to provide IEF (for example, special construction) will be provided in accordance with the rates and regulations in this tariff and/or other interstate Telephone Company tariffs.

32.18.3 Serving Area

The serving area of the Option 17 is comprised of the Phase I and Phase II MSAs under this tariff and of those specified in the Telephone Company's Tariff F.C.C. No. 1. Wire centers for the Phase II MSAs specified in this tariff are listed in Section 14.7 preceding. Any additions of, or changes to, Telephone Company MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 15.3 preceding of this tariff) that occur during the service commitment period of this Option 17 will apply. (x) (N)

(x) Issued under authority of Special Permission No. 04-043 of the Federal Communications Commission

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32. Contract Tariffs (Cont'd)

32.18 Contract Tariff Option 17 (Cont'd)

32.18.4 Terms and Conditions (N)

(A) An order for the new IEF service must be placed during the subscription period. A new service can not be a service that was disconnected from another contract option, discount plan, or tariff arrangement and subsequently ordered under this option in order to include that service in this option.

(B) Except as otherwise set forth below, the service commitment period for IEF services purchased under this Option 17 is six (6) months. Prior to, or upon expiration of, the service period, the customer must choose one (1) of the following options. The customer must also provide written notification to the Telephone Company at least thirty (30) days prior to the expiration of the service period indicating its election of one of the options set forth below.

(1) Terminate this Option 17 and simultaneously subscribe to another then effective Contract Tariff Option for IEF service offered by the Telephone Company under this tariff (New Option). No termination liability, as set forth in Section 26.1.4 preceding, nor any minimum period obligation as set forth in 32.18.4(C) following and Section 26.1.4 preceding will be assessed by the Telephone Company for such termination. All terms and conditions of the New Option shall apply to such IEF services, including termination liability, as set forth in such New Option.

(2) Terminate this Option 17 and all services purchased pursuant to this Option 17. No termination liability, as set forth in Section 26.1.4 preceding, will be assessed by the Telephone Company for such termination. Minimum period obligations shall apply as set forth in Section 26.1.4 preceding.

(3) Elect to extend this Option 17 for a five (5) year service period. If the customer elects this option, the service period for all services subscribed to under this Option 17 shall be deemed to commence upon its initial subscription to this Option 17. The customer will continue receiving the IEF rate set forth in this Option 17 in 32.18.5 following until the expiration of the five (5) year service period. All other provisions of IEF service, including termination liability, as set forth in Section 26.1.4 preceding, will continue to apply. Minimum period obligations shall apply as set forth in Section 32.18.4(C) following. (N)

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32. Contract Tariffs (Cont'd)

32.18 Contract Tariff Option 17 (Cont'd)

32.18.4 Terms and Conditions (Cont'd)

(C) IEF services provided under this Option 17 are subject to a six (6) month minimum period which applies in lieu of the minimum period specified in Section 26.1.4 preceding. In any given month during the service period, if the customer fails to maintain a minimum of twelve (12) STS1 Terminations per system, the six (6) month minimum period does not apply to the services during such month, and the minimum period obligation set forth in Section 26.1.4 preceding shall apply in lieu thereof. If a customer subsequently returns to the minimum of twelve (12) STS1 Terminations per system in a subsequent month, the six (6) month period obligation shall again apply to the services. The applicable minimum period obligations shall apply in addition to any applicable termination liability as set forth in Section 26.1.4 preceding. (N)

(D) The rates and charges set forth in 32.18.5 following apply on a recurring monthly basis for each STS1 Termination.

(E) During the service period, the customer must maintain a minimum of twelve (12) STS1 Terminations per system. In any month where the customer fails to maintain a minimum of twelve (12) STS1 Terminations on one or more IEF systems, the rate per in-service STS1 Termination on the affected IEF system(s) for that month will be the monthly rate per STS1 Termination as set forth in Sections 30.26.4 and 31.26.4 preceding in lieu of the rate per STS1 Termination set forth in 32.18.5 following.

(F) Additional IEF systems may be ordered subsequent to the subscription period of this Option 17 subject to the terms and conditions if this Option 17. Each additional IEF system must include a Fractional OC48 Interface and twelve (12) or more STS1 Terminations.

(G) With the exceptions of subscribing to 32.18.4(B)(1) above, a Commitment Discount Plan (CDP), or a Contract Tariff Option which provides a credit or discount based upon the achievement of certain Total Billed Revenue as set forth in this tariff, a customer subscribing to Option 17 may not subscribe to any other discount plan, Contract Tariff Option, Individual Case Basis (ICB) arrangement, specialized service arrangement, or other promotional offering offered by the Telephone Company under this tariff for IEF services ordered pursuant to this Option 17.

(H) Upon expiration of the service period set forth in 32.18.4(B) preceding, the terms and conditions set forth in Section 26.1.4 preceding will apply. (N)

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32. Contract Tariffs (Cont'd)

32.18 Contract Tariff Option 17 (Cont'd)

32.18.5 Rates and Charges (N)

The following rates apply in all operating territories.

	Monthly Rate	Nonrecurring Charge
Per STS1/51.84 Mbps Termination with a Fractional IEF OC48 IEF System*		
12	$343.33	$1.00
13	342.41	1.00
14	340.58	1.00
15	338.74	1.00
16	337.82	1.00
17	335.99	1.00
18	334.15	1.00
19	333.23	1.00
20	331.40	1.00
21	329.56	1.00
22	327.73	1.00
23	326.81	1.00
24	324.97	1.00
25	323.14	1.00
26	322.22	1.00
27	320.38	1.00
28	318.55	1.00
29	317.63	1.00
30	315.79	1.00
31	313.96	1.00
32	312.12	1.00
33	311.20	1.00
34	309.37	1.00
35	307.53	1.00
36	306.61	1.00
37	304.78	1.00
38	302.94	1.00
39	300.19	1.00
40	296.51	1.00
41	292.84	1.00
42	289.17	1.00
43	285.50	1.00
44	280.91	1.00
45	277.24	1.00
46	273.56	1.00
47	269.89	1.00
48 and over	265.30	1.00

* Interface sold separately under Section 31.26.4 preceding (N)

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32. Contract Tariffs (Cont'd)

32.19 Contract Tariff Option 18 (N)

32.19.1 Scope

The Price Plan Extension Contract (Option 18) provides qualifying customers with the option of a twelve (12) month extension to the commitment period on an expiring or recently expired seven (7) year Service Discount Plan for their Special Access DS1 and DS3 services.

32.19.2 Eligible Services

(A) The services included in this Option 18 are:

- Special Access 1.544 Mbps High Capacity Service (DS1)
- Special Access NYNEX Enterprise DS1 Service
- Special Access 44.736 Mbps High Capacity Service (DS3)
- Special Access NYNEX Enterprise DS3 Special Access Service

(B) The rate elements eligible for extension under this Option 18 are the channel termination, channel mileage, and optional features and functions as offered in Section 7.4.10 preceding.

32.19.3 Serving Area

(A) The serving area of the Option 18 is comprised of the following Metropolitan Statistical Areas (MSAs). Wire centers for Phase II MSAs are listed in Section 15.3 preceding.

Metropolitan Statistical Area	MSA Identification #
Albany-Schenectady-Troy NY	44
Binghamton NY	122
Buffalo-Niagara Falls NY	25
Burlington VT	248
Elmira NY	284
Manchester NH	133
New York NY	1
No MSA Vermont	999.3
Portland ME	152
Portsmouth NH - Rochester ME	156
Providence-Warwick RI	38
Springfield MA	63
Syracuse NY	53

(B) Any additions or changes to the wire centers included in the MSAs listed above that occur after August 27, 2004 will apply and be included in Option 18. (N)

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32. Contract Tariffs (Cont'd)

32.19 Contract Tariff Option 18 (Cont'd)

32.19.4 Price Plan Extension Eligibility (N)

All of the following requirements must be met to be eligible for subscription to Option 18.

(A) Time Requirements

(1) Eligible customers who wish to subscribe to Option 18 must do so by submitting written authorization during the period that begins August 27, 2004 and ends November 25, 2004 (Subscription Period).

(2) The customer must subscribe to one or more of the eligible services listed in Section 32.19.2 preceding under a seven (7) year Service Discount Plan as offered under Section 7.4.10 preceding and at the rates set forth in Section 30.7 and 31.7 preceding. The seven (7) year Service Discount Plans(s) to be extended must expire between February 28, 2004 and February 26, 2005.

(B) Ordering Requirements

(1) The total aggregate DS1 equivalency of the customer's DS1 and DS3 services within the operating territories specified in this tariff must be less than one thousand (1,000). For purposes of administering this Option 18, the DS1 equivalency of a DS1 service is one (1) and the DS1 equivalency of a DS3 service is twenty-eight (28).

(2) The group(s) of eligible services listed in Section 32.19.2 preceding included in Option 18 must have Service Discount Plan expiration dates that are within thirty (30) days of each other.

(3) The customer must subscribe to a minimum of one hundred (100) equivalent DS1 services, but not more than four hundred (400) DS1 equivalent services during the initial extension period or additional extension periods set forth in Section 32.19.5(B) following. (N)

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32. Contract Tariffs (Cont'd)

32.19 Contract Tariff Option 18 (Cont'd)

32.19.5 Terms and Conditions (N)

(A) For a customer whose seven (7) year Service Discount Plan(s) was renewed for an additional 7 years under Section 7.4.10(F) preceding between February 28, 2004 and August 27, 2004, and who subscribed to Option 18, any time that elapsed under the renewed plans will be considered additional time on the prior plans, and the renewed 7 year plans will be terminated. That additional time on the prior plans will not count towards the twelve (12) month extension period of Option 18.

(B) Upon expiration of the initial twelve (12) month extension period under this Option 18, the customer has the option to subscribe for up to two (2) additional 12 month extension periods. Each extension period must meet the Order Requirements set forth in Section 32.19.4(B) preceding. Upon final expiration of the extension periods under this Option 18, the customer has the option to subscribe to any then offered service discount plan or continue service at the prevailing month-to-month rates set forth in Sections 30.7 and 31.7 preceding.

32.19.6 Minimum Service Period and Termination Liability

For each twelve (12) month extension period, the minimum service period is six (6) months. If the customer terminates Option 18 within the minimum service period of any extension period, a termination liability equal to the applicable monthly rate will apply for the balance of the minimum service period. (N)

32. Contract Tariffs (Cont'd)

32.20 Contract Tariff Option 19

(A) Scope

(1) Contract Tariff Option 19 (Option 19) is an offering for new installations of Special Access Verizon Dedicated SONET Ring (DSR) service, as set forth in Section 34.1 following. Switched Access DSR rate elements, as set forth in Section 34.1 following, are not eligible to receive the Option 19 discount. (T) (T) (T)

(2) The regulations, terms, and conditions provided in this Section 32.20 apply to all customers who order new DSR services offered under Option 19 in the applicable Metropolitan Statistical Areas (MSAs) during the specified subscription period set forth below. (T)

(B) Eligible Services

Option 19 is an offering exclusively for new installations, as described in this Option 19, of the following DSR services, as set forth in Section 34.1 following. (T) (T)

- OC48 or OC192 Enhanced Nodes
- OC48 or OC192 Ring Transport (Mileage between Enhanced Nodes)

(C) Serving Area

(1) The serving area of Option 19 is comprised of the following MSAs.

New York NY
New Brunswick-Perth Amboy-Sayerville NJ

(2) The wire centers within the New York NY MSA are listed in Section 15.3 preceding. The wire centers within the New Brunswick-Perth Amboy-Sayerville NJ MSA are listed in (4) following. The wire centers that comprise the New York and New Jersey Corridor are listed in (5) following.

(3) Any additions or changes to the wire centers included in the MSAs listed above that occur after September 4, 2004 will apply and be included in Option 19.

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32. Contract Tariffs (Cont'd)

32.20 Contract Tariff Option 19 (Cont'd)

(C) Serving Area (Cont'd)

(4) The following Telephone Company wire centers comprise the New Brunswick-Perth Amboy-Sayerville NJ MSA: (N)

New York Wire Centers

MNTKNYMT

New Jersey Wire Centers

BWTWNJBT	JMBGNJJA	PSWYNJPI
CARTNJCA	MNJTNJ01	RHWYNJRA
DNLNNJDU	SORVNJSR	EDSNNJED
PAMBNJPM	SPWDNJSW	FNPKNJFP
PRPLNJPA	SYRVNJSA	FRDSNJFR
PSWYNJAL	WDBRNJWD	

(5) The following Telephone Company wire centers of the New York NY MSA comprise the geographic area of the New York and New Jersey Corridor:

New York Wire Centers

NYCKNY14	NYCMNY42	NYCQNYFR
NYCKNY71	NYCMNY50	NYCQNYHS
NYCKNY77	NYCMNY56	NYCQNYIA
NYCKNYAI	NYCMNY73	NYCQNYJA
NYCKNYAL	NYCMNY79	NYCQNYLI
NYCKNYAR	NYCMNY97	NYCQNYLN
NYCKNYAU	NYCMNYBS	NYCQNYNJ
NYCKNYAY	NYCMNYBW	NYCQNYNW
NYCKNYBR	NYCMNYCA	NYCQNYOP
NYCKNYBU	NYCMNYMN	NYCQNYRH
NYCKNYCL	NYCMNYPS	NYCRNYND
NYCKNYFA	NYCRNYNS	NYCRNYSS
NYCKNYFT	NYCMNYTH	NYCRNYWS
NYCKNYKP	NYCMNYVS	NYCXNYCI
NYCKNYLA	NYCMNYWA	NYCXNYCR
NYCKNYRA	NYCMNYWS	NYCXNYGC
NYCKNYTY	NYCMNYZO	NYCXNYHO
NYCKNYWM	NYCQNYAS	NYCXNYJE
NYCMNY13	NYCQNYBA	NYCXNYKB
NYCMNY18	NYCQNYBH	NYCXNYMH
NYCMNY30	NYCQNYCO	NYCXNYTB
NYCMNY36	NYCQNYFH	NYCXNYTR
NYCMNY37	NYCQNYFL	(N)

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32. Contract Tariffs (Cont'd)

32.20 Contract Tariff Option 19 (Cont'd)

(C) Serving Area (Cont'd)

(5) (Cont'd)

New Jersey Wire Centers (N)

BYNNNJ02	JRCYNJBR	PSSCNJPS
BLVLNJBE	JRCYNJJO	PTSNNJAR
BLFDNJBL	KRNYNJKN	PLFDNJPF
CFTNNJCF	LNDNNJ01	RCPKNJ02
CLWLNJCW	LTFLNJLF	RGWDNJRW
CFPKNJCS	LTFYNJLF	RHWYNJRA
CLSTNJCO	LVTNNJLI	RMSYNJRM
CNFRNJCR	MLBNNJMB	RSLLNJRL
DUMTNJDM	MTCLNJMC	RVDLNJPL
ELZBNJEL	MTVWNJMV	RTFRNJRU
ENWDNJEN	NBRGNJNB	SORGNJSO
EORNNJEO	NWPVNJMH	UNCYNJ02
ERLKNJEL	NWRKNJ03	UNINNJUV
FRLNNJFL	NWRKNJIR	WMFRNJ01
FRFDNJFA	NWRKNJ02	WORNNJWO
FTLENJLE	NWRKNJWA	WSFDNJWS
HCKNNJHK	NFLDNJNF	WYCKNJWK
HLDNNJ01	NTLYNJNU	
HLDLNJWE	OKLDNJ01	
IVTNNJES	RVEDNJOR	

(N)

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32. Contract Tariffs (Cont'd)

32.20 Contract Tariff Option 19 (Cont'd)

(D) Eligibility Requirements

All of the following requirements must be met in order to be eligible for subscription to Option 19.

(1) Customers who wish to subscribe to Option 19 must do so by submitting a written authorization in a manner designated by the Telephone Company during the subscription period, which begins on September 4, 2004 and ends November 3, 2004 (the Subscription Period).

(2) The customer must accept service on the original service date. If the customer does not accept service on the original service date, any change to a later date will make the service ineligible for the discount, unless the change is initiated by the Telephone Company.

(3) A new service cannot be a service that was disconnected from another contract option, discount plan, or tariff arrangement in order to include that service in this plan.

(4) The customer must purchase a minimum of four (4) DSR OC48 or OC192 Enhanced Nodes and up to a maximum of twenty-two (22) DSR OC48 or OC192 Enhanced Nodes. All of the Enhanced Nodes must be within the MSAs listed in (C) above, and at least twenty-five percent (25%) of the Enhanced Nodes on any individual ring must be served by wire centers that are located within the New York and New Jersey Corridor, as set forth in (C)(5) preceding. (T) (T)

(a) When calculating the minimum number of nodes, always round up to the next node when the calculation results in a fraction of a node. For example, 25% of a seven (7) node ring would require 1.75 or a minimum of two (2) nodes that must be served by wire centers that are within the New York and New Jersey Corridor. Wire centers that are within the New York and New Jersey Corridor are listed in (C)(5) preceding.

(5) The customer must agree to a service period of sixty-three (63) months for DSR Enhanced Nodes and Ring Transport under this Option 19. (T)

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32. Contract Tariffs (Cont'd)

32.20 Contract Tariff Option 19 (Cont'd)

(E) Description of Option 19

(1) Option 19 offers a discount as set forth in (E)(2) following on all eligible DSR services that meet the conditions outlined in this Option 19. For the purchase of new DSR services, the Option 19 discount will apply to DSR monthly recurring rate elements (Enhanced Nodes and Ring Transport). Application of the discount on Ring Transport rate elements is limited to those instances where the wire centers serving the Enhanced Nodes are within an MSA identified in (C) above. (T) (T) (T)

(2) Under Option 19, the following discounted rates will apply in all price bands and all rate zones, as applicable.

Rate Element	MRC	NRC
Enhanced OC48 Node	$3,222.80	None
Enhanced OC192Node	6,440.00	None
OC48 Ring Transport	447.30	None
OC192 Ring Transport	895.30	None

(3) Except for service provided under another contract tariff in this Section 21 for which minimum revenue or total revenue is measured on a contract level basis, or a term plan as described in Section 34.1 following, service subscribed to under Option 19 is not eligible for any other service, term, or volume discount offered under this tariff. (T)

(4) Shared use as set forth in Section 5.2.7 preceding is allowed under Option 19; however, only the special access portion of a service is eligible to receive the Option 19 discount.

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32. Contract Tariffs (Cont'd)

32.20 Contract Tariff Option 19 (Cont'd)

(F) Terms and Conditions

Unless superseded by the terms and conditions set forth herein, all terms and conditions including termination liability and minimum periods, as stated in Section 34.1 following, apply to the DSR services subject to this Option 19. (T)

(1) At the expiration of the sixty three (63) month service period, the customer must choose one of the following options.

(i) disconnect service;

(ii) elect any then effective term plan or contract tariff option applicable to DSR; or (T)

(iii) continue with service at the rates set forth in (E)(2) preceding on a month-to-month basis.

(a) When (iii) is selected, or if the customer does not make a choice, the rates set forth in (E)(2) preceding will continue to apply until an election of (i) or (ii) is made, or until the first bill period after December 31, 2015, whichever occurs first.

(2) The Option 19 discount will not apply to any obligations or calculations involving cancellation charges, minimum periods, or termination liability. The customer shall be responsible for any cancellation charges, minimum period obligations, and/or termination liabilities as set forth in Section 34.1 following. (T)

(3) If the new DSR, or any portion of the new DSR, is terminated prior to expiration of the service period, termination liability applies as follows. (T)

(a) When service is disconnected within the first twenty-four (24) months of the service period, termination liability is equal to one hundred percent (100%) of the five (5) year term plan rate specified in Section 30.34.1 preceding for price band rates and (T)
Section 31.34.1 preceding for all other rates multiplied by the (T)
number of rate elements terminated, and the resulting amount is multiplied by the number of months remaining in the service period.

(b) When service is disconnected after the first twenty-four (24) months of the service period [month twenty-five (25) through month sixty-three (63)], termination liability is equal to twenty-five percent (25%) of the five (5) year term plan rate specified in Section 30.34.1 preceding for price band rates and (T)
Section 31.34.1 preceding for all other rates multiplied by the (T)
number of rate elements terminated, and the resulting amount is multiplied by the number of months remaining in the service period.

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32. Contract Tariffs (Cont'd)

32.21 Contract Tariff Option 20 (N)

(A) Scope

(1) Contract Tariff Option 20 (**Option 20**) is offered for a service commitment period of one (1) year and provides a customer with a one-time credit when it meets certain total billed revenue (**TBR**) thresholds set forth in (B)(2) following for the Qualifying Services set forth in (E)(1) following (**TBR for Qualifying Services**). Calculation of TBR for Qualifying Services shall be in accordance with the terms of this Option 20.

(B) Eligibility

The customer must meet all of the following eligibility criteria in order to be eligible for subscription to Option 20.

(1) During the twelve (12) month period prior to commencement of the Service Period as set forth in (C) following, the customer must have achieved both:

(a) a minimum of $235,000,000 (**$235M**) in billed revenue for all Qualifying Services (as set forth in (E)(1) following) purchased by the customer from the Telephone Company; and

(b) a minimum of $101,500,000 (**$101.5M**) in billed revenue in Qualifying Facility Management Services (**Qualifying FMS**) as described in (E)(1) following. The TBR for Qualifying Services, as described in (1)(a) above, must include the TBR for Qualifying FMS as set forth in (B)(1)(b).

(2) During the Service Period set forth in (C) following, the customer must achieve both:

(a) A TBR for Qualifying Services, as defined in (E) following, of not less than $235M and no more than $300,000,000 (**$300M**); and

(b) A minimum TBR for Qualifying FMS, as described in (E) following, of not less than $101.5M. The TBR for Qualifying Services, as described in (2)(a) above, must include the TBR for Qualifying FMS set forth in this (B)(2)(b). (N)

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32. Contract Tariffs (Cont'd)

32.21 Contract Tariff Option 20 (Cont'd) (N)

(B) Eligibility (Cont'd)

(3) However, in order to receive any Billing Credit, as defined in (E)(2)(a) following, the customer must achieve both:

(a) a minimum TBR of at least $255,000,000 (**$255M**) of Qualifying Services; and

(b) a minimum TBR of at least $101.5M of Qualifying FMS during the Service Period. The TBR for Qualifying Services set forth in (3)(a) above must include the TBR for Qualifying FMS set forth in this (B)(3)(b).

TBR for Qualifying Services and TBR for Qualifying FMS shall be calculated using the criteria and mechanism set forth in (E) following. Billing Credits shall vary depending on the TBR for Qualifying Services and Qualifying FMS achieved by the customer during the Service Period. Such Billing Credits shall be calculated in accordance with (E) following.

(4) Eligible customers who wish to subscribe to Option 20 must do so by submitting a written request, in a form prescribed by the Telephone Company, and signed by an authorized representative of the customer. The customer must subscribe to Option 20 during the sixty (60) day period that begins December 14, 2004 and ends February 11, 2005 (**Subscription Period**).

(5) Other than as set forth in (E)(5) following, the customer may not concurrently 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 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 revenue targets by the customer for the Qualifying Services. Notwithstanding the foregoing, the customer will be eligible to continue to participate in Tariff Option 4 offered in the Telephone Company's Tariff F.C.C. No. 14. (x) (x)

(C) Service Period

The Service Period of this Option 20 shall be for a period of one (1) year from the date the customer subscribes to this Option 20 under (B)(4) preceding (**Service Period**). (N)

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32. Contract Tariffs (Cont'd)

32.21 Contract Tariff Option 20 (Cont'd) (N)

(D) Serving Area

The Billing Credit, as defined in (E)(2)(a) following, will be provided only in the Metropolitan Statistical Areas (**MSAs**) that have achieved Phase I or Phase II pricing flexibility under this tariff and under the Telephone Company's Tariff F.C.C. Nos. 1 and 14. Wire centers for the Phase II MSAs are listed in Section 15.3 of this tariff, Section 14.7 of Tariff F.C.C. No. 1, and Section 19.1 of Tariff F.C.C. No. 14. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in those sections) that occur during the Service Period of this Option 20 will apply. No Billing Credits will be provided in the operating territories of the Telephone Company's Tariff F.C.C. No. 16, but the calculation of the TBR for the Qualifying Services will include all Qualifying Services purchased by the customer under the Telephone Company's Tariff F.C.C. No. 16 as set forth in (E)(1) following. (x)

(E) Terms and Conditions

(1) Qualifying FMS Services and Qualifying Services

(a) Qualifying FMS shall be comprised of any switched or special access FMS, as set forth in Sections 6.8.26 and 7.2.13 of this tariff and Sections 6.2.12 and 7.2.16 of the Telephone Company's Tariff F.C.C. No. 1, purchased by the customer during the Service Period. Qualifying Services will be comprised of the following services purchased by the customer during the Service Period: (x) (x)

- Special Access Voice Grade, Digital Data Service (DDS), DS1, DS3, and SONET services, as set forth in this tariff (Sections 7 and 26), the Telephone Company's Tariff F.C.C. No. 1 (Sections 7 and 8), Tariff FCC No. 14 (Sections 5 and 20), and Tariff F.C.C. No. 16 (Sections 7 and 20), and Federal Telecommunications Access Service, as set forth in Section 24 of this tariff and Section 17 of the Telephone Company's Tariff F.C.C. No. 1 (**Special Access**); (x) (x) (x) (x)

- Switched Access DS1 and DS3 Direct Trunk Transport services (**Switched DTT**), as set forth in this tariff (Section 6), the Telephone Company's Tariff F.C.C. No. 1 (Section 6), Tariff F.C.C. No. 14 (Section 4), and Tariff F.C.C. No.16 (Section 6); and (x) (x)

- Qualifying FMS. (N)

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32. Contract Tariffs (Cont'd)

32.21 Contract Tariff Option 20 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS Services and Qualifying Services (Cont'd)

(a) (Cont'd)

(1) If the Telephone Company introduces a new Special Access Service or a new Switched DTT Service, or an enhancement to an existing Special Access or Switched DTT Service in this tariff and in its Tariff F.C.C. Nos. 1, 14, and 16, then such services shall be automatically included in Qualifying Services, and the customer's purchases of such new or enhanced Qualifying Services shall be included in the calculation of TBR, subject to the terms and conditions set forth in this Option 20. (x)

(2) All other services purchased by the customer from the Telephone Company or any affiliate of the Telephone Company and not listed in this Section (E)(1)(a) shall not be eligible for inclusion as Qualifying Services under this Option 20.

(b) Subject to any credits or adjustments as set forth in this Section (E)(1)(b), the customer's TBR shall include only monthly billed recurring revenues for the Qualifying Services, which shall include any credits or discounts given under existing pricing plans (e.g. Service Discount Plan, Term Payment Plans, or Commitment Discount Plan) or Contract Tariff Option 4 under the Telephone Company's Tariff F.C.C. No. 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 monthly recurring billed amounts for Qualifying Services, as set forth in this Section (E)(1)(b), which are purchased by the customer during the Service Period shall be included in the calculation of TBR for the Qualifying Services. (x) (x) (N)

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32. Contract Tariffs (Cont'd)

32.21 Contract Tariff Option 20 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS Services and Qualifying Services (Cont'd)

(c) TBR for the Qualifying Services does not include any revenue other than as set forth in Section (E)(1)(b) preceding. The following is an illustrative list and is not intended to be a comprehensive listing of all other charges excluded from the calculation of TBR for the Qualifying Services.

- nonrecurring charges;
- taxes, or other charges imposed by a federal, state, local, or other governmental entity (e.g. Federal Universal Service Fund);
- service or administrative fees or charges imposed by the Telephone Company (e.g., Interest penalty, late payment penalty);
- any other charges which are not applied on a recurring monthly basis;
- any other billed amount related to Qualifying Services for which payment is being withheld or under dispute by the customer;
- 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;
- 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
- termination liabilities and minimum period charges.

(d) In calculating TBR for Qualifying Services, the Telephone Company shall determine the total amount of monthly billed recurring revenues for New SONET Qualifying Services (as defined below) which have been purchased by the customer during the Service Period, and multiply the same by 1.15 (that is, a fifteen percent (15%) incentive for subscription to New SONET Qualifying Services). For example, assume that the customer's total amount of monthly billed recurring revenues for New SONET Qualifying Services during the Service Period was $100,000. Then, in calculating TBR for Qualifying Services, the customer shall be deemed to have purchased $115,000 in Qualifying Services. For purposes of this Option 20, a **New SONET Qualifying Service** is a SONET Special Access Qualifying Service, as defined in Section (E)(1)(a) preceding, which meets one of the following criteria: (N)

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32. Contract Tariffs (Cont'd)

32.21 Contract Tariff Option 20 (Cont'd)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS Services and Qualifying Services (Cont'd)

(d) (Cont'd)

(1) newly ordered and provisioned during the Service Period by the customer under this Option 20 and this tariff and in the Telephone Company's Tariff F.C.C. Nos. 1, 14, and 16;

(2) upgrade of an existing Special Access service during the Service Period that is not a SONET Special Access service (e.g., upgrade of a DS1 or DS3 to an OC3 SONET service) under the provisions set forth in other sections of this tariff; or

(3) upgrade of an existing Special Access SONET service during the Service Period to a higher bandwidth SONET service (e.g. upgrade of an OC3 service to an OC12 service) under the provisions set forth in other sections of this tariff. A New SONET Qualifying Service shall not include any augments or additions of individual service components to an existing SONET Special Access service (e.g., addition of a node or a port to an existing DSR Special Access service). (T)

(e) In the event 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 Option 20 and in this tariff and in the Telephone Company's Tariff F.C.C. Nos. 1, 14, and 16.

(1) The customer may not combine or include any revenues from the merged, acquiring, or acquired company, or assets of the merged, acquiring, or acquired company in the calculation of TBR for Qualifying Services.

(2) The customer may continue subscribing to this Option 20 for the duration of the Service Period based on its business with the Telephone Company as of December 14, 2004, without adding the revenues attributable to expansion of the customer's purchase of Services from the Telephone Company though merger, transfer, assignment, or acquisition.

(3) The Telephone Company reserves the right to terminate this Option 20 if the customer does not adhere to the provisions of this Section (E)(1)(e).

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32. Contract Tariffs (Cont'd)

32.21 Contract Tariff Option 20 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS Services and Qualifying Services (Cont'd)

(f) If an Issuing Carrier of this tariff, or the assets of such Issuing Carrier, are acquired by an unaffiliated third party (**Acquired Issuing Carrier**), and such Acquired Issuing Carrier ceases to provide the Qualifying Services in the territories that it previously operated in during the Service Period, then the following shall apply:

(i) each range or tier of the TBR for Qualifying FMS and the TBR for Qualifying Services set forth in the table in Section (E)(2)(b) following shall be proportionately reduced by the applicable Acquisition Reduction Amount, as defined in (E)(1)(f)(1) following;

(ii) all Billing Credits set forth in the table in Section (E)(2)(b) following shall be reduced by a percentage which shall be calculated by dividing the Acquisition Reduction Amount for Qualifying Services by $255M; and

(iii) in calculating the Shortfall Penalty or Termination Liability, as set forth in Sections (E)(3) or (E)(4) following, the TBR of $235M for Qualifying Services shall be reduced by the Acquisition Reduction Amount for Qualifying Services, as calculated in (E)(1)((f)(1) following. For example, if the Acquisition Reduction Amount, as calculated in (E)(1)(f)(1) following, is $45M, then a Shortfall Penalty will not be assessed if the customer has a TBR for Qualifying Services of at least $190M (the minimum TBR for Qualifying Services of $235M less the Acquisition Reduction Amount of $45M).

(1) An Acquisition Reduction Amount shall be calculated for each of the Qualifying FMS and the Qualifying Services as follows:

(i) calculate the TBR for Qualifying FMS or the TBR for Qualifying Services, as applicable, purchased by the customer from the Acquired Issuing Carrier during the twelve (12) months prior to the time that the Acquired Issuing Carrier ceases to provide the Qualifying Services;

(ii) calculate the average monthly amount purchased by the customer from the Acquired Issuing Carrier for Qualifying FMS or the TBR for Qualifying Services, as applicable, by dividing the number in (i) above by 12; and

(iii) multiply the average monthly amount for Qualifying FMS or the TBR for Qualifying Services, as applicable, calculated in (ii) above by the number of months remaining in the Service Period. (N)

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32. Contract Tariffs (Cont'd)

32.21 Contract Tariff Option 20 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS Services and Qualifying Services (Cont'd)

(f) (Cont'd)

(2) For example, assume that one of the Telephone Company's Issuing Carriers was acquired by an unaffiliated third party and ceased to operate in month 3 of the Service Period. Assume that the customer purchased $12M of Qualifying FMS and a total of $60M of Qualifying Services from the Acquired Issuing Carrier during the twelve (12) months prior to the time that the Issuing Carrier ceased to provide the Services under this Option 20. Assume also that at the end of the Service Period, the customer has a TBR for Qualifying FMS of $97M and TBR for Qualifying Services of $240M. To calculate the applicable Billing Credit, or the application of the Shortfall Penalty at the end of the Service Period, the following shall apply:

Step One: calculate the Acquisition Reduction Amounts. The Acquisition Reduction Amount for Qualifying Services is $45M in Qualifying Services (calculated as $5M ($60M divided by 12) multiplied by the remaining nine (9) months of the Service Period). The Acquisition Reduction Amount for Qualifying FMS is $9M (calculated as $1M ($12M divided by 12) and multiplied the remaining 9 months of the Service Period).

Step Two: determine the new table for calculation of Billing Credits or Shortfall Penalties based on the Acquisition Reduction Amounts. Subtract $45M (the Acquisition Reduction Amount for Qualifying Services) from each range or tier of the TBR for Qualifying Services and $9M (the Acquisition Reduction Amount for Qualifying FMS) from each range or tier of the TBR for Qualifying FMS. This will provide an adjusted table for the determination of the Billing Credit or Shortfall Penalty, as applicable.

Step Three: determine the applicable Billing Credits or Shortfall Penalty from the new table calculated in Step Two above. In this example, the Billing Credit set forth in the table in Section (E)(2)(b) following will be reduced by 17.6% (calculated as $45M divided by $255M). The customer would be eligible for a Billing Credit of $16.6M ($20.2M Billing Credit using the table in Section (E)(2)(b) following less $3.6M ($20.2M multiplied by 0.176). (N)

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32. Contract Tariffs (Cont'd)

32.21 Contract Tariff Option 20 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit

(a) At the end of the Service Period, the Telephone Company shall calculate (1) the total TBR achieved by the customer during the Service Period for Qualifying Services; and (2) the total TBR achieved by the customer during the Service Period for Qualifying FMS, in each case in accordance with the terms and condition set forth in this Option 20. Subject to the terms and conditions relating to disputes as set forth below, and subject to any reductions and adjustments as set forth herein, the customer shall be eligible to receive the applicable credit set forth in the table below (**Billing Credit**), which Billing Credit may be $0 depending on the customer's TBR for the Qualifying Services and TBR for the Qualifying FMS during the Service Period. If the customer has not met the minimum TBR requirement for Qualifying Services of $235M, or the adjusted minimum TBR requirement pursuant to (E)(1)(f) preceding, then the customer shall not receive any Billing Credits (i.e., a Billing Credit of $0 as set forth in the table below), and the customer shall be liable for the shortfall penalty as set forth in (E)(3) following.

(b) The Billing Credit shall be determined by using the table below. To calculate the Billing Credit, first, locate the customer's TBR for Qualifying FMS using the "x axis" of the table below under the heading "TBR for Qualifying FMS ($M)". Second, locate the customer's TBR for all Qualifying Services using the "y axis" of the table below under the heading "TBR for Qualifying Services ($M)". Third, find the corresponding meet-point of the two TBR amounts to determine the dollar amount of the Billing Credit. TBR Amounts will be rounded to the nearest $100,000. For example, assume that the customer has a TBR for Qualifying FMS of $114,725,342.00 (rounded to $114.7M) and a TBR for all Qualifying Services of $294,632,456.00 (rounded to $294.6M), then the customer shall be eligible for a Billing Credit of $28,300,000.00 ($28.3M). (N)

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32. Contract Tariffs (Cont'd)

32.21 Contract Tariff Option 20 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(b) (Cont'd)

TBR for Qualifying Services ($M)		TBR for Qualifying FMS ($M)					
		$0.0 to $101.4	$101.5 to $106.4	$106.5 to $108.4.	$108.5 to $110.4	$110.5 to $112.4	$112.5 +
$0.0 to	$234.9*	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
$235.0 to	$254.9	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
$255.0 to	$259.9	$0.0	$7.4	$8.5	$8.9	$9.4	$9.9
$260.0 to	$264.9	$0.0	$9.8	$11.3	$11.8	$12.5	$13.2
$265.0 to	$269.9	$0.0	$14.6	$16.1	$16.6	$17.2	$17.9
$270.0 to	$274.9	$0.0	$16.1	$17.6	$18.0	$18.7	$19.4
$275.0 to	$280.9	$0.0	$18.1	$19.6	$20.1	$20.8	$21.5
$281.0 to	$286.9	$0.0	$20.2	$21.7	$22.2	$22.9	$23.5
$287.0 to	$292.9	$0.0	$22.5	$24.0	$24.5	$25.2	$25.9
$293.0 to	$300.0	$0.0	$24.9	$26.4	$26.9	$27.6	$28.3

* Shortfall penalty applies in this range for Qualifying Services, as set forth in (E)(3) following.

(c) The Billing Credit will be applied only to the Qualifying Services which are located in the MSAs that have achieved Phase I or Phase II pricing flexibility as described in Section 15.3 of this tariff, Section 14.7 of Tariff F.C.C. No. 1 or Section 19.1 of Tariff F.C.C. No. 14. The Billing Credit shall apply after all other discounts, adjustments, and credits to the customer's monthly billed recurring revenues for the Qualifying Services have been calculated and applied. For example, if the customer subscribes to CDP as set forth in Section 25 preceding, then the customer would be billed CDP discounted rates on a monthly basis. These discounted revenues would be included in the customer's TBR for Qualifying Services calculation as set forth above. However, in accordance with (E)(1)(c) preceding, any shortfall charges resulting from an annual true-up as required by CDP would not be included in the TBR for Qualifying Services. (x) (x)

(d) If the customer exceeds the maximum TBR for Qualifying Services of $300M during the Service Period, the customer will not receive the Billing Credit under this Option 20. If the customer exceeds the TBR for Qualifying FMS of $112.5M, but has not exceeded a TBR for Qualifying Services of $300M, then the customer shall continue to be eligible for the applicable Billing Credit set forth in the table above based on the TBR for Qualifying Services. (N)

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32. Contract Tariffs (Cont'd)

32.21 Contract Tariff Option 20 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(e) Timing of Payments and Billing Credits, Disputes, Releases, and Waivers

(1) If the customer is eligible to receive the Billing Credit, the Billing Credit will be credited to the customer's account within sixty (60) days after the end of the Service Period, subject to the terms set forth in this Option 20.

(2) The Telephone Company's provision of the Billing Credit is contingent on payment in full by the customer of all undisputed billed amounts for Qualifying Services no later than the 45th day after the end of the Service Period.

(3) Subject to the restrictions set forth in this Section (E)(2)(e)(3), after the 45th day following the end of the Service Period, and until the second anniversary of the end of the Service Period, both the customer and the Telephone Company may re-examine or dispute any amounts related to the Qualifying Services provided by the Telephone Company to the customer during the Service Period. Such amounts may include the following:

- amounts billed by the Telephone Company and undisputed by the customer;
- amounts not billed by the Telephone Company as of such date,
- amounts disputed by the customer and not included in the calculation of TBR, and
- amounts previously included in the calculation of TBR. (N)

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32. Contract Tariffs (Cont'd)

(N)

32.21 Contract Tariff Option 20 (Cont'd)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(e) Timing of Payments and Billing Credits, Disputes, Releases, and Waivers (Cont'd)

(4) Upon the resolution of all such disputes, the Telephone Company shall recalculate the final TBR for Qualifying Services, the final TBR for Qualifying FMS, and the corresponding final Billing Credits or final shortfall penalties that may result from the resolution of all such disputes, in each case, in accordance with the terms of this Option 20. After such time, neither the customer nor the Telephone Company may dispute any amounts related to the Qualifying Services or Qualifying FMS, regardless of any provision to the contrary in this Option 20. Upon agreement by the customer and the Telephone Company that no further disputes or unbilled amounts exist with respect to the Qualifying Services provided during the Service Period, the Telephone Company shall credit to the customer's account, or the customer shall pay, as applicable, any amounts due pursuant to such calculation. Upon such payment or crediting, as applicable, or if the disputes are not resolved by the second anniversary of the end of the Service Period, the customer and the Telephone Company agree to waive and release, and forever discharge the other Party, of and from, any and all manner of claims, demands, rights, liabilities, damages, potential actions, causes of action, suits, agreements, judgments, decrees and controversies of any kind and nature whatsoever, at law, in equity, or otherwise, whether known or unknown, which have arisen or might arise related to amounts payable by the customer or amounts credited to the customer by the Telephone Company for the Qualifying Services provided by the Telephone Company to the customer during the Service Period. (N)

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32. Contract Tariffs (Cont'd)

32.21 Contract Tariff Option 20 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(e) Timing of Payments and Billing Credits, Disputes, Releases, and Waivers (Cont'd)

(5) With respect to any dispute for Qualifying Services, and subject to the availability of such claim detail after reasonable diligence by the customer, the customer must provide sufficient claim detail to enable the Telephone Company to appropriately assess the dispute, including but not limited to, the Billing Account Number (BAN), circuit identification, USOC detail, amount in dispute, appropriate tariff references, and a full explanation regarding why the customer believes it was billed in error. The customer's disputes with respect to Qualifying FMS shall reduce the amount of the TBR for Qualifying FMS as calculated above. The aggregate amount of all disputes (including disputes for Qualifying FMS under this (E)(2)(e)(5) and Special Access and Switched and Special Access DTT Services) shall reduce the amount of the TBR for Qualifying Services, as calculated in accordance with the terms of this Option 20. For example, if the customer has billed revenue of $120M in Qualifying FMS, of which $5M are disputed by the customer, then the TBR for Qualifying FMS shall be $115M. In addition, assume that the customer has $290M of billed revenue of Qualifying Services, which amount includes billed revenues of $120M in Qualifying FMS from the prior sentence. If the customer has disputes of $10M on Switched and Special Access DTT Services, then the TBR for Qualifying Services shall be $275M ($290M less $15M in disputes (comprised of $5M in disputes on Qualifying FMS plus $10M in disputes on other Switched and Special Access DTT Services)).

(6) The amount of the Billing Credit shall not be subject to any interest penalty under Section 2 preceding. (N)

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32. Contract Tariffs (Cont'd)

32.21 Contract Tariff Option 20 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(3) Shortfall Penalty

(a) If the customer does not satisfy the minimum TBR requirement for Qualifying Services of $235M during the Service Period, the customer will pay the Telephone Company a shortfall payment equal to fifty percent (50%) of the difference between minimum TBR of $235M, or the adjusted minimum TBR requirement as set forth in (E)(1)(f) preceding, for Qualifying Services and the customer's actual annual TBR for the Qualifying Services during the Service Period (**Shortfall Penalty**). Such payment shall be due and payable no later than 45 days after notification by the Telephone Company that a Shortfall Penalty is due. In addition, and even upon payment of the Shortfall Penalty Payment, the customer will not be eligible to receive any applicable Billing Credits under this Option 20. If the customer has a TBR for Qualifying Services of at least $235M, or an adjusted minimum TBR requirement as set forth in (E)(1)(f) preceding, then no Shortfall Penalty shall apply, but the customer may be ineligible for any Billing Credits, as set forth in (E)(2)(b) preceding, based on the customer's TBR for Qualifying Services and the customer's TBR for Qualifying FMS, each as adjusted in accordance with (E)(1)(f) preceding, as applicable. For example, assume that the customer has a TBR for the Qualifying Services of $225,000,000 (**$225M**) during the Service Period, and assuming that no adjustment under (E)(1)(f) preceding occurred, then the customer shall pay to the Telephone Company an amount equal to $5,000,000 (which is equal to $10,000,000 (i.e., minimum TBR for Qualifying Services of $235M less the customer's actual TBR for the Qualifying Services of $225M), multiplied by 50%). The customer will not be eligible to receive any applicable Billing Credits.

(b) The customer shall not be charged a Shortfall Penalty for failing to meet the minimum TBR requirement for Qualifying FMS of $101.5M, or an adjusted minimum TBR requirement as set forth in (E)(1)(f) preceding, during the Service Period. However, the customer shall not be eligible for any Billing Credits, as set forth in (E)(2)(b) preceding. (N)

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32. Contract Tariffs (Cont'd)

32.21 Contract Tariff Option 20 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(4) Termination Charges

If the customer cancels or terminates its subscription to this Option 20 prior to the expiration of the Service Period, the customer will be liable for fifty percent (50%) of the difference between the customer's TBR for the Qualifying Services at the time of cancellation or termination and the minimum TBR for Qualifying Services of $235M, or the adjusted minimum TBR requirement as set forth in (E)(1)(f) preceding. In addition, the customer shall not be eligible for the Billing Credit. For example, assume that the customer has a TBR for Qualifying Services of $225M during the first eight (8) months of the Service Period, and that no adjustment under (E)(1)(f) preceding occurred, and the customer decides to terminate its subscription to this Option 20 at such time. The customer shall pay termination charges of $5,000,000.00 (the minimum TBR of $235M for Qualifying Services less the actual TBR for Qualifying Services of $225M, multiplied by 50%). The customer shall not be eligible for any applicable Billing Credits.

(5) New Contract Tariff Options

Provided that the customer meets all of the criteria set forth in this Section (E)(4), the customer will be allowed to terminate its subscription to Option 20 and subscribe to the New Plan (as defined below) without paying the termination charges set forth in (E)(4) preceding. New Plan shall mean another contract tariff option, ICB arrangement, or special service arrangement for the Qualifying Services offered by the Telephone Company during the Service Period with identical or greater TBR levels than those provided under this Option 20. If the customer elects to terminate its subscription to Option 20 in order to subscribe to the New Plan, then (1) the customer must so elect in writing; (2) the customer must subscribe to the New Plan concurrently with or prior to the termination date of its subscription to this Option 20; and (3) the customer must independently qualify and be eligible for such New Plan. Unless otherwise provided in the New Plan, the customer shall not be afforded any Billing Credits under this Option 20 for any time in service under this Option 20, nor shall the customer be afforded any credit in the New Plan for any portion of the Service Period that has elapsed at the time of the customer's subscription to the New Plan. (N)

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32. Contract Tariffs (Cont'd)

32.22 Contract Tariff Option 21 (N)

32.22.1 Scope

Contract Tariff Option 21 (**Option 21**) is an offering exclusively for customers subscribing to IntelliLight Entrance Facility (**IEF**) Special Access Services as set forth in Section 26.1.4 preceding and Section 7.2.15 of the Telephone Company's Tariff F.C.C. No. 1 (x)
(**IEF Services**) at fifteen (15) or more different customer designated premises within the Metropolitan Statistical Areas (x)
(**MSAs**) of this tariff and of those specified in the Telephone Company's Tariff F.C.C. No. 1, as set forth in Section 32.22.4 (x)
following.

32.22.2 Eligibility

To be eligible for Option 21, a customer must meet all of the following criteria:

(A) During the Subscription Period (as defined in Section 32.22.2(B) following), the customer must subscribe to a minimum of fifteen (15) IEF Services at a minimum of fifteen (15) different customer designated premises (**Minimum System Commitment**) that are either:

(1) new IEF Services installed pursuant to this Option 21. For purposes of meeting the Minimum Commitment set forth in this Section 32.22.2(A), a new IEF Service cannot be an existing IEF Service that was disconnected from another contract option, discount plan, or tariff arrangement and ordered under this Option 21 in order to include that service in this option; or

(2) IEF Services that were installed under Contract Tariff Option 17 (**Option 17**) preceding or under Contract Tariff Option 16 (**Option** (x)
16) in the Telephone Company's Tariff F.C.C. No. 1 (collectively, (x)
Prior Contract Tariffs), and converted to this Option 21 pursuant to the terms and conditions set forth in this Option 21 and the Prior Contract Tariffs. For purposes of this Section 32.22.2, "conversion" shall mean migration of IEF Services purchased under Prior Contract Tariffs to this Option 21 without any disconnection of the actual IEF Service; or

(3) a combination of new and converted IEF Services.

Each IEF Service must be configured to include a Fractional OC48 Interface and twelve (12) or more STS1 Terminations (**Minimum STS1 Commitment**). The Minimum STS1 Commitment together with the Minimum System Commitment shall be referred to as the **Minimum Commitment**. Under this Option 21, an STS1/51.84 Mbps Termination with a Fractional OC48 Interface IEF Service shall be referred to as an **STS1 Termination**. (N)

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32. Contract Tariffs (Cont'd)

32.22 Contract Tariff Option 21 (Cont'd)

32.22.2 Eligibility (Cont'd)

(B) Customers must subscribe to this Option 21 within the sixty (60) day period beginning January 11, 2005 and ending March 12, 2005 (**Subscription Period**). Unless the customer is converting IEF Services from the Prior Contract Tariffs to this Option 21 as set forth in Section 32.22.2(A) preceding, all orders for the Minimum Commitment of new IEF Services must be placed during the Subscription Period. If the customer is converting IEF Services from the Prior Contract Tariffs to this Option 21 as set forth in Section 32.22.2(A) preceding, then all such conversions must be completed prior to the end of the Subscription Period. (N)

(C) With the exception of subscribing to a Commitment Discount Plan as set forth in Section 25 preceding and in Section 25 of the Telephone Company's Tariff F.C.C. No. 1 (**CDP**), or another contract tariff option which provides a credit or discount based upon the achievement of certain total revenue as set forth in this tariff or in Section 21 of the Telephone Company's Tariff F.C.C. No. 1, the customer may not subscribe to any other discount plan, contract tariff option, Individual Case Basis arrangement, specialized service arrangement, or other offering offered by the Telephone Company under in this tariff or in the Telephone Company's Tariff F.C.C. No. 1 for IEF Services ordered pursuant to this Option 21. (x) (x) (x) (x) (x)

32.22.3 Service Period and Termination Liability

(A) Service Period and Term

Subject to (1) any time-in-service credit as set forth in Section 32.22.3(B) following, (2) any ability to terminate the IEF Services as set forth in Section 26.1.4 preceding or in Section 32.22.3(D) following, or (3) any termination pursuant to Section 32.22.6(E) following, the Service Period of each IEF Service under this Option 21 shall be for a period of five (5) years from the date that the IEF Service is in-service (**Service Period**). (N)

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32. Contract Tariffs (Cont'd)

32.22 Contract Tariff Option 21 (Cont'd)

32.22.3 Service Period and Termination Liability (Cont'd)

(A) Service Period (Cont'd)

(1) The Service Period of any individual STS1 Terminations shall be the same as the Service Period of the IEF Service with which it is associated, provided that, when an additional STS1 is added to an existing IEF Service, there are at least twelve (12) months remaining in the Service Period of the IEF Service with which an STS1 Termination is associated as set forth in Section 26.1.4(D)(3) preceding. (N)

(2) The term of this Option 21 shall be the five (5) year period beginning January 11, 2005 (**Term**). New IEF Services may be added during the Term in accordance with the terms of this Option 21. The Minimum Period obligations, set forth in Section 32.22.3(C) following, are separate from and in addition to the Service Period.

(B) Time-In-Service Credit

Credit for actual time-in-service will be granted towards the Service Period for each IEF Service previously established under the Prior Contract Tariffs and converted to this Option 21 pursuant to the terms and conditions set forth in this Option 21 and the Prior Contract Tariff Options. The amount of time-in-service credit granted will be equal to the actual time that the IEF Service was in-service under the Prior Contract Tariffs.

(C) Minimum Period

Subject to any termination pursuant to Section 32.22.6 following, the customer must maintain each STS1 Termination in-service for a minimum period as set forth in Sections 32.22.3(C)(1) and (2) following (**Minimum Period**):

(1) In any month during the Term where the customer has met its Minimum STS1 Commitment in that month on the IEF Service associated with such STS1 Termination, the Minimum Period is six (6) months for each STS1 Termination associated with such IEF Service.

(2) In any month during the Term where the customer has not met its Minimum STS1 Commitment in that month on the IEF Services associated with such STS1 Terminations, the Minimum Period is twelve (12) months for each STS1 Termination associated with such IEF Service. (N)

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32. Contract Tariffs (Cont'd)

32.22 Contract Tariff Option 21 (Cont'd)

32.22.3 Service Period and Termination Liability (Cont'd)

(C) Minimum Period (Cont'd)

If an IEF Service is terminated during the Minimum Period in accordance with Section 32.22.6 following, the Minimum Period obligation set forth in Sections 32.22.3(C)(1) and (2) preceding shall not apply. Failure to meet the 6-month Minimum Period for any STS1 Termination, as set forth in Section 32.22.3(C)(1) preceding, shall result in assessment of Minimum Period charges equal to the monthly rate as set forth in Section 32.22.8 following for the unexpired portion of the 6-month Minimum Period which has not been satisfied by the customer. Failure to meet the 12-month Minimum Period for any STS1 Termination, as set forth in Section 32.22.3(C)(2) preceding, shall result in assessment of Minimum Period charges as set forth in Section 32.22.3(C) preceding for the unexpired portion of the 12-month Minimum Period which has not been satisfied by the customer. Minimum Period obligations as set forth in this Section 32.22.3 are separate from and in addition to any termination liability that may apply. (N)

(D) Termination Liability

Sections 32.22.3(D)(1) through (D)(5) following set forth the terms and conditions relating to the application of termination liability when the customer has not established a CDP, or has not included IEF Services in such CDP. Section 32.22.3(D)(6) following sets forth the terms and conditions relating to the application of termination liability when the customer has established a CDP and has included IEF Services in such CDP.

(1) Ramp-Up Period

During the Ramp-Up Period (as defined in this Section 32.22.3(D)(1)), termination liability as set forth in Sections 32.22.3(D)(2) through (D)(6) following shall not be applied to any disconnected IEF Services if the customer has not met the Minimum STS1 Commitment during such period. During the Ramp-Up Period, the customer is offered relief from termination liability only, and not from any other terms and conditions of this Option 21, including any corresponding rate adjustments as a result of not having met the Minimum STS-1 Commitment as set forth in Section 32.22.5(C) following. Minimum Period obligations set forth in Section 32.22.3(C) preceding shall continue to apply during the Ramp-Up Period. Any termination liabilities or shortfall penalties that may otherwise be applicable under CDP as set forth in Section 32.22.3(D)(6) following or in Section 25 preceding shall continue to apply during the Ramp-Up Period. After July 1, 2005, and regardless of whether the customer has met the Minimum Commitment, termination liability shall be applied as set forth in this Option 21. The **Ramp-Up Period** shall mean the time period beginning January 11, 2005 to the earlier of (i) July 1, 2005 or (ii) the date that the customer reaches the Minimum Commitment. (N)

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32. Contract Tariffs (Cont'd)

32.22 Contract Tariff Option 21 (Cont'd)

32.22.3 Service Period and Termination Liability (Cont'd)

(D) Termination Liability (Cont'd)

(2) General (N)

Subject to the restrictions set forth in this Option 21, the customer may terminate an entire IEF Service at one (1) or more locations and/or one or more STS1 Terminations at one (1) or more locations. The **General Tariff Rate** shall mean the five (5) year monthly recurring rate for the number of STS1 Terminations in-service prior to termination, as set forth in Sections 30.26.4 preceding for Price Band rates and Section 31.26.4 preceding for all other rates as determined by Section 15.3(A) preceding. If termination liability is assessed for any IEF Services (or any STS-Terminations) under this Option 21, then it shall be equal to one hundred percent (100%) of the applicable Minimum Period charges as set forth in Section 32.22.3(C) preceding, and fifteen percent (15%) of the General Tariff Rate for each of the remaining months in the Service Period beyond the Minimum Period, if applicable. This calculation shall apply in lieu of the termination liability calculation set forth in Section 26.1.4(E) preceding.

(3) Relief from Termination Liability

The customer shall be relieved of termination liability calculated in accordance with Section 32.22.3(D)(2) preceding if, after giving effect to the proposed terminations of the specific STS1 Termination(s),the customer has in-service the Minimum Commitment of IEF Services and STS1 Terminations. If the customer has not met the Minimum Commitment, termination liability shall apply to all terminated IEF Services and STS-1 Terminations which are below the Minimum Commitment. The Minimum Commitment may be reduced in accordance with Sections 32.22.3(D)(4) and (D)(5) following, and such reduced Minimum Commitment shall be used in calculating termination liability as set forth in this Option 21. (N)

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32. Contract Tariffs (Cont'd)

32.22 Contract Tariff Option 21 (Cont'd)

32.22.3 Service Period and Termination Liability (Cont'd)

(D) Termination Liability (Cont'd)

(4) Termination Liability Applicable to Chronic Service Outages (N)

If the customer has exercised its right to terminate pursuant to Section 32.22.6 following, and subsequently seeks to terminate other STS1 Terminations for reasons other than as set forth in Section 32.22.6 following, then the terms of this Section (D)(4) shall apply. The customer shall be relieved of termination liability if, after giving effect to the proposed terminations of the specific IEF Service(s) or STS1 Termination(s), the customer has in-service the Minimum Commitment of IEF Services and STS1 Terminations less the total number of IEF Services terminated in accordance with Section 32.22.6 following. This reduced number of IEF Services, locations, and associated STS1 Terminations represents a new Minimum Commitment under this Option 21 and shall be used to calculate termination liability. If the customer has not met the new Minimum Commitment as set forth in this Option 21, termination liability shall apply to all terminated IEF Services and STS1 Terminations which are below such new Minimum Commitment.

(5) Termination Liability Applicable to Conversion of IEF Services to Optical Services

If the customer seeks to terminate an IEF Service in order to convert such IEF Service to an Optical Service (as defined in Section 32.22.3(D)(5)(a) following), the terms of this Section 32.22.3(D)(5) shall apply.

(a) For purposes of this Section 32.22.3(D)(5), an **Optical Service** shall mean any Telephone Company-provided service that is designated as an optical service under this tariff.

(b) The customer shall be allowed to disconnect an IEF Service under this Option 21 and install a new Optical Service without assessment of termination liability in accordance with Section 32.22.3(D)(3) preceding, provided that all of the following conditions are met: (N)

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32. Contract Tariffs (Cont'd)

32.22 Contract Tariff Option 21 (Cont'd)

32.22.3 Service Period and Termination Liability (Cont'd)

(D) Termination Liability (Cont'd)

(5) Termination Liability Applicable to Conversion of IEF Services to Optical Services (Cont'd)

(b) (Cont'd)

(1) The new Optical Service is installed at the same location as the existing IEF Service; (N)

(2) The total bandwidth capacity of the Optical Service is equal to or greater than the bandwidth capacity of the IEF services being disconnected (i.e., the new Optical Service is an OC-48 or greater bandwidth service);

(3) The customer commits the Optical Service to a new term plan or commitment period which has an expiration date that is beyond the expiration date of the discontinued IEF Service; and

(4) The customer must terminate the entire IEF Service and all STS1 Terminations associated therewith. Partial terminations of an IEF Service or termination of one or more STS1 Terminations are not permitted under this Section 32.22.3(D)(5).

(5) The customer must submit order(s) for the disconnect of the IEF Service and the installation of the new Optical Service, such that the installation date of the Optical Service is within ninety (90) days of the disconnection of the IEF Service. The orders must be related by related purchase order number (**RPON**).

(c) If all of the requirements of Section 32.22.3(D)(5)(a) and (b) preceding are met, then the customer shall be relieved of termination liability if, after giving effect to the proposed terminations of the specific IEF Service(s) or STS1 Termination(s), the customer has in-service the Minimum Commitment of IEF Services and STS1 Terminations less the total number of IEF Services terminated in accordance with this Section 32.22.3(D)(5) in order to convert such IEF Services to an Optical Service. This reduced number of IEF Services, locations, and associated STS1 Terminations represents a new Minimum Commitment under this Option 21 and shall be used to calculate termination liability. If the customer has not met the reduced Minimum Commitment as set forth in this Section 32.22.3(D)(5), termination liability shall apply to all terminated IEF Services and STS1 Terminations which are below such reduced Minimum Commitment. (N)

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32. Contract Tariffs (Cont'd)

32.22 Contract Tariff Option 21 (Cont'd)

32.22.3 Service Period and Termination Liability (Cont'd)

(D) Termination Liability (Cont'd)

(5) Termination Liability Applicable to Conversion of IEF Services to Optical Services (Cont'd)

The following examples illustrate the application of termination liability under this Option 21. (N)

Example 1

Assume the following apply:

- Customer has 20 IEF Services at 20 different locations
- Each IEF Service has 15 STS1 Terminations
- Customer has satisfied the Minimum Period on all IEF Services and all STS1 Terminations
- None of the IEF Services have experienced any Qualifying Service Outage under Section 32.22.6 following

Assume customer terminates the following:

- 4 IEF Services at 4 different locations including all of their associated STS1 Terminations
- 5 of the 15 STS1 Terminations on a 5th IEF Service at a fifth location

Application of Termination Liability and Rates

After giving effect to the proposed terminations, the customer has in service 16 IEF Services at 16 different locations; 15 of the 16 IEF Services have 15 STS1 Terminations associated with each IEF Service. The 16th IEF Service has 10 STS1 Terminations.

The customer would not incur termination liability for disconnecting the 4 IEF Services and their associated STS1 Terminations, or for disconnecting the 5 STS1 Terminations on the 5th IEF Service, since the customer continues to meet the Minimum Commitment.

However, the customer no longer meets the Minimum STS1 Commitment of 12 STS1 Terminations on the 5th IEF Service as that 5th IEF Service has only 10 remaining STS1 Terminations (15 STS1 Terminations less 5 STS1 Termination disconnected equals 10 remaining STS1 Terminations). The customer no longer receives the Option 21 discount set forth in Section 32.22.8 following on the 5th IEF Service due to its failure to meet the Minimum STS1 Commitment on such IEF Service. In lieu of the discounted rates set forth in Section 32.22.8 following, the customer will receive the General Tariff Rate per STS1 on the 5th IEF Service. (N)

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32. Contract Tariffs (Cont'd)

32.22 Contract Tariff Option 21 (Cont'd)

32.22.3 Service Period and Termination Liability (Cont'd)

(D) Termination Liability (Cont'd)

(5) Termination Liability Applicable to Conversion of IEF Services to Optical Services (Cont'd)

Example 2 (N)

Assume the following apply:
- Customer has 20 IEF Services at 20 different locations
- Each IEF Service has 15 STS1 Terminations
- Customer has satisfied the Minimum Period on all IEF Services and all STS1 Terminations
- None of the IEF Services have experienced any Qualifying Service Outage under Section 32.22.6 following

Assume customer terminates the following:
- In month 15 of the Service Period, the customer terminates 5 IEF Services at 5 different locations including all of their associated STS1 Terminations
- In month 20 of the Service Period, the customer terminates 5 of the 15 STS1 Terminations on a 6th IEF Service at a 6th location

Application of Termination Liability and Rates

Disconnections in Month 15 of the Service Period: After giving effect to the proposed terminations in month 15 of the Service Period, the customer has in service 15 IEF Services at 15 different locations; each of the IEF Services has 15 STS1 Terminations associated with each IEF Service. The customer would not incur termination liability on any of the 5 IEF Services or their associated STS1 Terminations that were disconnected in month 15 of the Service Period since the customer continued to meet the Minimum Commitment.

Disconnections in Month 20: After giving effect to the proposed terminations in month 20 of the Service Period, the customer has in service 15 IEF Services at 15 different locations; 14 of the 15 IEF Services have 15 STS1 Terminations associated with each IEF Service. The 15th IEF Service has 10 STS1 Terminations. The customer would incur termination liability on 2 of the 5 STS1 Terminations that were disconnected from the 15th IEF Service since the customer is no longer meeting the Minimum Commitment. Although the customer has met the Minimum System Commitment (15 systems at 15 different locations remaining), the customer no longer meets the Minimum STS1 Commitment on the 15th IEF Service and is therefore subject to termination liability on the number of disconnected STS1 Terminations that are below the Minimum STS1 Commitment of 12 (15 STS1 Terminations less 5 STS1 Terminations disconnected equals 10 remaining STS1 Terminations which is 2 STS1 Terminations below the Minimum STS1 Commitment). (N)

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32. Contract Tariffs (Cont'd)

32.22 Contract Tariff Option 21 (Cont'd)

32.22.3 Service Period and Termination Liability (Cont'd)

(D) Termination Liability (Cont'd)

(5) Termination Liability Applicable to Conversion of IEF Services to Optical Services (Cont'd)

Example 2 (Cont'd)

Calculation of Termination Liability (N)

The termination liability for the 2 STS1 Terminations is calculated at 15% of the monthly recurring charges for the remainder of the five-year Service Period and is equal to $4,428.00 ($369 x 15% x 40 months x 2 STS1 Terminations). In the above calculation, the monthly rate of $369 is the General Tariff Rate, and the rate band used (Rate Band 15) will be the one associated with the number of STS1 Terminations prior to giving effect to the termination of STS1s. The 15th IEF Service will not receive the discounted rate set forth in Section 32.22.8 following and shall instead receive the General Tariff Rate.

Example 3

Assume the following apply:

- Customer has 20 IEF Services at 20 different locations
- Each IEF Service has 15 STS1 Terminations
- Customer has satisfied the Minimum Period on all IEF Services and all STS1 Terminations

Assume customer terminates the following:

- In month 14 of the Service Period, the customer terminated 1 IEF Service and all of its STS1 Terminations in accordance with Section 32.22.6 following.
- In month 15 of the Service Period the customer terminates 6 additional IEF Services and all of their STS1 Terminations at 6 different locations. (N)

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32. Contract Tariffs (Cont'd)

32.22 Contract Tariff Option 21 (Cont'd)

32.22.3 Service Period and Termination Liability (Cont'd)

(D) Termination Liability (Cont'd)

(5) Termination Liability Applicable to Conversion of IEF Services to Optical Services (Cont'd)

Example 3 (Cont'd)

Application of Termination Liability and Rates (N)

Disconnections in Month 14 of the Service Period: After giving effect to the proposed terminations in month 14 of the Service Period, the customer has in service 19 IEF Services at 19 different locations; each of the IEF Services have 15 STS1 Terminations associated with each IEF Service. Termination under Section 32.22.6 following reduces the Minimum System Commitment for each IEF terminated under such provision. As a result, the customer's new Minimum System Commitment in this Example 3 is reduced to 14 IEF Services at 14 different locations. There is no effect on the Minimum STS1 Commitment due to this disconnection. The customer would not incur termination liability on the disconnection of the IEF Service and its associated STS1 Terminations in accordance with Section 32.22.6 following.

Disconnections in Month 15 of the Service Period: After giving effect to the proposed terminations in month 15 of the Service Period, the customer has in service 13 IEF Services at 13 different locations; each of the IEF Services have 15 STS1 Terminations associated with each IEF Service. Although each remaining IEF Service meets its individual Minimum STS1 Commitment, the customer is below the new Minimum System Commitment of 14 IEF Services at 14 different locations, and is therefore subject to termination liability for disconnection of one (1) Service prior to the end of the applicable Service Period.

Calculation of Termination Liability

The termination liability for the 1 IEF Service that is below the Minimum System Commitment applies as termination liability on 12 of the 15 STS1 Terminations on that IEF Service. Termination liability on the 12 STS1 Terminations is calculated at 15% of the monthly recurring charges for the remainder of the five-year Service Period and is equal to $29,889.00 ($369 x 15% x 45 months x 12 STS1 Terminations associated with the one IEF Service below the Minimum Commitment). In the above calculation, the monthly rate of $369 is the General Tariff Rate, and the rate band used (Rate Band 15) will be the one associated with STS1 Terminations prior to giving effect to the termination of STS1s. (N)

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32. Contract Tariffs (Cont'd)

32.22 Contract Tariff Option 21 (Cont'd)

32.22.3 Service Period and Termination Liability (Cont'd)

(D) Termination Liability (Cont'd)

(6) Termination Liability Provisions When IEF Service is Included in CDP (N)

If the customer has subscribed to CDP and has included IEF Services in CDP, then termination liability under this Option 21 is only applicable when the customer discontinues all IEF Services under CDP or cancels the CDP for its IEF Services. The customer may disconnect individual IEF Services or STS1 Terminations associated with an IEF Service without the application of termination liability as specified in Sections 32.22.3(D)(1) through (D)(5) preceding. To the extent that such termination results in a reduction to the equivalent capacity under the customer's CDP, the customer shall be liable for the application of any shortfall penalty under CDP.

32.22.4 Serving Area

The IEF Service (and all credits, discounts, rates, and charges associated therewith) will be provided only in the MSAs that have achieved Phase I or Phase 2 pricing flexibility under this tariff and under the Telephone Company's Tariff F.C.C. No. 1. Wire centers for the Phase II MSAs are listed in Section 15.3 preceding of this tariff and Section 14.7 of the Telephone Company's Tariff F.C.C. No. 1. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 15.3 preceding) that occur during the Service Period of this Option 21 will apply. (x) (x) (x)

32.22.5 Terms and Conditions

(A) Except as set forth under this Option 21, the terms and conditions of Section 26.1.4 preceding, shall apply to the IEF Services and connection of other services to the IEF Service. Other services required to provide IEF (for example, special construction) will be provided in accordance with the rates and regulations set forth preceding in this tariff.

(B) Additional IEF Services may be ordered under this Option 21 during the Term of Option 21. Each additional IEF Service must include a Fractional OC48 Interface and the Minimum STS1 Commitment and is subject to all of the terms and conditions set forth in this Option 21 and in Section 26.1.4 preceding, as applicable. Upon expiration of the Term of Option 21, all IEF Services then currently in-service shall continue to remain subject to the terms and conditions of this Option 21 until the end of the applicable Service Period for each such IEF Service. (N)

(x) Issued under authority of Special Permission No. 04-083 of the Federal Communications Commission

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32. Contract Tariffs (Cont'd)

32.22 Contract Tariff Option 21 (Cont'd)

32.22.5 Terms and Conditions (Cont'd)

(C) During the Service Period, the rate for STS1 terminations as set forth in Section 32.22.8 following will apply, subject to any limitations as set forth in this Option 21. These rates and charges apply on a recurring monthly basis for each STS1 Termination on each IEF Service. A nonrecurring charge also applies for each STS1 termination installed on each IEF Service. During any month of the Service Period (including during the Ramp-Up Period), if the customer does not maintain the Minimum STS1 Commitment in connection with each IEF Service, the rate per in-service STS1 Termination on the affected IEF Service(s) for that month will be the General Tariff Rate per STS1 Termination in lieu of the monthly rate per STS1 Termination set forth in Section 32.22.8 following. (N)

As an illustrative example, assume that the customer has 10 IEF Services at 10 different locations. Of such 10 IEF Services, 7 IEF Services have 15 STS1 Terminations associated with each IEF Service, but the remaining 3 IEF Services have 8 STS1 Terminations associated with each such IEF Service. Assume further that all IEF Services in this example are in month 3 of the Service Period (i.e., during the Ramp-Up Period). Then, the customer will be charged the General Tariff Rate for the 3 IEF Services which are below the Minimum STS1 Commitment. The other 7 IEF Services will be charged the rate set forth in Section 32.22.8 following in lieu of the General Tariff Rate. During month 3 of the Service Period, the Minimum Period for the 7 IEF Services which have met the Minimum STS-1 Commitment is 6 months, and the Minimum Period for the 3 IEF Services which have not met the Minimum STS-1 Commitment is 12 months.

(D) If the customer chooses to convert any existing services that it currently purchases to IEF Services, the terms and conditions of such services (including any applicable termination liability) shall apply.

(E) Upon expiration of the Service Period for each IEF Service, the terms and conditions set forth in Section 26.1.4 preceding will apply to the IEF Service. (N)

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32. Contract Tariffs (Cont'd)

32.22 Contract Tariff Option 21 (Cont'd)

32.22.6 Chronic Service Outage (N)

(A) Option 21 provides options to the customer in the event that the same IEF Service is in a Chronic Condition and meets the other requirements of this Section 32.22.6. The options available to the customer under this Section 32.22.6 apply in addition to any credit for service interruption that the customer may be eligible for under Section 2.4.4(B)(10) preceding.

(B) Definitions

(1) **Qualifying Service Outage** – the term "Qualifying Service Outage" shall mean an interruption of service which is a continuous sixty (60) minutes or more in duration and which renders the IEF Service inoperable due to failure of any portion of the IEF Service that is under the control of the Telephone Company. For purposes of determining the duration that the IEF Service was interrupted, a Qualifying Service Outage begins when the customer notifies the Telephone Company that service is inoperable, and ends when the Telephone Company determines that service is operable. The Condition that renders IEF inoperable is determined by the Telephone Company.

(2) **Condition** – the term "Condition" under this Option 21 denotes one of the prescribed reasons for a Qualifying Service Outage as determined by the Telephone Company after analysis of the trouble reports in its trouble ticketing service.

(3) **Chronic Condition** – the term "Chronic Condition" under this Option 21 denotes an individual IEF Service which experiences two (2) or more Qualifying Service Outages that are due to the same Condition and that occur within the same consecutive thirty (30) calendar day period. (N)

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32. Contract Tariffs (Cont'd)

32.22 Contract Tariff Option 21 (Cont'd)

32.22.6 Chronic Service Outage (Cont'd)

(C) Determination of A Chronic Condition (N)

(1) The customer must request credit for a Chronic Condition by submitting a written request to the Telephone Company within thirty (30) calendar days of the last Qualifying Service Outage (**Chronic Outage Notification**). The Chronic Outage Notification must include all relevant information about the Qualifying Service Outage to allow the Telephone Company to verify that a Chronic Condition exists, including any circuit identification number(s) for each circuit affected by the Qualifying Service Outage. Failure to provide all requested information will delay the Telephone Company's response and any available remedies as set forth in Section 32.22.6(E) following.

(2) Within two (2) business days of receiving the customer's complete and accurate Chronic Outage Notification, the Telephone Company will provide the customer with written acknowledgement of receipt of the Chronic Outage Notification.

(3) No later than five (5) business days following receipt of the customer's complete and accurate Chronic Outage Notification, the Telephone Company will provide written notice to the customer as to whether or not it can confirm that the IEF Service is in a Chronic Condition (**Telephone Company Notice**).

(D) Cure Period and Additional Review Period

(1) Once the IEF Service is in a Chronic Condition as determined by Section 32.22.6(C) preceding, a Cure Period of fifteen (15) calendar days commences (**Cure Period**). The Cure Period is the time during which the Telephone Company will attempt to correct the Chronic Condition on the affected IEF Service.

(2) If, during the Cure Period the IEF Service experiences one or more subsequent Qualifying Service Outage(s) due to the same Condition as the prior two (2) Qualifying Service Outages that caused the Chronic Condition, the provisions set forth in Section 32.22.6(E) following apply. If, during the Cure Period the IEF Service does not experience any additional Qualifying Service Outages due to the same Condition as the prior two (2) Qualifying Service Outages that caused the Chronic Condition, the provisions set forth in Section 32.22.6(E) following are not applicable. (N)

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32. Contract Tariffs (Cont'd)

32.22 Contract Tariff Option 21 (Cont'd)

32.22.6 Chronic Service Outage (Cont'd)

(D) Cure Period and Additional Review Period (Cont'd)

(3) If, within the first sixty (60) calendar days following the Cure Period, the IEF Service experiences one or more subsequent Qualifying Service Outage(s) due to the same Condition as the prior two (2) Qualifying Service Outages that caused the Chronic Condition, the provisions set forth in Section 32.22.6(E) following apply. If, within the first 60 calendar days following the Cure Period, the IEF Service does not experience any additional Qualifying Service Outages due to the same Condition as the prior two (2) Qualifying Service Outages that caused the Chronic Condition, the provisions set forth in Section 32.22.6(E) following are not applicable. (N)

(E) Remedies

When an IEF Service that is in a Chronic Condition experiences one or more additional Qualifying Service Outage(s) during the Cure Period or within the first 60 calendar days following the Cure Period resulting from the same Condition as the prior two (2) Qualifying Service Outages that caused the Chronic Condition, the customer has the following options:

(1) Elect Option 1 or Option 2 as set forth below.

(a) Option 1. Retain the IEF Service that is in a Chronic Condition. In this case, the customer will remain responsible for all terms and conditions and rates and charges applicable under this Option 21. When the customer elects this option for an IEF Service, such IEF Service is not eligible for any additional remedies or rights under this Section 32.22.6, other than the CDP Commitment Reduction Option as set forth in Section 32.22.6(E)(2) following.

(b) Option 2. Terminate the IEF Service that is in a Chronic Condition. The customer must terminate the entire IEF Service and all STS1 Terminations associated therewith. Partial terminations of an IEF Service or termination of one (1) or more STS1 Terminations are not permitted under this Section 32.22.6(E). Termination must occur within ninety (90) calendar days of the Telephone Company Notice that the IEF Service is experiencing a Chronic Condition. Termination under this Section 32.22.6(E)(1) will not incur charges for failure to satisfy the Minimum Period obligation or any termination liability associated with the affected IEF Service(s) as they may apply in this Option 21 and other sections of this tariff. The customer is responsible for issuance of the necessary access orders to terminate the service. When the customer elects this option, other services that utilize STS1 Terminations for transport within the affected IEF Service are not relieved of their minimum period obligations, termination liability, or shortfall penalty, as they may apply for the specific service(s) involved. (N)

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32. Contract Tariffs (Cont'd)

32.22 Contract Tariff Option 21 (Cont'd)

32.22.6 Chronic Service Outage (Cont'd)

(E) Remedies (Cont'd)

(2) CDP Commitment Reduction Option: In addition to the election of Option 1 or 2 preceding, a customer enrolled in a current CDP, pursuant to Section 25 preceding of this tariff, has the option to reduce the minimum commitment of DS0 equivalents in CDP by the lesser of: (N)

(a) the total number of DS0 equivalents that subtend an IEF Service(s) that are eligible for remedies as set forth in this Section 32.22.6 preceding; or

(b) 192 DS3-equivalents (a DS3 equivalent being 672 DS0s or 28 DS1s).

The customer must include IEF Services in its CDP in order to be eligible for this option. In each case, the customer shall not be liable for any shortfall charges under the CDP to the extent the customer meets the reduced minimum commitment under the CDP (i.e., the commitment reduced by the applicable number of DS-x equivalent circuits attributable to the IEF Service that is eligible for remedies as set forth in this Section 32.22.6(E)).

When Option 1 is selected along with the CDP Commitment Reduction Option, the IEF Service that is eligible for remedies as set forth in this Section 32.22.6(E) will continue to receive the discounted pricing it was eligible for under the current CDP. If such IEF Service is part of CDP where all IEF Services are aggregated, other IEF facilities which are part of such CDP but are not in a Chronic Condition will continue to receive the discounted pricing consistent with the original commitment level on that CDP (i.e., the commitment prior to the reductions described in Section 32.22.6(E)).

32.22.7 Exceptions

The remedies set forth in Section 32.22.6(E) preceding will not apply in the following instances.

(A) Interruptions, failures, or delays in service resulting from DC power, equipment, service, or services not under the sole responsibility of the Telephone Company.

(B) Interruptions, failures, or delays in service resulting from customer owned and/or installed equipment.

(C) Interruptions, failures, or delays in service that occur at any time in which the Telephone Company or its authorized agents, after reasonable attempt to gain access to the customer's premises, are not granted access to such premises where Telephone Company facilities and equipment associated with the provision of IEF Service are terminated. (N)

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32. Contract Tariffs (Cont'd)

32.22 Contract Tariff Option 21 (Cont'd)

32.22.7 Exceptions (Cont'd)

(D) Interruptions or delays in service resulting from maintenance, rearrangement of service, or implementation of an order authorized by the customer. (N)

(E) Interruptions, failures, or delays in service resulting from the customer's refusal to release IEF Service(s) to the Telephone Company or its authorized agents for testing and/or repair, after reasonable attempts by the Telephone Company or its authorized agent to schedule repair with the customer.

(F) Interruptions, failures, or delays in service due to acts of God or the public enemy, compliance with any order of any governmental authority, acts of terrorism, war, rebellion, insurrection, or sabotage or damage resulting from, fires, floods, earthquakes, unusually severe weather, explosions, washouts, rules and regulations with regard to common carriers, accidents, epidemics, breakdowns, riots, strikes or other concerted acts of its employees, whether direct or indirect, lockouts or other industrial disturbances, whether direct or indirect, worms, viruses or other contaminants that may cause damage to or disable software, computer, or electronic services, or any similar cause, or other causes beyond such party's reasonable control.

(G) Interruptions, failures, or delays in service during periods of scheduled maintenance and scheduled downtimes where the customer has received prior written (electronic, fax, or paper) notification from the Telephone Company.

(H) Interruptions resulting from the negligence, gross negligence, willful misconduct, or other act or omission of the customer or other party authorized by the customer to use the service.

(I) Any other interruptions of the IEF Service due to any of the reasons specified in Section 2.4.4(C) preceding. (N)

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32. Contract Tariffs (Cont'd)

32.22 Contract Tariff Option 21 (Cont'd)

32.22.8 Rates and Charges (N)

The following rates apply in all operating territories, subject to the customer complying with the terms of this Option 21.

	Monthly Rate	Nonrecurring Charge
Per STS1/51.84 Mbps Termination with a Fractional IEF OC48 IEF Service*		
12	$343.33	$1.00
13	342.41	1.00
14	340.58	1.00
15	338.74	1.00
16	337.82	1.00
17	335.99	1.00
18	334.15	1.00
19	333.23	1.00
20	331.40	1.00
21	329.56	1.00
22	327.73	1.00
23	326.81	1.00
24	324.97	1.00
25	323.14	1.00
26	322.22	1.00
27	320.38	1.00
28	318.55	1.00
29	317.63	1.00
30	315.79	1.00
31	313.96	1.00
32	312.12	1.00
33	311.20	1.00
34	309.37	1.00
35	307.53	1.00
36	306.61	1.00
37	304.78	1.00
38	302.94	1.00
39	300.19	1.00
40	296.51	1.00
41	292.84	1.00
42	289.17	1.00
43	285.50	1.00
44	280.91	1.00
45	277.24	1.00
46	273.56	1.00
47	269.89	1.00
48 and over	265.30	1.00

* The Interface is sold separately under Section 30.26.4 preceding for the Price Band rates and in Section 31.26.4 preceding for all other rates. (N)

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32. Contract Tariffs (Cont'd)

32.23 Contract Tariff Option 22 (N)

(A) Scope

Contract Tariff Option 22 (**Option 22**) is an offering exclusively for customers who subscribe to Special Access Broadcast Video Service (**BVS**), as set forth in Section 7.2.5 preceding, and in accordance with the terms and conditions of Option 22. Option 22 provides for a billing credit for BVS as described herein.

(B) Serving Area

(1) The serving area of Option 22 is comprised of the New York NY MSA (**MSA #1**). Wire centers for MSA #1 are listed in Section 15.3 preceding and in Section 14.7 of the Telephone Company's Tariff F.C.C. No. 1. (x) (x)

(2) Any additions or changes to the wire centers included in MSA #1 that occur after February 2, 2005 will apply and be included in Option 22.

(C) Eligibility Requirements

All of the following requirements must be met in order to be eligible for subscription to Option 22.

(1) Customers who wish to subscribe to Option 22 must do so by submitting a written authorization in a manner designated by the Telephone Company during the thirty (30) day period which begins on February 2, 2005 and ends on March 4, 2005 (**Subscription Period**).

(2) The customer must subscribe to a minimum of two hundred (200) and up to a maximum of three hundred (300) BVS Services within MSA #1 (**Service Commitment**).

(3) The originating and terminating point of each BVS Service ordered under Option 22 must be located entirely within MSA #1. (N)

(x) Issued under authority of Special Permission No. 05-002 of the Federal Communications Commission.

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32. Contract Tariffs (Cont'd)

32.23 Contract Tariff Option 22 (Cont'd) (N)

(D) Service Period

The Service Period of this Option 22 is twelve (12) months and shall commence as follows. For those customers who, as of the end of the Subscription Period, have sufficient in-service BVS Services to satisfy eligibility as determined in (C)(2) preceding, the Service Period shall commence on the first day of the bill period that follows the end of the Subscription Period (**Service Period**). For those customers who, as of the end of the Subscription Period, have sufficient BVS Services that are in-service and on order to satisfy eligibility requirements as set forth in (C)(2) preceding, the Service Period shall commence upon installation of the last BVS Service installed to meet the eligibility requirements (**Service Period**).

(E) Terms and Conditions

(1) The regulations, terms, and conditions provided in this Section 32.23 apply to all customers who subscribe to BVS (as offered under Option 22) in MSA #1 during the specified Subscription Period set forth in (C)(1) preceding.

(2) The rates and charges applicable to BVS under this Option 22 are the rates set forth in Section 30.7.5 for Price Band rates and Section 31.7.5 for all other rates (as determined in Section 15.3 preceding).

(3) In any month where the customer's BVS Service is either below the Service Commitment or exceeds the Service Commitment as specified in (C)(2) preceding, the customer shall not be eligible for the billing credits specified in (E)(4) following for the entire Service Period.

(4) Billing Credits

(a) The customer qualifies for billing credits under this Option 22 if the customer meets the Service Commitment during each month of the Service Period. Customers who qualify for billing credits will receive an initial billing credit under (E)(4)(b)(1) following and a final billing credit under (E)(4)(c)(1) following. (N)

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32. Contract Tariffs (Cont'd)

32.23 Contract Tariff Option 22 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(4) Billing Credits (Cont'd)

(b) Initial Billing Credit

(1) The customer qualifies for an initial billing credit if the customer has met its Service Commitment in each of the first six (6) months of the Service Period. Qualification is determined in a review performed by the Telephone Company following the initial 6 months of the Service Period.

(2) The initial billing credit for qualifying customers will be an amount equal to two percent (2%) of the rates and charges that were assessed to the customer for the BVS Basic Channel Termination, Fixed Channel Mileage, and Per Mile Channel Mileage rate elements over the first 6 months of the Service Period. In calculating the initial billing credit, the Telephone Company will only include the recurring monthly charges and nonrecurring charges for the above rate elements. The calculation will exclude all other rate elements, interest penalty as applied under Section 2 preceding, fees, billed taxes, or any other charges not attributable to the Basic Channel Termination, Fixed Channel Mileage, and Per Mile Channel Mileage rate elements. The Telephone Company will apply the initial billing credit to the customer's next bill that follows the review set forth in (E)(4)(b)(1) preceding.

(c) Final Billing Credit

(1) The customer qualifies for a final billing credit if the customer has met the Service Commitment for each of the twelve (12) months of the Service Period.

(2) In order to qualify for the final billing credit, the customer must have already qualified for the initial billing credit under (E)(4)(b) preceding and must have met its Service Commitment in each month of the Service Period.

(3) In the event that the customer qualified for and received the initial billing credit, but does not qualify for the final billing credit, the customer does not qualify to receive the final billing credit and must return the initial billing credit that was already issued. The billing credit shall be returned through the issuance of an adjustment to the customer's account that charges an amount equal to the initial billing credit that was previously applied. (N)

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32. Contract Tariffs (Cont'd)

32.23 Contract Tariff Option 22 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(4) Billing Credits (Cont'd)

(c) Final Billing Credit (Cont'd)

(4) The final billing credit for qualifying customers will be an amount equal to two percent (2%) of the rates and charges that were assessed to the customer for the BVS Basic Channel Termination, Fixed Channel Mileage, and Per Mile Channel Mileage rate elements over the prior 6 months of the Service Period. In calculating the final billing credit, the Telephone Company will only include the recurring monthly charges and nonrecurring charges for the above rate elements. The calculation will exclude all other rate elements, interest penalty as applied under Section 2 preceding, fees, billed taxes, or any other charges not attributable to the Basic Channel Termination, Fixed Channel Mileage, and Per Mile Channel Mileage rate elements. The Telephone Company will apply the final billing credit to the customer's next bill that follows the review set forth in (E)(4)(c)(1) preceding.

(5) Expiration of the Service Period

Upon expiration of the Service Period, the customer may discontinue service or continue with the service at the rates and charges set forth for BVS in Section 30.7.5 for Price Band rates and charges and Section 31.7.5 for all other rates and charges and under the terms and conditions set forth in Section 7.2.5 preceding. In either case, no further billing credits will be issued.

(6) Minimum Period

The minimum period for BVS Services under this Option 22 is the minimum period for BVS specified in Section 5.2.5 preceding. In the event that the customer discontinues service prior to the end of the minimum period, charges in accordance with Section 5.2.6 preceding will apply from the date of disconnection to the end of the minimum period.

(7) The customer may not subscribe to any other contract tariff option for BVS that may be offered under this Section 32 unless the other contract tariff option specifically allows such subscription. (N)

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32. Contract Tariffs (Cont'd)

32.23 Contract Tariff Option 22 (Cont'd) (N)

(F) Rates and Charges

(1) The rates and charges for BVS are set forth in Section 30.7.5 preceding for Price Band rates and charges and in Section 31.7.5 for all other rates and charges as determined in Section 15.3 preceding.

(2) Any other work, services, or facilities required, including special construction, will be provided subject to the Telephone Company's applicable filed and effective tariff rates, terms, and conditions then in effect. (N)

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32. Contract Tariffs (Cont'd)

32.24 Contract Tariff Option 23 (N)

(A) Scope

Contract Tariff Option 23 (**Option 23**) is an offering exclusively for customers who subscribe to new Special Access full-time Broadcast Video Service (**BVS**) as set forth in Section 7.2.5 preceding, new Special Access full-time Serial Component Video Service (**SCVS**) as set forth in Section 7.2.14(C) preceding or a combination of both BVS and SCVS and in accordance with the terms and conditions of this Option 23. A new BVS or SCVS can not be a BVS or SCVS that was in-service and then disconnected in order to include that BVS or SCVS in this Option 23. Option 23 provides discounted rates and charges for BVS and SCVS channels as described herein.

(B) Serving Area

(1) The serving area of Option 23 is comprised of the New York wire centers within the New York NY MSA (**MSA #1**). Wire centers for MSA #1 are listed in Section 15.3 preceding.

(2) Any additions or changes to the New York wire centers included in MSA #1 that occur after February 11, 2005 will apply and be included in Option 23. (N)

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32. Contract Tariffs (Cont'd)

32.24 Contract Tariff Option 23 (Cont'd) (N)

(C) Eligibility Requirements

All of the following requirements must be met in order to be eligible for subscription to Option 23.

(1) A customer subscribes to Option 23 by submitting a written authorization in a manner designated by the Telephone Company during the thirty (30) day period which begins on February 11, 2005 and ends on March 12, 2005 (**Subscription Period**).

(2) A customer must subscribe to the following Telephone Company BVS and/or SCVS services and quantities of those services.

(a) A minimum of twenty (20) up to a maximum of sixty (60) new BVS channels that originate and terminate at locations served by New York wire centers that are within MSA #1; or

(b) a minimum of twenty (20) up to a maximum of sixty (60) new SCVS channels that originate and terminate at locations served by New York wire centers that are within MSA#1; or

(c) a minimum of twenty (20) up to a maximum of sixty (60) new channels that are a combination of new BVS channels and new SCVS channels, all of which must originate and terminate at locations served by New York wire centers that are within MSA #1; and

(d) All BVS and/or SCVS channels under this Option 23 must either originate or terminate at a single customer designated premises that is served by a New York wire center located within MSA #1 (**Common Customer Designated Premises**).

The requirements set forth in (C)(2)(a) through (C)(2)(d) preceding constitute the service commitment for this Option 23 (**Service Commitment**). (N)

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32. Contract Tariffs (Cont'd)

32.24 Contract Tariff Option 23 (Cont'd)

(C) Eligibility Requirements (Cont'd)

(3) The customer must also subscribe to the following:

(a) A minimum of one thousand (1,000) and no more than two thousand (2,000) Special Access circuits consisting of any combination of Special Access 1.544 Mbps High Capacity and/or NYNEX Enterprise DS1 Services (collectively, **DS1 Services**) that originate and terminate from New York wire centers within MSA #1. 1.544 High Capacity Services are set forth in Section 7.2.9 preceding. NYNEX Enterprise DS1 Services are set forth in Section 7.2.13 preceding; and

(b) a minimum of one (1) and no more than four (4) Verizon Dedicated SONET Ring (**DSR**) Services as set forth in Section 34.1 following. At lease one of those DSRs must have one or more node(s) that are located at a customer designated premises or Telephone Company wire center that is within MSA #1. (T) (T) (T)

(D) Service Period

The Service Period of this Option 23 is thirty-six (36) months and shall commence on the date that the last BVS and/or SCVS channel ordered, as set forth in Section (E)(2)(b) following, under this Option 23 is installed and all channels included in the Service Commitment are available for use by the customer (**Service Period**).

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32. Contract Tariffs (Cont'd)

32.24 Contract Tariff Option 23 (Cont'd) (N)

(E) Terms and Conditions

(1) The regulations, terms, and conditions provided in this Section 32.24 apply to all customers who subscribe to new BVS and/or new SCVS as offered herein during the specified Subscription Period set forth in (C)(1) preceding. BVS channels that are included in this Option 23 may not be ordered with Advanced Video Switching or Video Patching options as described in Sections 7.2.5(D)(6) and (D)(7) preceding. SCVS channels that are included in this Option 23 may not be ordered with Advanced Video Switching or Video Patching options as described in Sections 7.2.14(C)(2)(a) and (b) preceding.

Except as set forth in this Section 32.24, all other terms and conditions and rates and charges as they may apply to BVS and SCVS in other sections of this tariff also apply. Any other work, services, or facilities required, including special construction, will be provided subject to the Telephone Company's applicable filed and effective tariff rates, terms and conditions then in effect.

(2) Application of Rates and Charges

(a) The rates and charges applicable to BVS and/or SCVS under this Option 23 are the rates and charges set forth in (F) following. These rates and charges apply as a single rate and charge per channel for a minimum of twenty (20) and a maximum of sixty (60) BVS channels, SCVS channels or a combination of BVS channels and SCVS channels. The single rate and charge per BVS channel or per SCVS channel includes the Basic Channel Termination rate element at the originating point of the channel, the Basic Channel Termination rate element at the terminating point of the channel and the Channel Mileage rate element for the transmission facilities between the two wire centers serving the originating and terminating points of the channel.

Any other rate element (e.g., additional audio channels) associated with a BVS or SCVS channel included in this Option 23 is provided at the rates and charges set forth in Section 30.7.5 for BVS Price Band rates and charges or Section 31.7.5 for all other BVS rates and charges (as determined in Section 15.3 preceding) and Section 30.7.16 for SCVS Price Band rates and charges or Section 31.7.16 for all other SCVS rates and charges (as determined in Section 15.3 preceding). (N)

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32. Contract Tariffs (Cont'd)

32.24 Contract Tariff Option 23 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Application of Rates and Charges (Cont'd)

(b) When the customer subscribes to more than 60 BVS channels, 60 SCVS channels or 60 channels that are a combination of BVS channels and SCVS channels in MSA #1, only the first 60 channels installed will be included in this Option 23. Any BVS and/or SCVS channels in excess of the first 60 channels installed will not be included in this Option 23 and are subject to the terms and conditions and rates and charges applicable to BVS under Section 7.2.5 preceding and SCVS under Section 7.2.14 preceding in lieu of the terms and conditions and rates and charges of this Option 23. The rates and charges for BVS channels ordered under Section 7.2.5 are set forth in Section 30.7.5 for Price Band rates and charges and Section 31.7.5 for all other rates and charges (as determined in Section 15.3 preceding). The rates and charges for these SCVS channels ordered under Section 7.2.14 are set forth in Section 30.7.16 for Price Band rates and charges and 31.7.16 for all other rates and charges (as determined in Section 15.3 preceding).

(c) SCVS channels that are included in this Option 23 are not eligible for additional discounting under the Service Discount Plan set forth in Section 7.4.10 preceding. BVS and SCVS channels that are included in this Option 23 are not eligible for any other discount plan or contract tariff option in this tariff unless that discount plan or contract tariff option specifically allows for such subscription.

(d) Minimum Periods

(1) The minimum period for BVS channels is three (3) months.

(2) The minimum period for SCVS channels is one (1) year.

(3) Disconnection of BVS or SCVS ordered under this Option 23 prior to the end of the minimum period will result in the application of a minimum period charge equal to the monthly rate set forth in (F)(1) following from the date of disconnection to the end of the minimum period. BVS and SCVS are further subject to termination liability under (E)(3) following. (N)

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32. Contract Tariffs (Cont'd)

32.24 Contract Tariff Option 23 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Application of Rates and Charges (Cont'd)

(e) Additions of Service

Additional BVS and/or SCVS channels may be added to this Option 23 within the first twelve (12) months of the Service Period when all of the following conditions are met.

(1) The customer orders the additional BVS channel(s) or SCVS channel(s) for inclusion in this Option 23 within the first 12 months of the Service Period.

(2) The originating and/or terminating point of the additional BVS or SCVS channel must be at the Customer's Common Designated Premises and the other end of each BVS or SCVS channel must be a location served by a New York wire center that is within MSA #1, with the total distance between the serving wire centers involved not exceeding four (4) miles as measured in accordance with Section 7.4.6 preceding.

(3) The additional BVS channels and/or SCVS channels must not result in the customer's total subscription under this Option 23 exceeding 60 BVS channels, 60 SVCS channels or 60 channels that are a combination of BVS and SCVS.

(4) The additional BVS and/or SCVS channels will have a Service Period that begins on the date that the additional channel(s) are available for use by the customer and ends on the same day that the Service Period ends for the initial BVS and/or SCVS channels that were ordered during the Subscription Period.

(5) Additional BVS channels that are ordered after the first 12 months of the Service Period will not be included in Option 23. Such BVS channels are subject to the terms and conditions set forth in Section 7.2.5 preceding and at the rates and charges set forth in Section 30.7.5 for Price Band rates and charges and Section 31.7.5 for all other rates and charges. Additional SCVS channels that are ordered after the first 12 months of the Service Period will not be included in this Option 23. Such SCVS channel are subject to the terms and conditions set forth in Section 7.2.14 preceding and at the rates and charges set forth in Section 30.7.16 for Price Band rates and charges and Section 31.7.16 for all other rates and charges. (N)

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32. Contract Tariffs (Cont'd)

32.24 Contract Tariff Option 23 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Application of Rates and Charges (Cont'd)

(f) Upgrade of Service

(1) The customer may upgrade any BVS channel under this Option 23 to a SCVS channel during the first twelve (12) months of the Service Period. An upgrade is defined as the disconnection of a BVS channel under this Option 23 in order to replace that channel with a SCVS channel for the balance of the Service Period of this Option 23 (**Upgrade**). Upgrades under this Option 23 are subject to all of the following conditions.

(i) The originating and terminating points of the replacing SCVS must be the same originating and terminating points as the BVS being disconnected.

(ii) The nonrecurring charge to upgrade a BVS channel to a SCVS channel under this Option 23 is set forth in (F)(3) following.

(iii) A new minimum period obligation for the replacing SCVS channel shall apply, commencing with the date on which the replacing SCVS channel is available for use by the customer.

(iv) The customer also remains responsible for satisfying any outstanding minimum period obligation on the disconnected BVS channel.

(2) If a BVS channel under this Option 23 is disconnected after the first twelve (12) months of the Service Period in order to replace the BVS channel with a SCVS channel, the terms and conditions set forth in Section 7.4.1(C) preceding apply. The replacing SCVS is subject to the monthly rates set forth in Section 30.7.16 for Price Band rates and Section 31.7.16 for all other rates in lieu of the monthly rates set forth in (F) following. The nonrecurring charge for the replacing SCVS channel is the Upgrade Charge set forth in (F)(3) following of this Option 23. A new minimum period obligation for the replacing SCVS channel shall apply. (N)

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32. Contract Tariffs (Cont'd)

32.24 Contract Tariff Option 23 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Application of Rates and Charges (Cont'd)

(g) Moves

The Common Customer Designated Premises may not be moved during the Service Period of this Option 23. The customer may move the point of termination of the other end of the BVS channel or SCVS channel to a new location for which the Move Charge set forth in (F)(2) following will apply. The new location must be served by a New York wire center that is within MSA #1 and must meet all other requirements that are set forth in this Option 23. The Move Charge applies for each BVS channel or SCVS channel that is moved during the Service Period. Minimum period charges apply if the BVS channel or SCVS channel is moved prior to the end of the minimum period for the service involved. A new minimum period is established upon re-installation of the service at the new location.

(3) Termination Liability

(a) BVS Termination Liability

(1) Except as set forth in (E)(2)(f) and (E)(2)(g) preceding, if a BVS channel under this Option 23 is disconnected prior to the end of the Service Period, termination liability shall apply equal to the difference between the monthly rates set forth in (F) following and the monthly rates set forth in Section 30.7.5 for Price Band rates or Section 31.7.5 for all other rates for the period of the time that the BVS service has been in effect.

(2) Termination liability applies in addition to any charges associated with satisfying the minimum period obligation under (E)(2)(d) preceding.

(b) SCVS Termination Liability

(1) Except as set forth in (E)(2)(g) preceding, if a SCVS channel under this Option 23 is disconnected prior to the end of the Service Period, termination liability applies in accordance with Section 7.4.10(C)(1) preceding.

(2) When calculating the termination liability charge, the rates set forth in Section 30.7.16 for Price Band rates and Section 31.7.16 for all other rates are used in lieu of the rates set forth in (F) following. Termination liability applies in addition to any charges associated with satisfying the minimum period obligation under (E)(2)(d) preceding. (N)

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32. Contract Tariffs (Cont'd)

32.24 Contract Tariff Option 23 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(4) Expiration of the Service Period

Upon expiration of the Service Period, the rates and charges set forth in (F) following shall cease. The customer may discontinue the BVS and/or SCVS channels or continue with such services in accordance with the terms and conditions and rates and charges applicable to such services as set forth in other sections of this tariff.

(F) Rates and Charges

The following rates and charges apply to BVS channels and SCVS channels during the Service Period of this Option 23.

(1) Channel Rates and Charges

Service	Monthly ***Rate***	Nonrecurring ***Charge***
BVS Channel, per channel*	$725.00	$600.00
SCVS Channel, per channel*	875.00	None

(2) Move Charges

Service	Nonrecurring ***Charge***
BVS Channel, per channel moved	$600.00
SCVS Channel, per channel moved	300.00

(3) Upgrade Charge

	Nonrecurring ***Charge***
Per BVS channel upgraded to an SCVS channel	$300.00

* Rates and charges apply as a single rate and a single charge per BVS or SCVS channel (up to a maximum of 60 BVS channels or a maximum of 60 SCVS channels or a maximum of 60 channels that are a combination of BVS and SCVS). All other BVS or SCVS channels (i.e., those BVS and/or SCVS channels in excess of the first 60 channels) that are ordered by the customer or any optional feature or function associated with the BVS or SCVS channel (whether included under this Option 23 or subscribed to under other sections of this tariff) are provided at the rates and charges set forth in other sections of this tariff and are not subject to this Option 23. (N)

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32. Contract Tariffs (Cont'd)

32.25 Contract Tariff Option 24 (N)

(A) Scope

Contract Tariff Option 24 (**Option 24**) is offered for a service commitment period of one (1) year and provides a customer with a one-time credit when it meets certain total billed revenue (**TBR**) thresholds set forth in (B)(2) following for the Qualifying Services set forth in (E)(1) following (**TBR for Qualifying Services**). Calculation of TBR for Qualifying Services shall be in accordance with the terms of this Option 24.

(B) Eligibility

The customer must meet all of the following eligibility criteria in order to be eligible for subscription to Option 24.

(1) A customer subscribes to Option 24 by submitting a written authorization in a manner designated by the Telephone Company during the thirty (30) day period which begins on February 17, 2005 and ends on March 18, 2005 (**Subscription Period**).

(2) During the twelve (12) month period prior to the commencement of the Service Period (as defined in (C) following), the customer must have achieved both:

(a) a minimum of $144,000,000 (**$144M**) in billed revenue for all Qualifying Services (as defined in (E) following) purchased by the customer from the Telephone Company; and

(b) a minimum of $45,000,000 (**$45M**) in billed revenue in Qualifying Facilities Management Services (**FMS**) (as defined in (E)(1) following) purchased by the customer from the Telephone Company. The billed revenue for all Qualifying Services as set forth in (B)(2)(a) preceding shall include the billed revenue for Qualifying FMS.

(3) During the Service Period, the customer must achieve a TBR, as described in (E)(1)(b) following, for Qualifying Services (as defined in (E)(1) following) of not less than $134,000,000 (**$134M**) and no more than $165,000,000 (**$165M**) for Qualifying Services. (N)

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32. Contract Tariffs (Cont'd)

32.25 Contract Tariff Option 24 (Cont'd) (N)

(B) Eligibility (Cont'd)

(4) In order to receive any Billing Credit (as defined in (E)(2)(a) following), other than a Billing Credit of $0 under this Option 24, the customer must achieve both:

(a) a minimum TBR of at least $144M of Qualifying Services and less than or equal to a maximum of $165M; and

(b) a minimum TBR of at least $45M of Qualifying FMS during the Service Period. The TBR for Qualifying Services set forth in (B)(4)(a) preceding shall include the TBR for Qualifying FMS.

TBR for Qualifying Services and TBR for Qualifying FMS shall be calculated using the criteria and mechanism set forth in this Option 24. Billing Credits shall vary depending on the TBR for Qualifying Services and Qualifying FMS achieved by the customer during the Service Period, and such Billing Credits shall be calculated in accordance with terms and conditions of this Option 24.

(5) Other than as set forth in (E)(5) following, the customer may not concurrently 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 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 revenue targets by the customer for the Qualifying Services.

(C) Service Period

The Service Period of this Option 24 shall be for a period of one (1) year beginning March 1, 2005 (**Service Period**). (N)

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32. Contract Tariffs (Cont'd)

32.25 Contract Tariff Option 24 (Cont'd) (N)

(D) Service Area

The Billing Credit will be provided only in the Metropolitan Statistical Areas (**MSAs**) that have achieved Phase I or Phase II pricing flexibility under this tariff and the Telephone Company's Tariff F.C.C. Nos. 1 and 14 (**Service Area**). Wire centers for the Phase II MSAs are listed in Section 15.3 preceding, Section 14.7 of the Telephone Company's Tariff F.C.C. No. 1, and Section 19.1 of the Telephone Company's Tariff F.C.C. No. 14. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 15.3 preceding) that occur during the Service Period of this Option 24 will apply. No Billing Credits will be provided in the operating territories of the Telephone Company's Tariff F.C.C. No. 16, on Advanced Services purchased from Tariff F.C.C. No. 1 (Section 16), or from the Telephone Company's other tariffs offering Advanced Services, but the calculation of the TBR for the Qualifying Services will include all Qualifying Services purchased by the customer under Tariff F.C.C. No. 1 (Section 16) and the Telephone Company's Tariff F.C.C. Nos. 16 and 20 as set forth in (E)(1)(a) following. (N) (x)

(x) (x) (x) (x) (x) (x) (x) (x) (x) (x)

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32. Contract Tariffs (Cont'd)

32.25 Contract Tariff Option 24 (Cont'd) (N)

(E) Terms and Conditions

(1) Qualifying FMS and Qualifying Services

(a) Description of Qualifying Services

Qualifying Services will be comprised of the following services purchased by the customer during the Service Period:

(1) Special Access Voice Grade, Digital Data Service (**DDS**), DS1, DS3, and SONET services, as set forth in Sections 7, 25, 26, 30, and 31 preceding; the Telephone Company's Tariff F.C.C. No. 1 (Sections 7, 8, and 25); the Telephone Company's Tariff F.C.C. No. 14 (Sections 5 and 20); and the Telephone Company's Tariff F.C.C. No. 16 (Sections 7 and 20) (collectively, **Special Access**); (x) (x) (x) (x)

(2) Switched Access DS1 and DS3 Direct Trunk Transport services, as set forth in Sections 6, 30, and 31 preceding; the Telephone Company's Tariff F.C.C. No. 1 (Section 6); the Telephone Company's Tariff F.C.C. No. 14 (Section 4); and the Telephone Company's Tariff F.C.C. No. 16 (Section 6) (collectively, **Switched DTT**); and (x) (x) (x) (x)

(3) Advanced Services, as set forth in Sections 17 and 33 preceding; the Telephone Company's Tariff F.C.C. No. 20; the Telephone Company's Tariff F.C.C. No. 1 (Sections 16 and 22); the Telephone Company's Tariff F.C.C. No. 14 (Section 16); and the Telephone Company's Tariff F.C.C. No. 16 (Section 18) in the operating territories covered by such tariffs (collectively, **Advanced Services**); and (x) (x) (x) (x) (x) (x)

(4) Qualifying FMS which is comprised of any Switched or Special Access FMS, as set forth in Sections 6.2.12 and 7.2.16 preceding, and the Telephone Company's Tariff F.C.C. No. 1 (Sections 6.8.26 and 7.2.13) (**Qualifying FMS**) (x) (x)

If the Telephone Company introduces a new Special Access Service, Switched DTT Service, Advanced Service, or an enhancement to an existing Special Access Service, Switched DTT Service or Advanced Service in its Tariff F.C.C. Nos. 1, 11, 14, 16, and 20 (collectively, **Tariffs**), then such services shall be automatically included in Qualifying Services, and the customer's purchases of such new or enhanced Qualifying Services shall be included in the calculation of TBR, subject to the terms and conditions set forth in this Option 24. (x) (x)

All other services purchased by the customer from the Telephone Company or any affiliate of the Telephone Company and not listed in this (E)(1)(a) shall not be eligible for inclusion as a Qualifying Service under this Option 24. (N)

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32. Contract Tariffs (Cont'd)

32.25 Contract Tariff Option 24 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS and Qualifying Services (Cont'd)

(b) Revenues Included in Calculation of TBR for Qualifying Services

The customer's TBR for Qualifying Services shall include only the following:

(1) monthly billed recurring revenues, including any credits or discounts given under existing pricing plans (e.g., Term Payment Plans or Commitment Discount Plan), if applicable, that are generated in the course of billing monthly recurring revenue for the Qualifying Services provided during the Service Period;

(2) certain installation and maintenance related non-recurring revenues associated with new installations of certain Qualifying Services provided during the Service Period; and

(3) any credits and adjustments made to monthly recurring billed amounts for Qualifying Services, as set forth in (E)(1)(b)(1) preceding, which are purchased by the customer during the Service Period.

(c) Examples of Revenue Not Included in Calculation of TBR for Qualifying Services

TBR for Qualifying Services does not include any revenue other an as set forth in (E)(1)(b) preceding. The following types of charges are an illustrative list and are not intended to be a comprehensive listing of all other charges excluded from the calculation of TBR for Qualifying Services.

- non-recurring charges other than those set forth in (E)(1)(b) preceding;
- taxes, or other charges imposed by a federal, state, local, or other governmental entity (e.g. Federal Universal Service Fund);
- service or administrative fees or charges imposed by the Telephone Company (e.g. Interest penalty, late payment penalty);
- any other charges which are not applied on a recurring monthly basis;
- any other billed amount related to Qualifying Services for which payment is being withheld or under dispute by the customer;
- 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;
- Shortfall or overage charges associated with term plan true-ups (e.g., such as failure to satisfy commitment levels pursuant to a term plan);
- minimum period charges;
- termination liabilities; or
- Billing Credits (as defined in (E)(2)(b) under this Option 24. (N)

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32. Contract Tariffs (Cont'd)

32.25 Contract Tariff Option 24 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS and Qualifying Services (Cont'd)

(d) FMS Plan – Combined Commitment Levels and Coterminous Expiration Date

(1) Combined Commitment Level

All of the customer's FMS Special Access and Switched Access DS-0 Commitment Levels in this tariff and in the Telephone Company's Tariff F.C.C. No. 1 shall be combined together to form one Commitment Level, allowing the Telephone Company to manage FMS as a single plan across both tariffs. Commitment Levels for FMS are specified in Sections 6.2.12(E)(5) and 7.2.16(E)(5) preceding and Sections 6.8.26(D)(3) and 7.2.13(D)(3) in the Telephone Company's Tariff F.C.C. No. 1. This combined Commitment Level shall be the Commitment Level used to determine compliance with the FMS plan. In the event that the customer does not meet the combined DS-0 equivalent Commitment Level at the time of the Annual Review, then the customer shall be subject to any applicable shortfall penalties that may be assessed in accordance with Sections 6.2.12(E)(4)(b) and 7.2.16(E)(4)(b) preceding and Sections 6.8.26(D)(3)(b)(ii) and 7.2.13(D)(3)(b)(ii) of the Telephone Company's Tariff F.C.C. No. 1. (x) (x) (x) (x) (x) (x) (x)

(2) Coterminous Expiration Date

Regardless of the existing term of a Qualifying FMS, all Qualifying FMS shall become coterminous and expire on May 1, 2007. In the event that the customer terminates any FMS plan prior to May 1, 2007, termination liability under each FMS plan shall apply as set forth in Sections 6.2.12(G)(3) and 7.2.16(G)(3) preceding and Sections 6.8.26(F) and 7.2.13(F) of the Telephone Company's Tariff F.C.C. No. 1. (x) (x)

Except as otherwise set forth in this Option 24, the terms and conditions of the applicable FMS plans shall continue to apply to Qualifying FMS purchased by customer. The terms of this (E)(1)(d) shall survive expiration of this Option 24 and remain in effect until May 1, 2007. (N)

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32. Contract Tariffs (Cont'd)

32.25 Contract Tariff Option 24 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS and Qualifying Services (Cont'd)

(e) Mergers and Acquisitions of Customer

In the event 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 24 and the Tariffs. (x)

(i) 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.

(ii) The customer shall continue subscribing to this Option 24 and the applicable Contract Tariffs for the duration of the Service Period based on its business with the Telephone Company as of February 17, 2005, without adding the revenues attributable to expansion of the customer's purchase of Services from the Telephone Company though merger, transfer, assignment, or acquisition. (x)

(iii) The Telephone Company reserves the right to terminate this Option 24 if the customer does not adhere to the provisions of this (E)(1)(e). (N)

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32. Contract Tariffs (Cont'd)

32.25 Contract Tariff Option 24 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS and Qualifying Services (Cont'd)

(f) Sale of Verizon Operating Telephone Company

If a Verizon operating telephone company issuing this tariff, or the assets of such Verizon operating telephone company are acquired by an unaffiliated third party (**Acquired VZ Telco**), and the Telephone Company does not provide the Qualifying Services to the customer after such time, then the following terms and conditions shall apply, in addition to any other terms and conditions set forth in the Telephone Company's Tariffs F.C.C. No. 1, No. 11, No. 14, No. 16, and No. 20. (x) (x)

(i) each range or tier of the TBR for Qualifying FMS and the TBR for Qualifying Services set forth in the table in (E)(2)(b) following shall be proportionately reduced by the applicable Acquisition Reduction Amount (as calculated in this (E)(1)(f));

(ii) all Billing Credits set forth in the table in (E)(2)(b) following shall be reduced by a percentage which shall be calculated by dividing the Acquisition Reduction Amount for Qualifying Services by $144M; and

(iii) in calculating the Shortfall Penalty or Termination Liability, as set forth in Sections (E)(3) and (E)(4) following, respectively, the TBR of $134M for Qualifying Services shall be reduced by the Acquisition Reduction Amount for Qualifying Services, or the Acquisition Reduction Amount for Qualifying FMS, as calculated in this (E)(1)(f). For example, if the Acquisition Reduction Amount for Qualifying Services, as calculated in this (E)(1)(f), is $7,500,000 (**$7.5M**), then a Shortfall Penalty will not be assessed if the customer has a TBR for Qualifying Services of at least $126,500,000 (the minimum TBR for Qualifying Services of $134M less the Acquisition Reduction Amount of $7.5M). (N)

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32. Contract Tariffs (Cont'd)

32.25 Contract Tariff Option 24 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS and Qualifying Services (Cont'd)

(f) Sale of Verizon Operating Telephone Company (Cont'd)

An Acquisition Reduction Amount shall be calculated for each of the Qualifying FMS and the Qualifying Services as follows:

Step 1: calculate the TBR for Qualifying FMS or the TBR for Qualifying Services, as applicable, purchased by the customer from the Acquired VZ Telco during the twelve (12) months prior to the time that the Acquired VZ Telco ceases to provide the Services;

Step 2: calculate the average monthly amount purchased by the customer from the Acquired VZ Telco for Qualifying FMS or the TBR for Qualifying Services, as applicable, by dividing the number in Step 1 above by 12; and;

Step 3: multiply the average monthly amount for Qualifying FMS or the TBR for Qualifying Services, as applicable, calculated in Step 2 above by the number of months remaining in the Service Period. (N)

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32. Contract Tariffs (Cont'd)

32.25 Contract Tariff Option 24 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS and Qualifying Services (Cont'd)

(f) Sale of Verizon Operating Telephone Company (Cont'd)

As an illustrative example, assume that Verizon New York Inc. was acquired by an unaffiliated third party and ceased to operate in month 3 of the Service Period. Assume that the customer purchased $4,000,000 (**$4M**) of Qualifying FMS and a total of $10,000,000 (**$10M**) of Qualifying Services from Verizon New York Inc. during the twelve (12) months prior to the time that Verizon New York Inc. ceased to provide the Services under this Option 24. Assume also that at the end of the Service Period, the customer has achieved a TBR for Qualifying FMS of $47,000,000 and TBR for Qualifying Services of $150,000,000. To calculate the applicable Billing Credit, or the application of Shortfall Penalty (as defined in (E)(3) following) at the end of the Service Period, the following shall apply:

Step 1: calculate the Acquisition Reduction Amounts. The Acquisition Reduction Amount for Qualifying Services is $7.5M in Qualifying Services (calculated as $833,333 ($10M divided by 12) multiplied by the remaining 9 months of the Service Period). The Acquisition Reduction Amount for Qualifying FMS is $3,000,000 (**$3M**) (calculated as $333,333 ($4M divided by 12) and multiplied by the remaining 9 months of the Service Period).

Step 2: determine the new table for calculation of Billing Credits or Shortfall Penalties (as defined in (E)(3) following) based on the Acquisition Reduction Amounts. Subtract $7.5M (the Acquisition Reduction Amount for Qualifying Services) from each range or tier of the TBR for Qualifying Services and $3M (the Acquisition Reduction Amount for Qualifying FMS) from each range or tier of the TBR for Qualifying FMS. This will provide an adjusted table for the determination of the Billing Credit or Shortfall Penalty, as applicable.

Step 3: determine the applicable Billing Credits as defined in (E)(2) or Shortfall Penalty as described in (E)(3) from the new table calculated in Step 2 above. In this example, the Billing Credit set forth in the table at (E)(2) following will be reduced by 5.2% (calculated as $7.5M divided by $144M). Customer would be eligible for a Billing Credit of $11,470,000 ($12,100,000 Billing Credit using the table set forth in (E)(2)(b) following less $630,000 ($12,100,000 multiplied by 0.052). (N)

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32. Contract Tariffs (Cont'd)

32.25 Contract Tariff Option 24 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS and Qualifying Services (Cont'd)

(g) Business Downturn

In the event of a Business Downturn (as defined in this (E)(1)(g)) which results in Customer being unable to meet the minimum TBR for Qualifying Services of $134M (and notwithstanding the customer's best efforts to avoid such a shortfall), the customer shall not be liable for a Shortfall Penalty pursuant to (E)(3) following to the extent that the Business Downturn results in a reduction in the Qualifying Services purchased by the customer as set forth in this (E)(1)(g). In the event that the customer seeks to invoke the Business Downturn clause under this Option 24, then it shall provide to the Telephone Company written notice of its intent to exercise this clause and any information and records requested by the Telephone Company to support its claim, including without limitation, documentation demonstrating that the End User's bankruptcy, liquidation, or reorganization resulted in the termination or severe decrease in purchases of Qualifying Services by the customer. At its option, the Telephone Company may conduct an audit of the customer's records relating to the discontinued Qualifying Services. Other than with respect to the relief from the Shortfall Penalty as expressly provided in this section, this provision does not constitute a waiver of any charges, penalties, or other amounts, including without limitation, the Shortfall Penalty and any termination liabilities, which the Telephone Company may otherwise be entitled to under this Option 20 or the applicable Tariffs. (x)

Business Downturn shall mean the loss of one or more customers of the customer (**End Users**) due to the bankruptcy, reorganization, or liquidation of such End User(s), which results in the End User(s) ceasing to purchase, or severely curtailing its purchases of Qualifying Services from the customer, which in turn directly results in a twenty-five (25%) or greater reduction in the minimum TBR for Qualifying Services of $134M (i.e., Customer's TBR at the end of the Service Period must be at or below $100,500,000 (**$100.5M**) in order to exercise this clause). For example, assume that an End User declared bankruptcy and ceased purchasing services from Customer, which in turn resulted in a corresponding decrease in the customer's purchase of the Qualifying Services. As a result, the customer's TBR for the Qualifying Services at the end of the Service Period is $120,000,000. Under this scenario, the customer has not experienced a Business Downturn as defined herein since the customer has achieved a TBR of more than $100.5M. The customer shall be liable for a Shortfall Penalty of $7M pursuant to Section (E)(3) following. (N)

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32. Contract Tariffs (Cont'd)

32.25 Contract Tariff Option 24 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit

(a) At the end of the Service Period, the Telephone Company shall calculate (1) the total TBR achieved by the customer during the Service Period for Qualifying Services; and (2) the total TBR achieved by the customer during the Service Period for Qualifying FMS, in each case in accordance with the terms and condition set forth in this Option 24. Subject to the terms and conditions relating to disputes as set forth in (E)(3)(iv) and (E)(3)(v) following, and subject to any reductions and adjustments as set forth herein, the customer shall be eligible to receive the applicable credit set forth in the table at (b) following (the **Billing Credit**), which Billing Credit may be $0 depending on the customer's TBR for the Qualifying Services and TBR for the Qualifying FMS during the Service Period. If the customer has not met the minimum TBR requirement for Qualifying Services of $134M, or the adjusted minimum TBR requirement pursuant to (E)(1)(f) preceding, then the customer shall not receive any Billing Credits (i.e., a Billing Credit of $0 as set forth in the table set forth in (E)(2)(b) following), and the customer shall be liable for the Shortfall Penalty as set forth in (E)(3) following.

(b) The Billing Credit shall be determined by using the table below. To calculate the Billing Credit, first, locate the customer's TBR for Qualifying FMS using the "x axis" of the table below under the heading "TBR for Qualifying FMS ($M)". Second, locate the customer's TBR for all Qualifying Services using the "y axis" of the table below under the heading "TBR for Qualifying Services ($M)". Third, find the corresponding meet-point of the two TBR amounts to determine the dollar amount of the Billing Credit. TBR Amounts will be rounded up or down to the nearest $10,000. As an illustrative example, assume that the customer has a TBR for Qualifying FMS of $46,993,456.27 (rounded down to $46.99) and a TBR for all Qualifying Services of $154,494,666.23 (rounded down to $154.49M), then the customer shall be eligible for a Billing Credit of $8,100,000.00 (N)

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32. Contract Tariffs (Cont'd)

32.25 Contract Tariff Option 24 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(b) (Cont'd)

TBR for Qualifying Services ($M)	TBR for Qualifying FMS ($M)							
	0.00 to 44.99	45.00 to 46.99	47.00 to 48.99	49.00 to 50.99	51.00 to 52.99	53.00 to 54.99	55.00 to 56.99	57.00 +
134.00 – 143.99*	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
144.00 – 146.62	$0.0	$4.2	$4.9	$5.6	$6.3	$7.0	$7.7	$8.4
146.63 – 149.24	$0.0	$5.5	$6.2	$6.9	$7.6	$8.3	$9.0	$9.7
149.25 – 151.87	$0.0	$6.8	$7.5	$8.2	$8.9	$9.6	$10.3	$11.0
151.88 – 154.49	$0.0	$8.1	$8.8	$9.5	$10.2	$10.9	$11.6	$12.3
154.50 – 157.12	$0.0	$9.4	$10.1	$10.8	$11.5	$12.2	$12.9	$13.6
157.13 – 159.74	$0.0	$10.7	$11.4	$12.1	$12.8	$13.5	$14.2	$14.9
159.75 – 162.37	$0.0	$12.1	$12.8	$13.5	$14.2	$14.9	$15.6	$16.3
162.38 – 165.00	$0.0	$13.4	$14.1	$14.8	$15.5	$16.2	$16.9	$17.6

* Shortfall Penalty applies if Customer is below this range for Qualifying Services, as set forth in (E)(3) following.

(c) The Billing Credit shall apply after all other discounts, adjustments, and credits to the customer's monthly billed recurring revenues for the Qualifying Services have been calculated and applied. For instance, if the customer subscribes to Commitment Discount Plan as set forth in Section 25 of this tariff (**CDP**), then the customer would be billed CDP discounted rates on a monthly basis. These discounted revenues would be included in the customer's TBR for the Qualifying Services calculation as set forth (E)(2)(b) preceding. In accordance with (E)(1)(c) preceding, any Shortfall Penalties (as defined in (E)(3) following) resulting from an annual true-up as required by CDP would not be included in the TBR for the Qualifying Services.

(d) If the customer exceeds the maximum TBR for Qualifying Services of $165M during the Service Period, the customer will not receive the Billing Credit under this Option 24. If the customer exceeds the TBR for Qualifying FMS of $57M, but has not exceeded a TBR for Qualifying Services of $165M, then the customer shall continue to be eligible for the applicable Billing Credit set forth in the table at (E)(2)(b) preceding based on the TBR for Qualifying Services. (N)

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32. Contract Tariffs (Cont'd)

32.25 Contract Tariff Option 24 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(e) Timing of Payments and Billing Credits; Disputes; Releases and Waivers

(1) If the customer is eligible to receive the Billing Credit, the Billing Credit will be credited to the customer's account no later than the ninetieth (90th) day following the end of the Service Period, subject to the terms of this Option 24. If the customer is required to pay a Shortfall Penalty in accordance with the terms of (E)(3) following, then the customer shall pay such amount no later than the ninetieth (90th) day following the end of the Service Period.

(2) The Telephone Company's provision of the Billing Credit is contingent on payment in full by the customer of all undisputed billed amounts for Qualifying Services no later than the 45th day after the end of the Service Period. After the 45th day following the end of the Service Period, any amounts that remain disputed or are withheld by the customer (i.e., not paid in full) shall not be used in calculation of the TBR for the Qualifying Services, TBR for Qualifying FMS, in determination of the Billing Credit, or in determination of any applicable Shortfall Penalty, as applicable. The foregoing shall apply regardless of whether such dispute is resolved in favor of the customer at a later date.

(3) Upon inclusion of any amounts in the TBR for Qualifying Services or in the TBR for Qualifying FMS, the parties agree to the following:

(i) such amounts included in the calculation of TBR shall not be subject to dispute at a later date. The Telephone Company shall not backbill for any Qualifying Services included in the calculation of the TBR;

(ii) each party waives and releases, and forever discharges the other party of and from any and all manner of claims, demands, rights, liabilities, damages, potential actions, causes of action, suits, agreements, judgments, decrees and controversies of any kind and nature whatsoever, at law, in equity, or otherwise, whether known or unknown, which have arisen or might arise related to amounts payable by the customer or amounts credited to the customer by the Telephone Company for the Qualifying Services provided by the Telephone Company to the customer during the Service Period.

(iii) The customer shall retain its right to dispute with respect to any amounts that are not included in the TBR for Qualifying Services or in the TBR for Qualifying FMS. The Telephone Company shall retain its rights to backbill for any Qualifying Services not included in the calculation of TBR for the Qualifying Services. (N)

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32. Contract Tariffs (Cont'd)

32.25 Contract Tariff Option 24 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(e) Timing of Payments and Billing Credits; Disputes; Releases and Waivers (Cont'd)

(3) (Cont'd)

(iii) (Cont'd)

As an illustrative example, assume that the Telephone Company calculates the TBR for the Qualifying Services to be equal to $160,000,000 (**$160M**), and the TBR for Qualifying FMS to be equal to $50,000,000 (**$50M**). Assume that of the $160M, the customer disputes $10M in Special Access Services, and has no other disputes for Qualifying Services. Assume also that the customer has paid such amount and that such dispute remains unresolved as of the 90th day following the end of the Service Period. Then, the final TBR for Qualifying Services shall be $150,000,000 ($160M less the $10M in disputes) and the final TBR for Qualifying FMS of $50M, and the Telephone Company shall pay a Billing Credit of $8,200,000 in accordance with the terms of this Option 24. The customer shall retain its right to dispute and recover any amounts (and interest penalties, as applicable) on the outstanding dispute of $10M, but such amounts (even if resolved in favor of the customer at a later date) shall not result in an adjustment of the Billing Credit. The Telephone Company may backbill the customer for any Qualifying Services included in the $10M. Upon payment of the Billing Credit, the customer may not dispute, and the Telephone Company may not backbill, charges on any amounts included in the $150,000,000 (the TBR for Qualifying Services) or in the $50M (the TBR for Qualifying FMS).

(iv) With respect to any dispute for Qualifying Services, the customer must provide sufficient claim detail to enable the Telephone Company to appropriately assess the dispute, including but not limited to, the Billing Account Number (BAN), circuit ID, USOC detail, amount in dispute, appropriate tariff references, and a full explanation regarding why the customer believes it was billed in error. (N)

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32. Contract Tariffs (Cont'd)

32.25 Contract Tariff Option 24 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(e) Timing of Payments and Billing Credits; Disputes; Releases and Waivers (Cont'd)

(3) (Cont'd)

(v) The customer's disputes with respect to Qualifying FMS shall reduce the amount of the TBR for Qualifying FMS as calculated in (E)(2) preceding. Notwithstanding the foregoing, the aggregate amount of all disputes (including disputes for Qualifying FMS from the prior sentence and Services other than Qualifying FMS) shall reduce the amount of the TBR for Qualifying Services, as calculated in accordance with the terms of this Option 24. For example, if the customer has billed revenue of $50M in Qualifying FMS, of which $5,000,000 (**$5M**) are disputed by the customers, then the TBR for Qualifying FMS shall be $45,000,000. In addition, assume that the customer has $150M of billed revenue of Qualifying Services, which amount includes billed revenues of $50M in Qualifying FMS. If the customer has disputes of $10M on Services other than Qualifying FMS, then the TBR for Qualifying Services shall be $135,000,000 ($150M less $15,000,000 in disputes (comprised of $5M in disputes on Qualifying FMS plus $10M in disputes on other Switched Access, Special Access, and Advanced Services).

(vi) The amount of the Billing Credit shall not be subject to any interest penalty. (N)

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32. Contract Tariffs (Cont'd)

32.25 Contract Tariff Option 24 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(3) Shortfall Penalty

If the customer does not satisfy the minimum TBR requirement for Qualifying Services of $134M during the Service Period, the customer will pay a shortfall payment equal to fifty percent (50%) of the difference between minimum TBR of $134M, or the adjusted minimum TBR requirement as set forth in (E)(1)(f) preceding, as applicable, and the customer's actual annual TBR for the Qualifying Services during the Service Period (the **Shortfall Penalty**). In addition, and even upon payment of the Shortfall Penalty as set forth in the prior sentence, the customer will not be eligible to receive any applicable Billing Credits under this Option 24. If the customer has a TBR for Qualifying Services of at least $134M, or an adjusted minimum TBR requirement as set forth in Section (E)(2) preceding, then no Shortfall Penalty, as set forth in this Section (E)(3), shall apply, but the customer may be ineligible for any Billing Credits, as set forth in the table set forth in (E)(2)(b) preceding, based on the customer's TBR for Qualifying Services and the customer's TBR for Qualifying FMS, each as adjusted in accordance with (E)(1)(f) preceding, as applicable. As an illustrative example, assume that the customer has achieved a TBR for the Qualifying Services of $125,000,000 (**$125M**) during the Service Period, and assuming that no adjustment under (E)(2)occurred, then the customer shall pay to the Telephone Company an amount equal to $4,500,000 (which is equal to $9,000,000 (i.e., minimum TBR for Qualifying Services of $134M less the customer's actual TBR for the Qualifying Services of $125M), multiplied by 50%). The customer will not be eligible to receive any applicable Billing Credits.

The customer shall not be charged a Shortfall Penalty for failing to meet the minimum TBR requirement for Qualifying FMS of $45M, or an adjusted minimum TBR requirement as set forth in (E)(1)(f) preceding, as applicable, during the Service Period. However, the customer shall not be eligible for any Billing Credits, as set forth in the table at (E)(2)(b) preceding. (N)

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32. Contract Tariffs (Cont'd)

32.25 Contract Tariff Option 24 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(4) Termination Charges

If Customer cancels or terminates this Option 24 or its subscription to the applicable Contract Tariff Option(s) under the Tariffs prior to the expiration of the Service Period, the customer will be liable for one hundred percent (100%) of the difference between the customer's TBR for the Qualifying Services at the time of cancellation or termination and the minimum TBR for Qualifying Services of $134M, or the adjusted minimum TBR requirement as set forth in Section (E)(1)(f) preceding, as applicable. The foregoing does not apply in the event that the customer terminates this Option 24 for the Telephone Company's failure to materially comply with this Option 24 or the Tariffs applicable to the Qualifying Services. In addition, the customer shall not be eligible for the Billing Credit. This section does not relieve the customer of any termination liabilities or minimum period charges under the Tariffs that may apply for termination of any individual Qualifying Service. The terms and conditions of the Tariffs, including any applicable termination liabilities, shall continue to apply with respect to termination of any Qualifying Service. (x)

As an illustrative example, assume that the customer has a TBR for the Qualifying Services of $100,000,000 during the first eight months of the Service Period, and that no adjustment under (E)(1)(f) preceding occurred. Also assume that the customer decides to terminate this Option 24 at such time, and that such termination is not related to a material failure by the Telephone Company to provide the Qualifying Services in accordance with the Tariffs. Customer shall pay termination charges of $34,000,000 (the minimum TBR of $134M for Qualifying Services less the actual TBR for the Qualifying Services of $100,000,000, multiplied by 100%). The customer shall not be eligible for any applicable Billing Credits. In this example, if customer also terminates or discontinues one or more Qualifying Services, then customer shall be responsible for any associated termination liabilities and minimum period charges assessable under the applicable Tariff for such terminated or discontinued service. (x) (N)

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32. Contract Tariffs (Cont'd)

32.25 Contract Tariff Option 24 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(5) New Contract Tariff Option

Provided that the customer meets all of the criteria set forth in this (E)(5), the customer will be allowed to terminate Option 24 and subscribe to the New Plan without paying the termination charges set forth in (E)(4) preceding. **New Plan** shall mean another contract tariff option for the Qualifying Services offered by the Telephone Company during the Service Period with identical or greater TBR levels than those provided under this Option 24. If the customer elects to terminate this Option 24 in order to subscribe to the New Plan, then (1) the customer must so elect in writing; (2) the customer must subscribe to the New Plan concurrently with or prior to the termination date of this Option 24 or the applicable Contract (x)
Tariff Option(s) under the Tariffs; and (3) the customer must (x)
independently qualify and be eligible for such New Plan. Unless otherwise provided in the New Plan, the customer shall not be afforded any Billing Credits under this Option 24 for any time in service under this Option 24, nor shall the customer be afforded any credit in the New Plan for any portion of the Service Period that has elapsed at the time of the customer's subscription to the New Plan. (N)

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32. Contract Tariffs (Cont'd)

32.26 Contract Tariff Option 25 (N)

(A) Scope

Contract Tariff Option 25 (**Option 25**) is offered for a service commitment period of one (1) year and provides a customer with an annual credit when it meets certain total billed revenue (**TBR**) thresholds set forth in (B)(4) following for the Qualifying Services set forth in (E)(1) following (**TBR for Qualifying Services**). Calculation of TBR for Qualifying Services shall be in accordance with the terms of this Option 25.

(B) Eligibility

The customer must meet all of the following eligibility criteria in order to be eligible for subscription to Option 25.

(1) A customer subscribes to Option 25 by submitting a written authorization in a manner designated by the Telephone Company during the thirty (30) day period which begins on April 2, 2005 and ends on May 1, 2005 (**Subscription Period**). The customer must notify the Telephone Company of its election to each of the following three (3) options available under this Option 25 at the time of subscription to this Option 25:

(a) RMC option under Section (E)(2)(d) following;
(b) Use of Telephone Company provided Special Access Services under Section (E)(1)(f) following; and
(c) Qualifying DS1 Rate Stability Option under Section (E)(6) following.

(2) During calendar year 2004, the customer must have achieved billed revenue in Qualifying Switched Access DS1 and DS3 Direct Trunk Transport services, as defined in (E)(1) following, purchased by the customer from the Telephone Company that is greater than zero ($0) and less than a maximum of $750,000 (**$750K**).

(3) During the Service Period as set forth in (C) following, the customer must achieve a TBR for Qualifying Services (as defined in (E)(1) following) of not less than $43,000,000 (**$43M**) and no more than $69,000,000 (**$69M**) for Qualifying Services. (N)

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32. Contract Tariffs (Cont'd)

32.26 Contract Tariff Option 25 (Cont'd) (N)

(B) Eligibility (Cont'd)

(4) In order to receive any Billing Credit (as defined in (E)(2)(a) following), other than a Billing Credit of $0 under this Option 25, the customer must achieve a minimum TBR of at least $45M and less than or equal to a maximum of $69M of Qualifying Services.

(5) TBR for Qualifying Services and TBR for Qualifying DS1 Services (as defined in (E)(1)(b) following) shall be calculated using the criteria and mechanism set forth in this Option 25. Billing Credits shall vary depending on the TBR for Qualifying Services and the TBR for Qualifying DS1 Services achieved by the customer during the Service Period, and such Billing Credits shall be calculated in accordance with terms and conditions of this Option 25.

(6) The customer must include all of the Access Customer Name Abbreviations (**ACNAs**) that it owns or has right to use, and all ACNAs of affiliates when subscribing to this Option 25. All such ACNAs must be verified and accepted by the Telephone Company prior to inclusion in this Option 25. All purchases of Qualifying Services by all of the customer's ACNAs and ACNAs of the customer's affiliates will be included in determining whether the customer has met the TBR for Qualifying Services.

(7) The customer may not concurrently 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 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 revenue targets by the customer for the Qualifying Services.

(C) Service Period

The Service Period of this Option 25 shall be for a period of one (1) year beginning April 2, 2005 and ending April 1, 2006 (**Service Period**). (N)

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32. Contract Tariffs (Cont'd)

32.26 Contract Tariff Option 25 (Cont'd) (N)

(D) Service Area

The Billing Credit will be provided only in the Metropolitan Statistical Areas (**MSAs**) that have achieved Phase I or Phase II pricing flexibility under this tariff and the Telephone Company's Tariff F.C.C. Nos. 1 and 14 (**Service Area**). Wire centers for the Phase II MSAs are listed in Section 15.3 preceding, Section 14.7 of the Telephone Company's Tariff F.C.C. No. 1, and Section 19.1 of the Telephone Company's Tariff F.C.C. No. 14. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 15.3 preceding) that occur during the Service Period of this Option 25 will apply. No Billing Credits will be provided in the operating territories of the Telephone Company's Tariff F.C.C. No. 16, but the calculation of the TBR for the Qualifying Services will include all Qualifying Services purchased by the customer under (E)(1)(a) following. (x) (x) (x) (x) (x) (x) (N)

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32. Contract Tariffs (Cont'd)

32.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions

(1) Qualifying DS1 and Qualifying Services

(a) Description of Qualifying Services

Qualifying Services will be comprised of the following services purchased by the customer during the Service Period:

(1) Special Access Voice Grade, Digital Data Service (**DDS**), DS1, DS3, SONET, Dense Wave Division Multiplexing, and other Optical services, as set forth in Sections 7, 25, 26, 30, and 31 preceding; the Telephone Company's Tariff F.C.C. No. 1 (Sections 7, 8, and 25); the Telephone Company's Tariff F.C.C. No. 14 (Sections 5 and 20); and the Telephone Company's Tariff F.C.C. No. 16 (Sections 7 and 20) (collectively, **Special Access**); and (x)

(2) Switched Access DS1 and DS3 Direct Trunk Transport services, as set forth in Sections 6, 30, and 31 preceding; the Telephone Company's Tariff F.C.C. No. 1 (Section 6); the Telephone Company's Tariff F.C.C. No. 14 (Section 4); and the Telephone Company's Tariff F.C.C. No. 16 (Section 6) (collectively, **Switched DTT**). (x)

If the Telephone Company introduces a new Special Access Service or Switched DTT Service, or an enhancement to an existing Special Access Service or Switched DTT Service in this tariff or its Tariff F.C.C. Nos. 1, 14, or 16 (collectively, **Tariffs**), then such services shall be automatically included in Qualifying Services, and the customer's purchases of such new or enhanced Qualifying Services shall be included in the calculation of TBR, subject to the terms and conditions set forth in this Option 25. (x)

All other services purchased by the customer from the Telephone Company or any affiliate of the Telephone Company and not listed in this (E)(1)(a) shall not be eligible for inclusion as a Qualifying Service under this Option 25. (N)

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32. Contract Tariffs (Cont'd)

32.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying DS1 and Qualifying Services (Cont'd)

(b) Description of Qualifying DS1

Qualifying DS1 (1.544 Mbps) will be comprised of the following services purchased by the customer during the Service Period:

Special Access 1.544 Mbps High Capacity services, as set forth in Section 7 preceding; the Telephone Company's Tariff F.C.C. No. 1 (Section 7); the Telephone Company's Tariff F.C.C. No. 14 (Section 5); and the Telephone Company's Tariff F.C.C. No. 16 (Section 7) (collectively, **DS1**). (x) (x) (x)

(c) Revenues Included in Calculation of TBR for Qualifying Services

The customer's TBR for Qualifying Services shall include only the following:

(1) monthly billed recurring revenues, including (that is, net) any credits or discounts given under existing pricing plans (e.g., Term Payment Plans or Commitment Discount Plan), if applicable, for the Qualifying Services provided during the Service Period; and

(2) any credits and adjustments made to monthly recurring billed amounts for Qualifying Services, as set forth in (E)(1)(c)(1) preceding, which are purchased by the customer during the Service Period. (N)

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32. Contract Tariffs (Cont'd)

32.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying DS1 and Qualifying Services (Cont'd)

(d) Examples of Revenue Not Included in Calculation of TBR for Qualifying Services

TBR for Qualifying Services does not include any revenue other than as set forth in (E)(1)(c) preceding. The following types of charges are an illustrative list and are not intended to be a comprehensive listing of all other charges excluded from the calculation of TBR for Qualifying Services.

- non-recurring charges;
- taxes, or other charges imposed by a federal, state, local, or other governmental entity (e.g. Federal Universal Service Fund);
- service or administrative fees or charges imposed by the Telephone Company (e.g. Interest penalty, late payment penalty);
- any other charges which are not applied on a recurring monthly basis;
- any billed amount related to Qualifying Services for which payment is being withheld or under dispute by the customer;
- 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;
- Shortfall or overage charges associated with term plan true-ups (e.g., such as failure to satisfy commitment levels pursuant to a term plan);
- minimum period charges;
- termination liabilities; or
- Billing Credits (as defined in (E)(2)(b) under this Option 25)

(e) Use of Telephone Company SONET OC3 Services

For customers who subscribe to this Option 25 and also purchase new SONET IntelliLight Broadband Transport (**IBT**) OC3/OC3c service during the Service Period, a TBR multiplier of 1.15 will be applied to such TBR associated with such new SONET IBT OC3/OC3c service. IBT is set forth in Section 26.1.5 preceding. This multiplier shall only be used to determine the TBR for Qualifying Services, and not for any other purpose. (N)

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32. Contract Tariffs (Cont'd)

32.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying DS1 and Qualifying Services (Cont'd)

(e) Use of Telephone Company SONET OC3 Services (Cont'd)

In calculating TBR for Qualifying Services, the Telephone Company shall determine the total amount of monthly billed recurring revenues for new IBT OC3/OC3c services which have been purchased by the customer during the Service Period, and multiply the same by 1.15 (that is, a fifteen percent (15%) incentive for subscription to new IBT OC3/OC3c services). For example, assume that the customer's total amount of monthly billed recurring revenues for new IBT OC3/OC3c services during the Service Period was $1,000,000 ($1M). Then, in calculating TBR for Qualifying Services, the customer shall be deemed to have purchased $1,150,000 ($1.15M) in Qualifying Services. For purposes of this Option 25, a new SONET IBT OC3/OC3c service must meet one of the following criteria:

(1) newly ordered and provisioned during the Service Period by the customer under this Option 25 or in the Telephone Company's Tariff F.C.C. Nos. 1, 14, or 16; or (x) (x)

(2) upgrade of an existing Special Access service during the Service Period that is not a SONET IBT OC3/OC3c service (e.g., upgrade of a DS1 or DS3 to a SONET IBT OC3 service) under the provisions set forth in other sections of this tariff. (N)

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32. Contract Tariffs (Cont'd)

32.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying DS1 and Qualifying Services (Cont'd)

(f) Use of Telephone Company Provided Special Access Services

For customers who subscribe to this Option 25 and convert their DS1 capacity loops, dedicated transport, or Expanded Extended Loops (**EELs**) (collectively, **DS1 UNEs**) provided by the Telephone Company as unbundled network elements (**UNEs**) to Special Access DS1 Service under Section 7.9 preceding of this tariff, the Telephone Company will multiply the customer's TBR associated with such converted DS1 UNEs by 1.50. This multiplier shall only be used to determine the TBR for Qualifying Services, and not for any other purpose.

For example, if the customer converts $1,000,000 ($1M) in DS1 UNEs to Special Access DS1 Services during the Service Period of this Option 25, then, in calculating TBR for Qualifying Services, the customer shall be deemed to have purchased $1,500,000 ($1.50M) in Special Access DS1 Services for purposes of calculating the TBR for Qualifying Service.

(g) Mergers and Acquisitions of Customer

In the event 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 25 and the Tariffs. (x)

(i) 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.

(ii) The customer shall continue subscribing to this Option 25, Contract Tariff Option 23 in the Telephone Company's Tariff F.C.C. No. 1, or Contract Tariff Option 13 in the Telephone Company's Tariff F.C.C. No. 14 for the duration of the Service Period based on its business with the Telephone Company as of the customer's date of subscription to Option 25 without adding the revenues attributable to expansion of the customer's purchase of Services from the Telephone Company through merger, transfer, assignment, or acquisition. (x) (x) (x)

(iii) The Telephone Company reserves the right to terminate this Option 25 without any liability if the customer does not adhere to the provisions of this (E)(1)(g). (N)

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32. Contract Tariffs (Cont'd)

32.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying DS1 and Qualifying Services (Cont'd)

(h) Sale of Verizon Operating Telephone Company

If a Verizon operating telephone company issuing this tariff, or the assets of such Verizon operating telephone company are acquired by an unaffiliated third party (**Acquired VZ Telco**), and the Telephone Company does not provide the Qualifying Services to the customer after such time, then the following terms and conditions shall apply, in addition to any other terms and conditions set forth in this tariff and in the Telephone Company's Tariff F.C.C. Nos. 1, 14, and 16. (x) (x)

(i) each range or tier of the TBR for Qualifying DS1 and the TBR for Qualifying Services set forth in the table in (E)(2)(b) following shall be proportionately reduced by the applicable Acquisition Reduction Amount (as calculated in this (E)(1)(h));

(ii) all Billing Credits set forth in the table in (E)(2)(b) following shall be reduced by a percentage which shall be calculated by dividing the Acquisition Reduction Amount for Qualifying Services by $45M; and

(iii) in calculating the Shortfall Penalty or Termination Liability, as set forth in Sections (E)(4) and (E)(5) following, respectively, the TBR of $43M for Qualifying Services shall be reduced by the Acquisition Reduction Amount for Qualifying Services, or the Acquisition Reduction Amount for Qualifying DS1, as calculated in this (E)(1)(h). For example, if the Acquisition Reduction Amount for Qualifying Services, as calculated in this (E)(1)(h), is $8,500,000 (**$8.5M**), then a Shortfall Penalty will not be assessed if the customer has a TBR for Qualifying Services of at least $34,500,000 (the minimum TBR for Qualifying Services of $43M less the Acquisition Reduction Amount of $8.5M). (N)

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32. Contract Tariffs (Cont'd)

32.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying DS1 and Qualifying Services (Cont'd)

(h) Sale of Verizon Operating Telephone Company (Cont'd)

An Acquisition Reduction Amount shall be calculated for each of the Qualifying DS1 and the Qualifying Services as follows:

Step 1: calculate the TBR for Qualifying DS1 or the TBR for Qualifying Services, as applicable, purchased by the customer from the Acquired VZ Telco during the twelve (12) months prior to the time that the Acquired VZ Telco ceases to provide the Services;

Step 2: calculate the average monthly amount purchased by the customer from the Acquired VZ Telco for Qualifying DS1 or the TBR for Qualifying Services, as applicable, by dividing the number in Step 1 above by 12; and

Step 3: multiply the average monthly amount for Qualifying DS1 or the TBR for Qualifying Services, as applicable, calculated in Step 2 above by the number of months remaining in the Service Period. (N)

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32. Contract Tariffs (Cont'd)

32.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying DS1 and Qualifying Services (Cont'd)

(h) Sale of Verizon Operating Telephone Company (Cont'd)

As an illustrative example, assume that an Acquired VZ Telco ceased to operate in month 3 of the Service Period. Assume that the customer purchased $4,000,000 (**$4M**) of Qualifying DS1 and a total of $10,000,000 (**$10M**) of Qualifying Services from the Acquired VZ Telco during the twelve (12) months prior to the time that the Verizon operating telephone company ceased to provide the Services under this Option 25. Assume also that at the end of the Service Period, the customer has achieved a TBR for Qualifying DS1 of $25,000,000 and TBR for Qualifying Services of $57,000,000. To calculate the applicable Revenue Maintenance Credit (**RMC**) under (E)(2)(d) following, Billing Credit, or the application of Shortfall Penalty (as defined in (E)(4) following) at the end of the Service Period, the following shall apply:

Step 1: calculate the Acquisition Reduction Amounts. Using the number from the example above, the Acquisition Reduction Amount for Qualifying Services is $7.5M in Qualifying Services (calculated as $833,333 ($10M divided by 12) multiplied by the remaining 9 months of the Service Period). The Acquisition Reduction Amount for Qualifying DS1 is $3,000,000 (**$3M**) (calculated as $333,333 ($4M divided by 12) and multiplied by the remaining 9 months of the Service Period).

Step 2: If the customer has subscribed to the RMC billing credit option under (E)(2)(d) following, then the customer's 3-month average TBR for Qualifying Services (as measured on a rolling 3 month basis) shall be reduced by the average monthly TBR for Qualifying Services purchased by customer from the Acquired VZ Telco. Using the example above, the adjusted monthly minimum TBR that customer must maintain to receive the RMC billing credit and to remain eligible for the Billing Credit at the end of the Service Period is $3.7M ($4.5M less $833,333 ($10M TBR from the Acquired VZ Telco divided by 12 months).

Step 3: determine the new table for calculation of Billing Credits or Shortfall Penalties (as defined in (E)(4) following) based on the Acquisition Reduction Amounts. Subtract $7.5M (the Acquisition Reduction Amount for Qualifying Services) from each range or tier of the TBR for Qualifying Services and $3M (the Acquisition Reduction Amount for Qualifying DS1) from each of the two ranges for Qualifying DS1. This will provide an adjusted table for the determination of the Billing Credit or Shortfall Penalty, as applicable. (N)

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32. Contract Tariffs (Cont'd)

32.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying DS1 and Qualifying Services (Cont'd)

(h) Sale of Verizon Operating Telephone Company (Cont'd)

Step 4: determine the applicable Billing Credits as defined in (E)(2) or Shortfall Penalty as described in (E)(4) from the new table calculated in Step 3 above. In this example, the Billing Credit set forth in the table at (E)(2) following will be reduced by 16.7% (calculated as $7.5M divided by $45M). The customer would be eligible for a Billing Credit of $3,165,400 ($3,800,000 Billing Credit using the table set forth in (E)(2)(b) following as adjusted in Step 3 above, less $634,600 ($3,800,000 multiplied by 0.0167).

(2) Calculation of TBR and Billing Credit

(a) At the end of the Service Period, the Telephone Company shall calculate (1) the total TBR achieved by the customer during the Service Period for Qualifying Services; and (2) the total TBR achieved by the customer during the Service Period for Qualifying DS1s, in each case in accordance with the terms and conditions set forth in this Option 25. Subject to the terms and conditions relating to disputes as set forth in (E)(2)(e)(3)(iii) and (E)(2)(e)(3)(iv) following, and subject to any reductions and adjustments as set forth herein, the customer shall be eligible to receive the applicable credit set forth in the table in (E)(2)(b) following (the **Billing Credit**), which Billing Credit may be $0 depending on the customer's TBR for the Qualifying Services and TBR for the Qualifying DS1 during the Service Period. If the customer has not met the minimum TBR requirement for Qualifying Services of $43M, or the adjusted minimum TBR requirement pursuant to (E)(1)(h) preceding, then the customer shall not receive any Billing Credits (i.e., a Billing Credit of $0 as set forth in the table set forth in (E)(2)(b) following), and the customer shall be liable for the Shortfall Penalty as set forth in (E)(4) following. If the customer exceeds the maximum TBR for Qualifying Services of $69M during the Service Period, the customer will not receive the Billing Credit under this Option 25.

(b) The Billing Credit shall be determined by using the table below. To calculate the Billing Credit, first, locate the customer's TBR for Qualifying DS1 using the "x axis" of the table below under the heading "TBR for Qualifying DS1 ($M)". Second, locate the customer's TBR for all Qualifying Services using the "y axis" of the table below under the heading "TBR for Qualifying Services ($M)". Third, find the corresponding meet-point of the two TBR amounts to determine the dollar amount of the Billing Credit. TBR Amounts will be rounded up or down to the nearest $10,000. As an illustrative example, assume that the customer has a TBR for Qualifying DS1 of $26,993,456.27 (rounded down to $26.99) and a TBR for all Qualifying Services of $54,494,666.23 (rounded down to $54.49M), then the customer shall be eligible for a Billing Credit of $2,500,000.00. (N)

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32. Contract Tariffs (Cont'd)

32.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(b) (Cont'd)

TBR for Qualifying Services ($M)	TBR for Qualifying DS1	
	Up to $20,000,000	$20,000,001 and above
$43.00 – $44.99*	$0.00	$0.00
45.00 – 45.99	0.76	0.95
46.00 – 46.99	0.96	1.20
47.00 – 47.99	1.16	1.45
48.00 – 48.99	1.36	1.70
49.00 – 50.99	1.56	1.95
51.00 – 53.99	1.775	2.225
54.00 – 56.99	2.00	2.50
57.00 – 58.99	2.20	2.75
59.00 – 60.99	2.40	3.00
61.00 – 62.99	2.70	3.40
63.00 – 64.99	3.00	3.80
65.00 – 66.99	3.50	4.40
67.00 – 69.00	4.00	5.00

* Shortfall Penalty applies if the customer is below this range for Qualifying Services, as set forth in (E)(4) following. (N)

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32. Contract Tariffs (Cont'd)

32.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(c) The Billing Credit is subject to the terms and conditions relating to disputes as set forth in (E)(2)(e)(3)(iii) and (E)(2)(e)(3)(iv) following, and subject to any reductions and adjustments as set forth herein.

(d) Revenue Maintenance Credit Option

The customer has the option to receive a credit of $500,000 ($500K) under this Option 25 if the customer achieves a monthly TBR for Qualifying Services that is greater than $4,500,000 (**$4.5M**) in any of the first three (3) months of its subscription to Option 25 (**Revenue Maintenance Credit or RMC**). In the event that the customer's 3-month average TBR for Qualifying Services (as measured on a rolling 3 month basis) falls below $4.5M in any of the remaining nine (9) months of the Service Period, the RMC amount must be refunded to the Telephone Company, and the customer will not be eligible for any Billing Credits at the end of the Service Period. The customer may also be subject to a Shortfall Penalty under (E)(4) following, in which event, the customer must refund the amount of the RMC in addition to paying any applicable Shortfall Penalty. If the customer terminates this Option 25, then the customer may also be subject to termination penalties under (E)(5) following, in which event, the customer must refund the amount of the RMC in addition to paying any applicable termination penalties. If the customer is eligible to receive the RMC, the RMC will be credited to the customer's account in the fifth bill period following subscription to Option 25. The amount of the RMC shall not be subject to any interest penalty. (N)

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32. Contract Tariffs (Cont'd)

32.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(e) Timing of Payments and Billing Credits, Disputes, Releases, and Waivers

(1) If the customer is eligible to receive the Billing Credit, the Billing Credit will be credited to the customer's account no later than the ninetieth (**90th**) day following the end of the Service Period, subject to the terms of this Option 25.

If the customer is required to pay a Shortfall Penalty in accordance with the terms of (E)(4) following, then the customer shall pay such amount no later than the 90th day following the end of the Service Period. If the Customer is required to refund the RMC in accordance with Section (E)(2)f) preceding, then customer must refund such RMC no later than the ninetieth (90th) day following the end of the Service Period.

(2) The Telephone Company's provision of the Billing Credit is contingent on payment in full by the customer of all undisputed billed amounts for Qualifying Services no later than the 45th day after the end of the Service Period. After the 45th day following the end of the Service Period, any amounts that remain disputed or are withheld by the customer (i.e., not paid in full) shall not be used in calculation of the TBR for the Qualifying Services, TBR for Qualifying DS1, in determination of the Billing Credit, or in determination of any applicable Shortfall Penalty, as applicable. The foregoing shall apply regardless of whether such dispute is resolved in favor of the customer or the customer remits payment of undisputed amounts at a later date.

(3) Upon inclusion of any amounts in the TBR for Qualifying Services or in the TBR for Qualifying DS1, the customer agrees to the following:

(i) such amounts included in the calculation of TBR shall not be subject to dispute at a later date.

(ii) the customer waives and releases, and forever discharges the Telephone Company of and from any and all manner of claims, demands, rights, liabilities, damages, potential actions, causes of action, suits, agreements, judgments, decrees and controversies of any kind and nature whatsoever, at law, in equity, or otherwise, whether known or unknown, which have arisen or might arise related to amounts paid or payable by the customer or any amounts credited to the customer by the Telephone Company for the Qualifying Services provided by the Telephone Company to the customer during the Service Period. (N)

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32. Contract Tariffs (Cont'd)

32.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(e) Timing of Payments and Billing Credits, Disputes, Releases, and Waivers (Cont'd)

(3) (Cont'd)

(iii) The customer shall retain its right to dispute with respect to any amounts that are not included in the TBR for Qualifying Services or in the TBR for Qualifying DS1.

As an illustrative example, assume that the Telephone Company calculates the TBR for the Qualifying Services to be equal to $60,000,000 (**$60M**), and the TBR for Qualifying DS1 to be equal to $25,000,000 (**$25M**). Assume that of the $60M, the customer disputes $10M in SONET Special Access Services, and has no other disputes for Qualifying Services. Assume also that the customer has paid such amount and that such dispute remains unresolved as of the 45th day following the end of the Service Period. Then, the final TBR for Qualifying Services shall be $50,000,000 ($60M less the $10M in disputes) and the final TBR for Qualifying DS1 shall be $25M, and the Telephone Company shall pay a Billing Credit of $1,950,000 in accordance with the terms of this Option 25. The customer shall retain its right to dispute and recover any amounts (and interest penalties, as applicable) on the outstanding dispute of $10M, but such amounts (even if resolved in favor of the customer at a later date) shall not result in an adjustment of the Billing Credit. Upon payment of the Billing Credit, the customer may not dispute charges on any amounts included in the $50,000,000 (the TBR for Qualifying Services) or in the $25M (the TBR for Qualifying DS1).

(iv) With respect to any dispute for Qualifying Services, the customer must provide sufficient claim detail to enable the Telephone Company to appropriately assess the dispute, including but not limited to, the Billing Account Number (**BAN**), circuit ID, USOC detail, amount in dispute, appropriate tariff references, and a full explanation regarding why the customer believes it was billed in error.

(v) The amount of the Billing Credit shall not be subject to any interest penalty. (N)

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32. Contract Tariffs (Cont'd)

32.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(3) Migration from Existing Contract Tariff Options

Customers who convert (migrate) from Contract Tariff Option 13 preceding to this Option 25 are eligible to receive a pro-rated billing credit for the elapsed time of the Service Period of Contract Tariff Option 13. For example, assume the customer was eligible for a three million (**$3M**) dollar billing credit under Contract Tariff Option 13 if it met the applicable total billed revenue requirement thereunder. Further assume that the service period for that contract tariff option is twelve (12) months and that the customer is in the tenth (10th) month of the 12 month service period of Option 13 at the time of migration to this Option 25. In this case, the customer would receive a pro-rated billing credit for the first ten (10) months of the 12 month service period equal to $2.5M ($3M x 10/12), and the customer's subscription to Contract Tariff Option 13 would be ended. The pro-rated billing credit will be credited to the customer within sixty (60) days of subscription to this Option 25.

(4) Shortfall Penalty

If the customer does not satisfy the minimum TBR requirement for Qualifying Services of $43M during the Service Period, the customer will pay a shortfall payment equal to fifty percent (50%) of the difference between the minimum TBR of $43M, or the adjusted minimum TBR requirement as set forth in (E)(1)(h) preceding, as applicable, and the customer's actual annual TBR for the Qualifying Services during the Service Period (the **Shortfall Penalty**). In addition, and even upon payment of the Shortfall Penalty as set forth in the prior sentence, the customer will not be eligible to receive any applicable Billing Credits under this Option 25. Further, if customer has elected to and has received the RMC in accordance with (E)(2)(d) preceding, such RMC amount must be refunded to the Telephone Company. The refund of the RMC amount is in addition to any Shortfall Penalties that are payable by customer under this section (E)(4). If the customer has a TBR for Qualifying Services of at least $43M, or an adjusted minimum TBR requirement as set forth in Section (E)(1)(h) preceding, then no Shortfall Penalty, as set forth in this Section (E)(4), shall apply, but the customer may be ineligible for any Billing Credits, as set forth in the table in (E)(2)(b) preceding, based on the customer's TBR for Qualifying Services and the customer's TBR for Qualifying DS1, each as adjusted in accordance with (E)(1)(h) preceding, as applicable.

As an illustrative example, assume that the customer has achieved a TBR for the Qualifying Services of $40,000,000 (**$40M**) during the Service Period, and assuming that no adjustment under (E)(1)(h) occurred, then the customer shall pay to the Telephone Company an amount equal to $1,500,000 (which is equal to $3,000,000 (i.e., minimum TBR for Qualifying Services of $43M less the customer's actual TBR for the Qualifying Services of $40M), multiplied by 50%). The customer will not be eligible to receive any applicable Billing Credits, and must refund any RMC amounts previously paid by Telephone Company. (N)

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32. Contract Tariffs (Cont'd)

32.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(5) Termination Charges

If the customer cancels or terminates this Option 25 or its subscription to Contract Tariff Option 23 in the Telephone Company's Tariff F.C.C. No. 1 or Contract Tariff Option 13 in the Telephone Company's Tariff F.C.C. No. 14 prior to the expiration of the Service Period, the customer will be liable for one hundred percent (100%) of the difference between the customer's TBR for the Qualifying Services at the time of cancellation or termination and the minimum TBR for Qualifying Services of $43M, or the adjusted minimum TBR requirement as set forth in (E)(1)(h) preceding, as applicable. Additionally, the customer must refund any RMC amounts previously paid under (E)(2)(d) by the Telephone Company. This section does not relieve the customer of any termination liabilities or minimum period charges under the Tariffs that may apply for termination of any individual Qualifying Service. The terms and conditions of the Tariffs, including any applicable termination liabilities, shall continue to apply with respect to any Qualifying Service. (x) (x) (x)

As an illustrative example, assume that the customer has a TBR for the Qualifying Services of $35,000,000 (**$35M**) during the first eight (8) months of the Service Period, and that no adjustment under (E)(1)(h) preceding occurred. Also assume that the customer decides to terminate this Option 25 at such time. The customer shall pay termination charges of $8,000,000 (the minimum TBR of $43M for Qualifying Services less the actual TBR for the Qualifying Services of $35M, multiplied by 100%) and must refund any RMC amounts previously paid by the Telephone Company. The customer shall not be eligible for any applicable Billing Credits. In this example, if the customer also terminates or discontinues one or more Qualifying Services, then the customer shall be responsible for any associated termination liabilities and minimum period charges assessable under the applicable Tariff for such terminated or discontinued Qualifying Services. (x) (N)

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32. Contract Tariffs (Cont'd)

32.26 Contract Tariff Option 25 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(6) Qualifying DS1 Rate Stability Option

Customers whose purchases of Qualifying DS1 Special Access Services are equal to or more than ninety percent (90%) of such customer's purchases of DS1 services from the Telephone Company are eligible to subscribe to this Qualifying DS1 Rate Stability Option. The 90% threshold will be measured using revenues of the customer during the prior 12-month period from the date of the customer's subscription to this Option 25.

For avoidance of doubt, assume that the customer purchases $50M in total DS1 services from the Telephone Company during the 12 month period prior to its subscription to this Option 25, and that of such $50M, the customer's purchases of Qualifying DS1 Special Access Services are equal to $46M, then such customer is eligible to subscribe to this Qualifying DS1 Rate Stability option. If the customer elects the Qualifying DS1 Rate Stability option and complies with the terms set forth in this section, during the Service Period, the Telephone Company will not initiate any rate increases to the applicable rate elements for such Qualifying DS1 Services in those MSAs where the Telephone Company has achieved Phase I or Phase II pricing flexibility under this tariff, even if rates for Qualifying DS1 Services under other sections of this tariff may be increased. The customer is required to meet the 90% threshold described above only at the time of subscription to this Option 25, and is not required to meet this 90% threshold on a continuous basis during the Service Period of this Option 25 in order to be eligible for this Qualifying DS1 Rate Stability Option. (N)

32. Contract Tariffs (Cont'd)

32.27 Contract Tariff Option 26

(A) Scope

(1) Contract Tariff Option 26 (**Option 26**) provides a transitional billing credit for certain monthly recurring rates assessed during an upgrade of Verizon Dedicated SONET Ring (**DSR**) as set forth in this Section 32.27. An upgrade is the replacement of one or two existing DSRs with a new DSR of a greater capacity (e.g., an OC12 DSR is replaced with an OC48 DSR). DSR is described in Section 34.1 following. (T)

(2) The terms and conditions provided in this Section 32.27 apply to customers who subscribe to an upgrade of DSR as offered herein. (T)

(B) Eligibility

All of the following requirements must be met in order to be eligible for subscription to Option 26.

(1) A customer must subscribe to Option 26 by submitting a written authorization in a manner designated by the Telephone Company during the period that begins April 26, 2005 and ends April 25, 2006 (**Subscription Period**). The customer may subscribe an upgrade to Option 26 that was ordered by the customer prior to April 26, 2005, provided that the upgrade as defined in (B)(2) following has not been completed as defined in (D)(4) following at the time of subscription to Option 26.

(2) A customer must replace one (1) or two (2) existing DSRs with one (1) new DSR of greater capacity than the combined capacity of the DSR(s) being replaced (**upgrade**). (T)

(C) Serving Area

(1) The serving area of Option 26 is comprised of the Telephone Company Phase I and Phase II Metropolitan Statistical Areas (**MSAs**) of this tariff.

(2) Wire centers for Phase II MSAs are listed in Section 15.3 preceding.

(3) Any additions or changes to the wire centers included in the above MSAs that occur after April 26, 2005 will apply and be included in Option 26.

32. Contract Tariffs (Cont'd)

32.27 Contract Tariff Option 26

(D) Terms and Conditions

(1) Except as set forth in this Section 32.27, the terms and conditions applicable to DSR, as set forth in Section 34.1 following also apply. (T)

(2) An upgrade under this Option 26 is subject to the following requirements:

(a) One (1) or two (2) existing DSRs (**the old DSR(s)**) must be replaced with a single DSR of greater capacity (**the new DSR**) than the combined capacity of the DSR(s) being replaced; and (T) (T) (T)

(b) The commitment period for the new DSR shall commence with the date that the new DSR is available for use by the customer; and (T) (T)

(c) The commitment period for the new DSR has an expiration date that extends beyond the expiration date of the commitment period(s) associated with the old DSR(s); and (T) (T)

(d) The new DSR has at least one (1) customer premises node and one (1) CO node in common with each of the old DSR(s); and (T) (T)

(e) The commitment period for the new DSR shall be extended beyond the term commitment period chosen by the customer in accordance with (D)(2)(c) above and in accordance with (D)(5) following. (T)

(3) Upon completion of the upgrade, and regardless of the actual time taken to complete the upgrade, a transitional billing credit equal to fifty percent (50%) of the monthly recurring rates for the qualified node and mileage rate elements on both the old DSR(s) and on the new DSR will apply for the period of time specified in (a) through (c) following: (T) (T)

(a) Where the capacity of the new DSR is OC12, two (2) months of transitional billing credit will apply upon completion of the upgrade. (T)

(b) Where the capacity of the new DSR is OC48, four (4) months of transitional billing credit will apply upon completion of the upgrade. (T)

(c) Where the capacity of the new DSR is OC192, six (6) months of transitional billing credit will apply upon completion of the upgrade. (T)

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32. Contract Tariffs (Cont'd)

32.27 Contract Tariff Option 26

(D) Terms and Conditions (Cont'd)

(4) The upgrade is complete when all circuits on the old DSR(s) are disconnected from the old DSR(s) and are installed and operational on the new DSR, and the old DSR(s) are disconnected. (T)

(5) For each upgrade the customer subscribes to under this Option 26, the term commitment period on the new DSR will be extended beyond the term commitment period chosen by the customer in accordance with (D)(2)(c) above as follows: (T)

(a) Where the capacity of the new DSR is OC12, a two (2) month extension of the term commitment period on the OC12 applies. (T)

(b) Where the capacity of the new DSR is OC48, a four (4) month extension of the term commitment period on the OC48 applies. (T)

(c) Where the capacity of the new DSR is OC192, a six (6) month extension of the term commitment period on the OC192 applies. (T)

As an example, assume that the customer has two OC12 DSRs (the old DSRs), both of which expire on June 1, 2005. Further assume that the customer wishes to upgrade both OC12 DSRs to a new OC48 DSR and that the new OC48 DSR has an expiration date of May 1, 2010 (i.e., a date that extends beyond the commitment period of the old DSRs). Under this Option 26, the term commitment period for such OC48 DSR will be extended by 4 months for a total commitment period of 5 years and 4 months (or an expiration date of September 1, 2010). (T)

(6) Termination liability will not apply to disconnection of the old DSR(s) when the conditions set forth in 32.27(D)(2) above and Section 34.1 following are met for DSR. In either case, the customer remains responsible for any outstanding minimum period obligations as they may apply under Section 34.1 following. (T)

32. Contract Tariffs (Cont'd)

32.28 Contract Tariff Option 27

(A) Scope

Contract Tariff Option 27 (Option 27) is offered for an initial service commitment period of two (2) years and provides a customer with billing credits when it meets certain total billed revenue (TBR) thresholds set forth in (B)(3) following for the qualifying services set forth in (E)(1) following (TBR for qualifying services). Calculation of TBR for qualifying services shall be in accordance with this Option 27. (C)

(B) Eligibility

The customer must meet all of the criteria set forth following in order to be eligible to receive the credits, terms, and conditions under this Option 27.

(1) A customer subscribes to Option 27 by submitting a written authorization in a manner designated by the Telephone Company during the thirty (30) day period which begins on April 30, 2005 and ends May 30, 2005 (**Subscription Period**). A customer must simultaneously subscribe to both this Option 27 and to Option 25 in Tariff F.C.C. No. 1.

(2) During the twelve (12) month period prior to the commencement of the Initial Service Period (as defined in (C) following), the customer must have achieved a minimum of $197,500,000 ($197.5M) in monthly billed recurring revenue for all Qualifying Services (as defined in (E)(1) following) purchased by the customer from the Telephone Company. (C)

(3) During each year of the Service Period, the customer must achieve a TBR, as described in (B)(4) following, for Qualifying Services (as defined in (E)(1) following) of not less than $162,500,000 (**$162.5M**).

(4) In order to receive any Billing Credit (as defined (E)(2)(b)(1) following) other than a Billing Credit of $0, as calculated across this Option 27 and Contract Tariff Option 25 of Tariff F.C.C. No. 1 (**Option 25 of Tariff No. 1**), the customer must achieve during each year of the Service Period a minimum TBR in Qualifying Service of at least $197.5M.

The TBR for Qualifying Services shall be calculated using the criteria and mechanism set forth in this Option 27 and Option 25 of Tariff No. 1. The amount of the Billing Credits shall vary depending on the level of 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 27 and Option 25 of Tariff No. 1.

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32. Contract Tariffs (Cont'd)

32.28 Contract Tariff Option 27 (Cont'd)

(B) Eligibility (Cont'd)

(5) Other than the Facilities Management Service (**FMS**) term plan, the customer may not concurrently 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 either currently or 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.

(C) Service Period

Unless the customer exercises its right to opt out under Section (E)(4) following, the Initial Service Period of this Option 27 shall be for a period of two (2) years (i.e., 24 months) commencing on May 1, 2005 (**Initial Service Period**). The Initial Service Period may, at the customer's option, be extended for two (2) additional periods of two (2) years (i.e., 24 months) each, the first commencing at the end of the Initial Service Period (each, an **Extended Service Period**, and together with the Initial Service Period the **Service Period)**. All references to year 1 or the first year of the Service Period shall mean the twelve (12) month period commencing on the first day of the Service Period. All references to year 2 or the second year of the Service Period shall mean the 12 month period commencing on the 366th day of the Service Period, and each twelve (12) month period during the Extended Service Period(s) commencing on May 1, 2007. (C) | (C) (C)

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32. Contract Tariffs (Cont'd)

32.28 Contract Tariff Option 27 (Cont'd) (N)

(D) Serving Area

Subject to the restrictions set forth in this Option 27 and Option 25 of Tariff No. 1, the calculation of the TBR for Qualifying Services, the Quarterly Credit (as defined in (E)(2)(a) following), and the Billing Credit shall be determined using the customer's purchases of Qualifying Services in all Metropolitan Statistical Areas (**MSAs**) of this tariff and of the Telephone Company's Tariff F.C.C. No. 1 (including both price flex and price cap MSAs). The Quarterly Credit and the Billing Credit will be provided only in the MSAs that have achieved Phase I or Phase II pricing flexibility under the Telephone Company's Tariffs F.C.C. Nos. 1 and 11. Wire centers for the Phase II MSAs are listed in Section 15.3 of this tariff and Section 14.7 of Tariff F.C.C. No. 1, as the same may be amended from time to time. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in this tariff and Tariff F.C.C. No. 1 that occur during the Service Period of this Option 27 and Option 25 of Tariff No. 1 will apply. (x) (x) (x) (x) (x) (x) (x) (x)

(E) Terms and Conditions

(1) Qualifying FMS Services and Qualifying Services

(a) Description of Qualifying Services

Qualifying Services will be comprised of the following services:

(1) Qualifying FMS Services which are any Switched or Special Access FMS Services as set forth in Sections 6.2.12 and 7.2.16 of this tariff and Sections 6.8.26 and 7.2.13 of the Telephone Company's Tariff F.C.C. No. 1 (**Tariff No. 1**), as such sections may be amended from time to time, which FMS Services are billed by the Telephone Company during the Service Period (**Qualifying FMS Services**); and (x) (x)

(2) SONET and optical services, as set forth in this tariff (Sections 7, 26, 30, and 31) and in Tariff No. 1 (Sections 7 and 8), as such sections may be amended from time to time, which SONET and optical services are newly ordered (as described further below) by the customer (collectively, **Qualifying SONET Special Access**). For purposes of the this Option 27 and Option 25 of Tariff No. 1, a newly ordered SONET or optical service must meet one of the following criteria: (1) the SONET or optical service must be newly ordered by the customer and the Telephone Company must bill for such service during the Service Period; or (2) an existing Special Access Service that is not a SONET or optical service must be upgraded by the customer to a SONET or optical service and (x) (x) (x) (N)

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32. Contract Tariffs (Cont'd)

32.28 Contract Tariff Option 27 (Cont'd) (N)

(E) Terms and Conditions

(1) Qualifying FMS Services and Qualifying Services

(a) Description of Qualifying Services

(2) (Cont'd)

the Telephone Company must bill for such upgraded service during the Service Period (e.g., upgrade of a DS1 or DS3 to a SONET IBT OC3 service), in accordance with the provisions for upgrading the applicable service under this tariff. Any SONET or optical services which have already been in-service prior to April 30, 2005 shall not be considered Qualifying SONET Special Access Services, and any associated revenue shall not be included in the calculation of TBR or the Quarterly Credit.

As an illustrative example of the foregoing, if the customer orders a SONET service in month 12 of year 2 of the Service Period, and the Telephone Company installs and bills for such Qualifying SONET Special Access Service after the end of the Service Period, then such service shall not be considered a Qualifying SONET Special Access Service. Similarly, if the customer receives FMS Switched Access Services from the Telephone Company in April 2005 (i.e., prior to the Effective Date of April 30, 2005), and the Telephone Company bills for such services in month 1 of year 1 of the Service Period, then such FMS services shall be deemed to be Qualifying FMS Services.

(3) If the Telephone Company introduces a new Qualifying SONET Special Access Service, or an enhancement or change to an existing Qualifying SONET Special Access Service or Qualifying FMS Services in this tariff, then such services shall be automatically included in Qualifying Services. Amounts billed to the customer during the Service Period for such new or enhanced Qualifying Services purchased by the customer shall be included in the calculation of TBR and Quarterly Credits, subject to the terms and conditions set forth in this Option 27.

(4) All other services purchased by the customer from the Telephone Company or any affiliate of the Telephone Company and not listed in this (E)(1)(a) preceding shall not be eligible for inclusion as Qualifying Services under this Option 27. (N)

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32. Contract Tariffs (Cont'd)

32.28 Contract Tariff Option 27 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS Services and Qualifying Services (Cont'd)

(b) Revenues Included in Calculation of TBR for the Qualifying Services

The customer's TBR for Qualifying Services shall include only the following:

(1) MRC (as defined below) amounts which are paid in full by the customer. **MRCs** shall mean monthly billed recurring revenues, net of any discounts given under existing pricing plans (e.g. FMS discount for Qualifying FMS Services, and discount on Qualifying SONET Special Access services offered for specific commitment periods), if applicable, for the Qualifying Services billed during the Service Period under both this Option 27 and Option 25 of Tariff No. 1. For example, if the customer's base rate is $1000 for SONET Special Access Services, and the customer is eligible to receive a discount of 25% from base rates for agreeing to commit to a 5 year term plan, then the MRC for such Qualifying SONET Special Access Services shall be $750; (x)

(2) Cap on Disputed Charges, as such term is more fully defined and explained in (E)(2)(c)(1) following. **Disputed Charges** shall mean MRCs billed during the Service Period under this Option 27 and Option 25 of Tariff No. 1, which amounts are under dispute by the customer and have been paid in full by the customer as of the 60th day following the end of applicable annual period in accordance with (E)(2)(c) following. Amounts which have not been paid in full (regardless of whether or not such amounts are under dispute by the customer) shall not be included in TBR. For purposes of this Option 27, "paid in full" shall mean that the customer paid the billed amount without any offsets or reductions from the billed amount. (x) (N)

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32. Contract Tariffs (Cont'd)

32.28 Contract Tariff Option 27 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS Services and Qualifying Services (Cont'd)

(c) Examples of Revenue Not Included in Calculation of TBR for Qualifying Services

TBR for Qualifying Services does not include any revenue other than as set forth in (E)(1)(b) preceding. The following types of charges are an illustrative list and is not intended to be a comprehensive listing of all other charges excluded from the calculation of TBR for Qualifying Services

(1) 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 charges which are not applied on a recurring monthly basis;
(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 FMS plan);
(7) minimum period charges;
(8) any Disputed Charges which are greater than the Cap on Disputed Charges (as defined in (E)(2)(c)(1) following);
(9) any MRCs which have not been paid in full by the customer and have not been disputed by the customer;
(10) any MRCs which have not been paid in full by the customer and have been disputed by the customer;
(11) termination liabilities; or;
(12) Billing Credits or Quarterly Credits (as defined below) under this Option 27. (N)

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32. Contract Tariffs (Cont'd)

32.28 Contract Tariff Option 27 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS Services and Qualifying Services (Cont'd)

(c) Examples of Revenue Not Included in Calculation of TBR for Qualifying Services (Cont'd)

As an illustrative example, assume that as of the 60th day following the end of year 1 of the Service Period, the customer has billed amounts for such year 1 equal to the following:

- $220M of MRCs in Qualifying FMS Services which are not disputed by the customer and paid in full by the customer;
- $4M of MRCs in new Qualifying SONET Special Access Services, which are not disputed by the customer and paid in full by the customer;
- $6.5M in non-recurring charges;
- $2.4M in taxes and surcharges;
- $1.8M of termination charges for early termination of Qualifying SONET Special Access Services; and
- $2M in MRCs which have not been paid by the customer and are disputed by the customer; and
- $8M in Disputed Charges in Qualifying Services.

The TBR for Qualifying Services would be $228M (calculated as $220M in MRCs for Qualifying FMS Services plus $4M in MRCs for Qualifying SONET Special Access Services, plus $4M (which is the Cap on Disputed Charges, as described in (E)(2)(c)(1) following). The $2M MRCs which have not been paid by the customer and are disputed by the customer are not Disputed Charges, as defined above, and hence are not included in the calculation of TBR. The other charges are not MRCs and hence are not included in the calculation of TBR for the Qualifying Services. (N)

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32. Contract Tariffs (Cont'd)

32.28 Contract Tariff Option 27 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS Services and Qualifying Services (Cont'd)

(d) Mergers and Acquisitions of the Customer

In the event 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 27 and this tariff.

(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.

(2) The customer's TBR shall be calculated based on its business and revenue with the Telephone Company using the ACNAs which are mutually agreed to by the customer and the Telephone Company at the time of subscription to this Option 27, without adding the revenues and/or ACNAs attributable to expansion of the customer's purchase of Services from the Telephone Company though merger, transfer, assignment, or acquisition.

(3) The Telephone Company reserves the right to terminate this Option 27 without liability if the customer does not adhere to the provisions of this (E)(1)(d). (N)

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32. Contract Tariffs (Cont'd)

32.28 Contract Tariff Option 27 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS Services and Qualifying Services (Cont'd)

(e) Sale of Verizon Operating Telephone Company

(1) If some or all of the assets or stock of a Verizon Operating Telephone Company are acquired by an unaffiliated third party (**Acquired VZ Telco**), and the Telephone Company does not provide the Qualifying Services to the customer after such time, then the following terms and conditions shall apply, in addition to any other terms and conditions set forth in this tariff.

(a) Each range or tier of the TBR for Qualifying Services set forth in the applicable Table B in (E)(2)(b) following shall be proportionately reduced by the Acquisition Reduction Amount (as defined below);

(b) all Billing Credits set forth in the applicable Table B in (E)(2)(b) following shall be reduced by a percentage which shall be calculated by dividing the Acquisition Reduction Amount by $197.5M; and

(c) in calculating the Shortfall Penalty or Termination Liability, as set forth in (E)(3) and (E)(5) following, respectively, the TBR of $162.5M for Qualifying Services shall be reduced by the Acquisition Reduction Amount as calculated below. For example, if the Acquisition Reduction Amount, as calculated below, is $10M, then a Shortfall Penalty will not be assessed if the customer has a TBR for Qualifying Services of at least $152.5M (the minimum TBR for Qualifying Services of $162.5M less the Acquisition Reduction Amount of $10M).

(2) An Acquisition Reduction Amount shall be calculated for the Qualifying Services as follows:

(a) calculate the TBR for Qualifying Services, as applicable, purchased by Customer from the Acquired VZ Telco during the twelve (12) months prior to the time that the Acquired VZ Telco ceases to provide the Services;

(b) calculate the average monthly amount purchased by the customer from the Acquired VZ Telco by dividing the number in (a) above by 12; and

(c) multiply the average monthly amount for Qualifying Services calculated in (b) above by the number of months remaining in the Service Period. (N)

32. Contract Tariffs (Cont'd)

32.28 Contract Tariff Option 27 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying FMS Services and Qualifying Services (Cont'd)

(e) Sale of Verizon Operating Telephone Company (Cont'd)_

(3) As an illustrative example, assume that an Acquired VZ Telco ceased to operate in month three (3) of year 1 of the Service Period. Assume that the customer purchased a total of $20M of Qualifying Services from the Acquired VZ Telco during the twelve (12) months prior to the time that the Verizon operating telephone company ceased to provide the Services under this Option 27. Assume also that at the end of year 1 of the Service Period, the customer has achieved a TBR for Qualifying Services of $207M. To calculate the applicable Billing Credit, or the application of Shortfall Penalty (as defined in (E)(3) following) at the end of each year of the Service Period, the following shall apply:

Step One: calculate the Acquisition Reduction Amounts. The Acquisition Reduction Amount for Qualifying Services is $15M (calculated as $1,666,667.00 ($20M divided by 12) multiplied by 9 months remaining in year 1 of the Service Period).

Step Two: determine the new table for calculation of Billing Credits or Shortfall Penalties based on the Acquisition Reduction Amount. Subtract $15M (the Acquisition Reduction Amount for Qualifying Services calculated in Step One above) from each range or tier of the TBR for Qualifying Services as set forth in each Table B below. The Billing Credits are not adjusted in this Step Two, and instead are adjusted in Step Three below. This will provide adjusted tiers in Table B for each year of the Service Period for the determination of the Billing Credit or Shortfall Penalty, as applicable. In this example, the adjusted tiers in Table B would yield a Billing Credit of $18M for the TBR of $207M achieved by the customer, as such Billing Credit is adjusted by Step Three below.

Step Three: determine the applicable Billing Credits or Shortfall Penalty from the new tiers in Table B calculated in Step Two above. In this example, the Billing Credit set forth in the applicable Table B in (E)(2)(b) following will be reduced by 7.6% (calculated as $15M divided by $197.5M). Since in this example, the customer has achieved a TBR for Qualifying Services of $207M, the customer would be eligible for an annual Billing Credit in the first year of the plan of $16.633M ($18M Billing Credit using the adjusted table from Step 2 above less $1,367,000 ($18M multiplied by 0.076). All other adjustments to the Billing Credit for Quarterly Credits previously paid in accordance with (E)(2) following shall continue to apply. (N)

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32. Contract Tariffs (Cont'd)

32.28 Contract Tariff Option 27 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit

(a) Calculation of MRC and the Quarterly Credit

Subject to the terms of this Section (E)(2), the customer is eligible to receive a Quarterly Credit (**Quarterly Credit**) on a quarterly basis (i.e., a 3 month period), for each of the first three quarters of each year of the Service Period. The Quarterly Credit is not provided in the fourth quarter of any year of the Service Period. In order to be eligible for the Quarterly Credit, the customer's MRC for the Qualifying Services for the applicable quarter must be equal to or greater than $49.375M. If the customer's MRC in a given quarter is less than $49.375M, but the customer's TBR for Qualifying Services on an annualized basis is greater than $197.5M, the customer shall still be ineligible for the Quarterly Credit in such quarter. The Quarterly Credit shall be equal to seventy-five percent (75%) of the eligible quarterly credit amount as determined in accordance with the applicable Table A set forth below. The Quarterly Credit shall be credited to the customer's account by the Telephone Company at any time between the 45th day and the 60th day following the end of the applicable quarterly period.

At the end of each of the first three quarters of each year of the Service Period, the Telephone Company shall:

(1) calculate the total MRC for the Qualifying Services achieved by Customer during the prior three month period, in accordance with the terms and conditions set forth in this Option 27. The terms of (E)(1)(b), (E)(1)(c) and (E)(2)(c) relating to Disputed Charges shall not apply to this quarterly calculation of the Quarterly Credit; and

(2) calculate the Quarterly Credit for Qualifying Services for such quarter, in accordance with the applicable Table A set forth below (i.e., depending on whether the applicable quarter is in year 1 or year 2 of the Service Period, the appropriate Quarterly Credits set forth in the applicable Table A shall apply).

As an illustrative example, assume that during first quarter of year 1 of the Service Period, the customer achieves an MRC for Qualifying Services of $56M. In accordance with Table A for year 1 below, the customer would be eligible for a Quarterly Credit of $3.375M (calculated as $4.5M x .75 = $3.375M). (N)

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32. Contract Tariffs (Cont'd)

32.28 Contract Tariff Option 27 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(b) Calculation of the TBR and Billing Credit at the end of each Annual Period

(1) No later than the 60th day following the end of each year of the Service Period, the Telephone Company shall calculate the total TBR for Qualifying Services achieved by the customer during such year of the Service Period in accordance with the terms and conditions set forth in this Option 27 and Option 25 of Tariff No. 1, including Sections (E)(1)(b), (E)(1)(c) and (E)(2)(c). Subject to the terms and conditions relating to disputes as set forth in (E)(2)(c) following, and subject to any reductions and adjustments as set forth herein, the customer shall be eligible to receive the applicable credit set forth in the applicable Table B below (the **Billing Credit**), which Billing Credit may be $0 or more depending on the customer's TBR for the Qualifying Services during such year of the Service Period. (x) (x)

(2) If the customer has not met the minimum TBR for Qualifying Services of $162.5M in each year of the plan, or the adjusted minimum TBR for the Qualifying Services pursuant to (E)(1)(e) preceding, then the customer shall be liable for the Shortfall Penalty (as defined in (E)(3) following) and shall in addition be required to return all Quarterly Credits previously paid by the Telephone Company during such year of the Service Period.

(3) If the customer's TBR for Qualifying Services in each year of the plan is $162.5M or greater but less than $197.5M (or the corresponding adjusted TBRs pursuant to (E)(1)(e) preceding), then no Shortfall Penalty shall apply, and the customer shall not be eligible for any Billing Credit for such year of the Service Period. In addition, the customer shall be required to return all Quarterly Credits previously paid by the Telephone Company during such year of the Service Period. (N)

(x) Issued under authority of Special Permission No. 05-018 of the Federal Communications Commission.

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32. Contract Tariffs (Cont'd)

32.28 Contract Tariff Option 27 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(b) Calculation of the TBR and Billing Credit at the end of each Annual Period (Cont'd)

(4) The Billing Credit shall be determined by using the applicable Table B below (i.e., depending on whether the TBR and Billing Credit calculation is for year 1 or year 2 of the Service Period, the appropriate TBR and Billing Credits set forth in the applicable Table B shall apply). To calculate the Billing Credit, the Telephone Company shall:

(a) Locate Customer's TBR for Qualifying Services using the applicable Table B below under the heading "TBR for Qualifying Services ($M)" and determine the corresponding Billing Credit that the customer is eligible to receive. The TBR for Qualifying Services achieved by the customer during such year of the Service Period is calculated in accordance with the terms and conditions set forth in this Option 27, including Sections (E)(1)(b), (E)(1)(c) and (E)(2)(c);

(b) determine the amount of the Quarterly Credits, if any, credited to the customer in the prior three quarters of such year;

(c) subtract the total amount, if any, of Quarterly Credits paid in the prior three quarters of such year from the Billing Credit determined in (a) above. If the result is a negative number, then the customer must refund to the Telephone Company the difference between all Quarterly Credits previously credited by the Telephone Company during such year of the Service Period and the Billing Credit as calculated in (a) preceding. (N)

32. Contract Tariffs (Cont'd)

32.28 Contract Tariff Option 27 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(b) Calculation of the TBR and Billing Credit at the end of each Annual Period (Cont'd)

The following illustrative examples are presented:

Example 1: Assume that the customer's MRC for Qualifying Services in quarters 1, 2, and 3 of year 1 of the Service Period was $56M, $57M, and $58M, respectively. Based on Table A for year 1 below, Customer would be eligible for a Quarterly Credit of $3.375M for quarter 1, $3.75M for quarter 2, and $3.75M for quarter 3, for a total Quarterly Credit payout of $10.875M. Assume further that the customer's MRC for Qualifying Services for the fourth quarter was $59M. Thus, for year 1 of the Service Period, the total MRC for Qualifying Services is $230M (which amount is equal to the sum of all of the MRCs for Qualifying Services for all four quarters). Assume further that after the resolution of certain credits and disputes in accordance with Sections (E)(1)(b), (E)(1)(c), and (E)(2)(c), the TBR for Qualifying Services for year 1 of the Service Period was $225M. In Table B for year 1 of the Service Period below, a TBR for Qualifying Services of $225M would be eligible for a Billing Credit of $18M. Since the customer already received $10.875M as Quarterly Credits during the first three quarters of year 1 of the Service period, the customer would be eligible for a final Billing Credit of $7.125M ($18M less $10.875M = $7.125M). (N)

32. Contract Tariffs (Cont'd)

32.28 Contract Tariff Option 27 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(b) Calculation of the TBR and Billing Credit at the end of each Annual Period (Cont'd)

Example 2: Assume that the customer's MRC for Qualifying Services in quarters 1, 2, and 3 of year 1 of the Service Period was $48M, $50M, and $58M, respectively. Based on Table A for year 1 below, and in accordance with this Option 27, the customer would be eligible for a Quarterly Credit of $0 for quarter 1, $937,500 for quarter 2, and $3.75M for quarter 3, for a total Quarterly Credit payout of $4.69M. Assume further that the customer's MRC for Qualifying Services for the fourth quarter was $40M. Thus, for year 1 of the Service Period, the total MRCs billed for Qualifying Services is $196M (which amount is equal to the sum of all of the MRCs for Qualifying Services for all four quarters for year 1 of the Service Period). Assume further that after the resolution of certain credits and disputes in accordance with Sections (E)(1)(b), (E)(1)(c), and (E)(2)(c), the TBR for Qualifying Services for year 1 of the Service Period is $190M. In Table B for year 1 of the Service Period below, a TBR for Qualifying Services of $190M would be eligible for a Billing Credit of $0. Since the customer already received $4.69M as Quarterly Credits during the first three quarters of year 1 of the Service period, the Customer would not be eligible for any Billing Credits, and would be required to refund to the Telephone Company the Quarterly Credits credited during the first three quarters of year 1 of the Service Period (i.e., refund the $4.69M). (N)

32. Contract Tariffs (Cont'd)

32.28 Contract Tariff Option 27 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(b) Calculation of the TBR and Billing Credit at the end of each Annual Period (Cont'd)

Example 3: Assume that the customer's MRC for Qualifying Services in quarters 1, 2, and 3 of year 1 of the Service Period was $57M, $58M, and $59M, respectively. Based on Table A for year 1 below, and in accordance with this Option 27, the customer would be eligible for a Quarterly Credit of $3.75M for each of quarters 1, 2, and 3, for a total Quarterly Credit payout of $11.25M. Assume further that the customer's MRC for Qualifying Services for the fourth quarter was $40M. Thus, for year 1 of the Service Period, the total MRCs billed for Qualifying Services is $214M (which amount is equal to the sum of all of the MRCs for Qualifying Services for all four quarters of year 1 of the Service Period). Assume further that after the resolution of certain credits and disputes in accordance with Sections (E)(1)(b), (E)(1)(c), and (E)(2)(c), the TBR for Qualifying Services for year 1 of the Service Period is $214M. In Table B for year 1 of the Service Period below, a TBR for Qualifying Services of $214M would be eligible for a Billing Credit of $7.5M. Since the customer already received $11.25M as Quarterly Credits during the first three quarters of year 1 of the Service period, the customer would not be eligible for any additional Billing Credits, and would be required to refund to the Telephone Company $3.75M (i.e., the difference between all Quarterly Credits previously credited by the Telephone Company during year 1 of the Service Period ($11.25M) and the Billing Credit ($7.5M)). (N)

32. Contract Tariffs (Cont'd)

32.28 Contract Tariff Option 27 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(b) Calculation of the TBR and Billing Credit at the end of each Annual Period (Cont'd)

Year 1

Table A

Quarterly Credit (quarterly)		
MRCs for Qualifying Services (in Millions)		Credit (in Millions)
From	To	Amount
$00.00	$49.37	$0.00
$49.38	$51.87	$1.25
$51.88	$54.37	$1.88
$54.38	$56.87	$4.50
$56.88	$59.37	$5.00
$59.38	$61.87	$5.50
$61.88	and above	$6.00

Table B

Billing Credit (annual)		
TBR for Qualifying Services (in Millions)		Credit (in Millions)
From	To	Amount
$0.00	$162.49*	$0.00
$162.50	$197.49	$0.00
$197.50	$207.49	$5.00
$207.50	$217.49	$7.50
$217.50	$227.49	$18.00
$227.50	$237.49	$20.00
$237.50	$247.49	$22.00
$247.50	and above	$24.00

Year 2

Table A

Quarterly Credit (quarterly)		
MRCs for Qualifying Services (in Millions)		Credit (in Millions)
From	To	Amount
$00.00	$49.37	$0.00
$49.38	$51.87	$1.25
$51.88	$54.37	$3.63
$54.38	$56.87	$6.75
$56.88	$59.37	$7.50
$59.38	$61.87	$7.75
$61.88	And above	$8.00

Table B

Billing Credit (annual)		
TBR for Qualifying Services (in Millions)		Credit (in Millions)
From	To	Amount
$0.00	$162.49*	$0.00
$162.50	$197.49	$0.00
$197.50	$207.49	$5.00
$207.50	$217.49	$14.50
$217.50	$227.49	$27.00
$227.50	$237.49	$30.00
$237.50	$247.49	$31.00
$247.50	and above	$32.00

* Shortfall Penalty as set forth in (E)(3) following applies in this range for Qualifying Services.

(N)

All amounts will be rounded up or down to the nearest $10,000.

32. Contract Tariffs (Cont'd)

32.28 Contract Tariff Option 27 (Cont'd)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(c) Timing of Payments and Billing Credits; Disputes; Releases and Waivers

(1) No later than the 60th day following the end of each year of the Service Period, the Telephone Company shall calculate the TBR for Qualifying Services and the Billing Credit in the following manner:

(a) calculate the total MRCs for Qualifying Services achieved by the customer during such year of the Service Period in accordance with the terms and conditions set forth in this Option 27, including Sections (E)(1)(b) and (E)(1)(c), which MRC for Qualifying Services shall not include any Disputed Charges;

(b) determine the total amount of Disputed Charges;

(c) multiply the total amount of Disputed Charges by 50% which amount shall be the **Cap on Disputed Charges**;

(d) add the Cap on Disputed Charges calculated in (c) above to the total MRCs for Qualifying Services calculated in (a) above, and such amount shall be deemed to be the TBR for Qualifying Services for such year of the Service Period; and

(e) determine the corresponding Billing Credit or Shortfall Penalty for the TBR for Qualifying Services calculated in (d) above in accordance with Sections (E)(2)(a) and (E)(2)(b) preceding. (N)

(N)

32. Contract Tariffs (Cont'd)

32.28 Contract Tariff Option 27 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(c) Timing of Payments and Billing Credits; Disputes; Releases and Waivers (Cont'd)

(2) Using the calculations in (E)(2)(c)(1) preceding, and subject to the terms of this Option 27, if the customer is eligible to receive a Billing Credit other than a Billing Credit of $0, such Billing Credit will be credited to the customer's account no later than the ninetieth (90th) day after the end of each year of the Service Period. If the customer is required to pay a Shortfall Penalty in accordance with the terms of (E)(3) following, then the customer shall pay such amount no later than the ninetieth (90th) day following the end of the Service Period. Refund of any Quarterly Credits shall be made no later than the ninetieth (90th) day following the end of the Service Period.

(3) After payment of the Billing Credit, the customer and the Telephone Company may continue to negotiate and resolve all Disputed Charges. Upon resolution of any such disputes, amounts may be credited to the customer if the customer prevails, provided that, in no event will the customer receive more than the Cap on Disputed Charges. The customer shall not be entitled to receive an amount greater than the Cap on Disputed Charges regardless of the merit or final resolution of such disputes, and regardless of whether such disputes are included in the Cap on Disputed Charges. If the Telephone Company prevails in some or all such disputes, then the Telephone Company shall be required to credit only such amounts where the customer has prevailed on such dispute up to the Cap on Disputed Charges, which credit amount may equal $0.

Once the Telephone Company has credited the customer an amount equal to the Cap on Disputed Charges, then

(a) the Telephone Company shall have no further obligation to negotiate or resolve any additional disputes that are Disputed Charges; and

(b) the customer hereby releases and discharges the Telephone Company of and from any and all manner of claims, demands, rights, liabilities, damages, potential actions, causes of action, suits, agreements, judgments, decrees and controversies of any kind and nature whatsoever, at law, in equity, or otherwise, whether known or unknown, which have arisen or might arise related to the Disputed Charges. (N)

32. Contract Tariffs (Cont'd)

32.28 Contract Tariff Option 27 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(c) Timing of Payments and Billing Credits; Disputes; Releases and Waivers (Cont'd)

(3) (Cont'd)

Notwithstanding anything to the contrary herein, there shall be no adjustment to the Billing Credit or the TBR for Qualifying Services calculated above, and the same shall apply regardless of the outcome of any Disputed Charges and/or the payment of the Cap on Disputed Charges.

(4) The Telephone Company's inclusion of any amounts in the TBR for Qualifying Services and provision of the Billing Credit is contingent on the following:

(a) all amounts included in the calculation of TBR for Qualifying Services (other than the Disputed Charges) shall not be subject to dispute at a later date. The customer also agrees not to initiate any new disputes with respect to amounts included in the calculation of TBR for the Qualifying Services billed during the applicable year of the Service Period. The Telephone Company shall not backbill for any amounts included in the calculation of TBR for the Qualifying Services; and

(b) each party waives and releases, and forever discharges the other party of and from any and all manner of claims, demands, rights, liabilities, damages, potential actions, causes of action, suits, agreements, judgments, decrees and controversies of any kind and nature whatsoever, at law, in equity, or otherwise, whether known or unknown, which have arisen or might arise related to payment by Customer or credits by the Telephone Company for any amounts that are included in the calculation of TBR for the Qualifying Services billed by the Telephone Company to the customer during the Service Period (other than any Disputed Charges);

(c) Subject to the terms of (E)(2)(c)(3) preceding, the customer and the Telephone Company shall retain its rights with respect to any Disputed Charges and any amounts not included in the calculation of TBR for the Qualifying Services. (N)

32. Contract Tariffs (Cont'd)

32.28 Contract Tariff Option 27 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(c) Timing of Payments and Billing Credits; Disputes; Releases and Waivers (Cont'd)

(4) (Cont'd)

As an illustrative example, assume that as of the 60th day following the end of year 1 of the Service Period, the customer has billed amounts for year 1 equal to the following:

- $220M of MRCs in Qualifying FMS Services which are not disputed by the customer and paid in full by the customer;
- $4M of MRCs in new Qualifying SONET Special Access Services, which are not disputed by the customer and paid in full by the customer;
- $6.5M in non-recurring charges;
- $2.4M in taxes and surcharges;
- $1.8M of termination charges for early termination of Qualifying SONET Special Access Services;
- $2M in MRCs which have not been paid by the customer and are disputed by the customer; and
- $8M in Disputed Charges in Qualifying Services.

Assume that, as of the 60th day following the end of year 1 of the Service Period, the customer has paid all billed amounts listed above (other than the $2M in MRCs), and continues to dispute $8M in Disputed Charges in Qualifying Services. The Cap on Disputed Charges is $4M ($8M in Disputed Charges multiplied by 50%). The TBR for Qualifying Services is $228M (calculated as $220M in MRCs for Qualifying FMS Services plus $4M in MRCs for Qualifying SONET Special Access Services, plus $4M (which is the Cap on Disputed Charges)). The $2M MRCs which have not been paid by the customer and are disputed by the customer are not Disputed Charges, as defined above, and hence are not included in the calculation of TBR. The other charges are not MRCs and hence are not included in the calculation of TBR for the Qualifying Services. (N)

32. Contract Tariffs (Cont'd)

32.28 Contract Tariff Option 27 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(c) Timing of Payments and Billing Credits; Disputes; Releases and Waivers (Cont'd)

(4) (Cont'd)

Based on a TBR for Qualifying Services of $228M, the corresponding Billing Credit in Table B above is $20M, subject to any adjustments for Quarterly Credits previously paid to the customer in accordance with Section (E)((2)(b) preceding. After payment of the Billing Credit by the 90th day following the end of the Service Period, the customer and the Telephone Company may continue to negotiate and resolve all Disputed Charges until such time that the Telephone Company and the customer have resolved such disputes. Depending on the resolution of such disputes, the customer may receive credits up to a maximum of the Cap on Disputed Charges, or the Telephone Company may prevail on all such disputes, in which event, the credit to the customer shall be $0. Notwithstanding anything to the contrary herein, there shall be no adjustment to the Billing Credit or the TBR for Qualifying Services calculated above, and the same shall apply regardless of the outcome of any Disputed Charges and/or the payment of the Cap on Disputed Charges. Subject to the terms of (E)(2)(c)(3) preceding, the customer and the Telephone Company shall retain its rights with respect to any Disputed Charges and any amounts not included in the calculation of TBR for the Qualifying Services. (N)

32. Contract Tariffs (Cont'd)

32.28 Contract Tariff Option 27 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(c) Timing of Payments and Billing Credits; Disputes; Releases and Waivers (Cont'd)

(5) With respect to any dispute for Qualifying Services, the customer must provide sufficient claim detail to enable the Telephone Company to appropriately assess the dispute, including but not limited to, the Billing Account Number (BAN), circuit ID, USOC detail, amount in dispute, appropriate tariff references, and a full explanation regarding why the customer believes it was billed in error. The customer also agrees to separately identify all disputes related to the Qualifying FMS Services.

(6) The amount of the Billing Credit shall not be subject to any interest penalty.

(3) Shortfall Penalty

If the customer does not satisfy the minimum TBR requirement for Qualifying Services of $162.5M in each year of the plan, the customer will pay the Telephone Company a shortfall payment equal to fifty percent (50%) of the difference between minimum TBR of $162.5M, or the adjusted minimum TBR requirement as set forth in (E)(1)(e) preceding, for Qualifying Services and Customer's actual annual TBR for Qualifying Services during such year of the Service Period (the **Shortfall Penalty**). In addition, and even upon payment of the Shortfall Penalty as set forth in the prior sentence, the customer will not be eligible to receive any applicable Billing Credits under this Option 27, and shall in addition be required to return all Quarterly Credits previously paid by the Telephone Company during such year of the Service Period (but not for prior years). If the customer has a TBR for Qualifying Services of at least $162.5M, or the adjusted minimum TBR requirement adjusted as set forth in (E)(1)(e) preceding, in each year of the Service Period, then no Shortfall Penalty, as set forth in this Section (E)(3), shall apply, but the customer may be ineligible for any Billing Credits, as set forth in the table below, based on the customer's TBR for Qualifying Services for such year of the Service Period. (N)

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32. Contract Tariffs (Cont'd)

32.28 Contract Tariff Option 27 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(3) Shortfall Penalty (Cont'd)

As an illustrative example, assume that the customer has achieved a TBR for Qualifying Services of $157.5M during year 1 of the Service Period, and assuming that no adjustment under Section (E)(1)(e) preceding occurred. Assume further that the customer received no Quarterly Credit payments during the prior 3 quarters of such year of the Service Period. Then the customer shall pay to the Telephone Company an amount equal to $2.5M (which is equal to $162.5M less the customer's actual TBR for Qualifying Services of $157.5M, multiplied by 50%). The customer will not be eligible to receive any applicable Billing Credits or Quarterly Credits for year 1 of the Service Period.

Shortfall Penalties shall not be applicable to any quarterly calculation of TBR for Qualifying Services and the corresponding Quarterly Credit. However, in accordance with (E)(2) preceding, the customer is not eligible for a Quarterly Credit if the TBR for Qualifying Services is less than $49.375M in such quarter.

(4) Option to Terminate Second Year of Plan

The customer has the option to terminate its subscription to this Option 27 and Option 25 of Tariff No. 1 at the end of the year 1 of the Service Period. If the customer elects to exercise this option, the customer must notify The Telephone Company in writing of the same no later than the end of the eleventh (11th) month of year 1 of the Service Period, and must terminate its subscription to both this Option 27 and Option 25 of Tariff No. 1. If the customer does not notify The Telephone Company in writing by such date, then the customer will be deemed to have opted to continue to abide by the terms and conditions of this Option 27 and Option 25 of Tariff No. 1 through the end of year 2 of the Service Period. Upon its exercise of the option to terminate as set forth in this Section (E)(4), and other than as explicitly set forth in this Option 27 and Option 25 of Tariff No. 1, all obligations of the customer and the Telephone Company under this Option 27 and Option 25 of Tariff No. 1 shall be extinguished as of last day of year 1 of the Service Period. Termination liability for termination of this Option 27, as set forth in (E)(5) following and Section 21.26(E)(4) of Tariff No. 1 shall not apply if the customer exercises the termination option set forth in this Section (E)(4) and Section 21.26(E)(4) of Tariff No. 1. (x) (x) (x) (x) (x) (x) (x) (x) (x) (N)(x)

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32. Contract Tariffs (Cont'd)

32.28 Contract Tariff Option 27 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(5) Termination Charges

Other than as set forth in (E)(3) preceding, if the customer cancels or terminates its subscription to this Option 27 and Option 25 of Tariff No. 1 at any period of time prior to the expiration of the Service Period, the customer will be liable for fifty percent (50%) of the difference between the customer's TBR for Qualifying Services at the time of cancellation or termination and the minimum TBR for Qualifying Services of $162.5M, or the adjusted minimum TBR requirement as set forth in (E)(1)(e) preceding, as applicable, for the specific year of the Service Period in which cancellation or termination occurred. In addition, the customer shall not be eligible for the Billing Credit, and must refund any Quarterly Credits previously paid by the Telephone Company to the customer during such year of the Service Period. Termination of this Option 27 shall be deemed to be a termination of Option 25 of Tariff No 1. (x) (x) (x)

As an illustrative example, assume that the customer has a TBR for Qualifying Services of $150M during the first eight months of the second year of the plan, and that no adjustment under (E)(1)(e) preceding occurred. Assume further that the customer received $18M in Billing Credits for year 1 of the Service Period, and received $6M in Quarterly Credits for the first 2 quarters of year 2 of the Service Period. The customer also did not exercise its option to terminate this Option 27 in accordance with Section (E)(4) preceding and Section 21.26(E)(4) of Tariff No. 1. In month 9 of year 2 of the Service Period, the customer decides to terminate its subscription to this Option 27 and Option 25 of Tariff No. 1. The customer shall pay termination charges of $6.25M (the minimum TBR for Qualifying Services of $162.5M less the actual TBR for Qualifying Services of $150M, multiplied by 50%). The customer shall not be eligible for any applicable Billing Credits for year 2 of the Service Period, and must refund the $6M paid by the Telephone Company to the customer as Quarterly Credits for the first 2 quarters of year 2 of the Service Period. The customer may retain the $18M paid as a Billing Credit in year 1 of the Service Period. (x) (x)

Unless superseded by the terms and conditions set forth in this Option 27, all terms and conditions, including termination liability and minimum period obligations, as stated in other sections of this tariff, apply to all Qualifying Services under this Option 27. Upon any termination under this Option 27, the terms and conditions of this tariff (other than the terms of this Option 27) shall continue to apply with respect to all Qualifying Services provided under this tariff. (N)

(x) Issued under authority of Special Permission No. 05-018 of the Federal Communications Commission.

32. Contract Tariffs (Cont'd)

32.29 Contract Tariff Option 28

(A) Scope

(1) Contract Tariff Option 28 (Option 28) provides discounted monthly rates to customers who subscribe to new Special Access Verizon Dedicated SONET Ring Service at capacities of Optical Carrier 48 (**OC48 DSR Service**) or Optical Carrier 192 (**OC192 DSR Service**) or an upgrade of an existing OC48 DSR Service to a new OC192 DSR Service (**upgrade to OC192 DSR Service**) in accordance with the requirements set forth in (B) through (F) following. (T) (T) (T) (T) (T)

(2) The terms and conditions, regulations and rates provided in this Section 32.29 apply to customers who subscribe to OC48 DSR Service, OC192 DSR Service or upgrade to OC192 DSR Service as offered herein. (T) (T)

(B) Eligibility Requirements

All of the following requirements must be met in order to be eligible for subscription to Option 28.

(1) A customer must subscribe to Option 28 by submitting a written authorization in a manner designated by the Telephone Company during the subscription period which begins on June 3, 2005 and ends on August 2, 2005 (**Subscription Period**).

(2) The customer must accept service on the original service date. If the customer does not accept service on the original service date, any change to a later date will make the service ineligible for the discount, unless the change is initiated by the Telephone Company.

(3) A customer must subscribe to Option 28 for the service period set forth in (D) following.

(4) A customer must subscribe to a new OC48 DSR Service, a new OC192 DSR Service or upgrade to OC192 DSR Service that is configured with between eight (8) and twenty-two (22) enhanced nodes, and the ring mileage must be greater than 40 miles. A new OC48 DSR Service or a new OC192 DSR Service cannot be a DSR Service that was disconnected from another contract tariff option or discount plan in order to subscribe that DSR to this Option 28. (T) (T) (T) (T) (T)

(5) All nodes for the OC48 DSR Service or OC192 DSR Service must be located within the Serving Area as set forth in (C) following. (T)

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32. Contract Tariffs (Cont'd)

32.29 Contract Tariff Option 28 (Cont'd) (N)

(C) Serving Area

(1) The serving area of Option 28 is comprised of the New York and New Jersey wire centers that are within the New York and New Jersey Corridor portion of the New York NY Metropolitan Statistical Area (**MSA #1**).

(2) Wire centers for Phase II MSAs are listed in Section 15.3 preceding, as the same may be amended from time to time.

(3) The following Telephone Company wire centers of MSA #1 comprise the geographic area of the New York and New Jersey Corridor:

New York Wire Centers

NYCKNY14	NYCMNY42	NYCQNYFR
NYCKNY71	NYCMNY50	NYCQNYHS
NYCKNY77	NYCMNY56	NYCQNYIA
NYCKNYAI	NYCMNY73	NYCQNYJA
NYCKNYAL	NYCMNY79	NYCQNYLI
NYCKNYAR	NYCMNY97	NYCQNYLN
NYCKNYAU	NYCMNYBS	NYCQNYNJ
NYCKNYAY	NYCMNYBW	NYCQNYNW
NYCKNYBR	NYCMNYCA	NYCQNYOP
NYCKNYBU	NYCMNYMN	NYCQNYRH
NYCKNYCL	NYCMNYPS	NYCRNYND
NYCKNYFA	NYCRNYNS	NYCRNYSS
NYCKNYFT	NYCMNYTH	NYCRNYWS
NYCKNYKP	NYCMNYVS	NYCXNYCI
NYCKNYLA	NYCMNYWA	NYCXNYCR
NYCKNYRA	NYCMNYWS	NYCXNYGC
NYCKNYTY	NYCMNYZO	NYCXNYHO
NYCKNYWM	NYCQNYAS	NYCXNYJE
NYCMNY13	NYCQNYBA	NYCXNYKB
NYCMNY18	NYCQNYBH	NYCXNYMH
NYCMNY30	NYCQNYCO	NYCXNYTB
NYCMNY36	NYCQNYFH	NYCXNYTR
NYCMNY37	NYCQNYFL	

(N)

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32. Contract Tariffs (Cont'd)

32.29 Contract Tariff Option 28 (Cont'd) (N)

(C) Serving Area (Cont'd)

(3) The following Telephone Company wire centers of MSA #1 comprise the geographic area of the New York and New Jersey Corridor: (Cont'd)

New Jersey Wire Centers

BYNNNJ02	JRCYNJBR	PSSCNJPS
BLVLNJBE	JRCYNJJO	PTSNNJAR
BLFDNJBL	KRNYNJKN	PLFDNJPF
CFTNNJCF	LNDNNJ01	RCPKNJ02
CLWLNJCW	LTFLNJLF	RGWDNJRW
CFPKNJCS	LTFYNJLF	RHWYNJRA
CLSTNJCO	LVTNNJLI	RMSYNJRM
CNFRNJCR	MLBNNJMB	RSLLNJRL
DUMTNJDM	MTCLNJMC	RVDLNJPL
ELZBNJEL	MTVWNJMV	RTFRNJRU
ENWDNJEN	NBRGNJNB	SORGNJSO
EORNNJEO	NWPVNJMH	UNCYNJ02
ERLKNJEL	NWRKNJ03	UNINNJUV
FRLNNJFL	NWRKNJIR	WMFRNJ01
FRFDNJFA	NWRKNJ02	WORNNJWO
FTLENJLE	NWRKNJWA	WSFDNJWS
HCKNNJHK	NFLDNJNF	WYCKNJWK
HLDNNJ01	NTLYNJNU	
HLDLNJWE	OKLDNJ01	
IVTNNJES	RVEDNJOR	

(4) Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in this tariff that occur during the Service Period of this Option 28 will apply. (N)

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32. Contract Tariffs (Cont'd)

32.29 Contract Tariff Option 28 (Cont'd)

(D) Service Period

(1) The service period for OC48 DSR Service or OC192 DSR Service nodes and mileage ordered under this Option 28 is sixty-three (63) months from the date that the new OC48 DSR Service or the new or upgraded OC192 DSR Service is available for use by the customer (**Service Period**). (T)

(2) The Service Period for each port on the OC48 DSR Service or OC192 DSR Service that is ordered with the initial installation of service shall commence with the installation of the port and end on the same date on which the Service Period for the nodes and mileage under (D)(1) preceding ends. (T)

(3) The Service Period for each port added subsequent to the initial installation of service is subject to the terms and conditions set forth in Section 34.1 following, except that the commitment period for such port will be coterminous with the end of the Service Period for the nodes and mileage under (D)(1) preceding when such ports are added prior to the thirty-sixth (36th) month of the Service Period of this Option 28. Ports added after the 36th month of the Service Period of this Option 28 are subject to monthly terms as described in 34.1 following. (T)

(E) Terms and Conditions

(1) Except as set forth in this Section 32.29, the terms and conditions (e.g., additions of nodes) and application of rates and charges as set forth in Section 34.1 following apply to the OC48 DSR Service or OC192 DSR Service, ports added subsequent to the initial installation of the new OC48 DSR Service, new OC192 DSR Service or upgrade to OC192 DSR Service, and to any service(s) connected to such OC48 DSR Service or OC192 DSR Service. (T)

(2) The OC48 DSR Service or OC192 DSR Service must be configured with a minimum of eight (8) and up to a maximum of twenty-two (22) OC48 or OC192 enhanced nodes, as applicable, that are located at customer designated premises or Telephone Company wire centers that are within the Serving Area of this Option 28, and the ring mileage must be greater than 40 miles. (T)

(3) Termination Liability

In the event that service is discontinued prior to the end of the Service Period, termination liability applies in accordance with the regulations set forth in Section 34.1 following. Subject to the application of rates described in Section 15.3 preceding, any termination liability charge shall be calculated using the rates set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges. (T)

32. Contract Tariffs (Cont'd)

32.29 Contract Tariff Option 28 (Cont'd)

(E) Terms and Conditions (Cont'd)

(4) In the event that service is discontinued prior to the end of the minimum period, minimum period charges apply. When calculating the minimum period charge, the rates set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges are used and apply in accordance with the application of rates set forth in Section 15.3 preceding. (T) (T) (T)

(5) Cancellation charges apply if the customer cancels the order, or part of the order, for DSR under this Option 28 prior to the service date, unless the order or part of the order is cancelled due to the Telephone Company failure to provide service on the service date. Cancellation charges apply in accordance with Section 5.2.3(B)(4) preceding. When calculating the cancellation charge, the rates set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges are used and apply in accordance with the application of rates set forth in Section 15.3 preceding. (T) (T) (T)

(6) Expiration of the Service Period

Upon completion of the Service Period for this Option 28, the customer must choose one of the following options:

(a) discontinue service without termination liability; or

(b) select any then offered term plan or contract tariff option for which the customer is eligible; or

(c) continue subscription to the service at the 5-year rates and charges set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges which apply in accordance with the application of rates set forth in Section 15.3 preceding. (T) (T)

(d) In the event that the customer does not make an election of (a) through (c) preceding, the customer's subscription to the OC48 DSR Service or OC192 DSR Service will continue in accordance with (c) preceding. (T)

(7) Except as set forth in this Option 28, all other rates and charges and terms and conditions set forth in other sections of this tariff apply for any other rate element or work activity that may be associated with the OC48 DSR Service or OC192 DSR Service included in this Option 28. (T)

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32. Contract Tariffs (Cont'd)

32.29 Contract Tariff Option 28 (Cont'd)

(F) Rates and Charges

The following rates and charges apply to the nodes, mileage, and ports that are installed coincident with the initial installation of service and associated with services under this Option 28. The rates and charges for all other rate elements associated with the services included in this Option 28, including those rate elements associated with services that connect to such OC48 DSR Service or OC192 DSR Service, are set forth in other sections of this tariff. (T) (T)

Rate Element	USOC	Monthly Rate	Nonrecurring Charge
OC48 Enhanced Node, per enhanced node	-----	$3,222.80	None
OC192 Enhanced Node, per enhanced node	-----	$6,440.00	None
Mileage,			
OC48 per mile between nodes	-----	447.30	None
OC192 per mile between nodes	-----	895.30	None
Ports, per port			
DS1	-----	22.40	None
DS3	-----	92.00	None
GigE1	-----	184.00	None
GigE3	-----	276.00	None

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32. Contract Tariffs (Cont'd)

32.30 Contract Tariff Option 29

(A) Scope

(1) Contract Tariff Option 29 (Option 29) provides discounted monthly rates to customers who convert an existing Optical Carrier 48 Special Access Verizon® Dedicated SONET Ring Service (**OC48 DSR**) (T) that does not utilize enhanced nodes to a new OC48 DSR that (T) utilizes enhanced nodes in accordance with the requirements set forth in (B) through (F) following.

(2) The terms and conditions, regulations and rates provided in this Section 32.30 apply to customers who convert to new OC48 DSR as (T) offered herein.

(B) Eligibility

All of the following requirements must be met in order to be eligible for subscription to Option 29.

(1) A customer must subscribe to Option 29 by submitting a written authorization in a manner designated by the Telephone Company during the sixty (60) day subscription period which begins on June 10, 2005 and ends on August 9, 2005 (**Subscription Period**).

(2) A customer must subscribe to Option 29 for the service period set forth in (D) following.

(3) A customer must convert, in accordance with this Option 29, an OC48 DSR that does not utilize enhanced nodes (**existing OC48 DSR**) to a (T) new OC48 DSR that utilizes enhanced nodes (**new OC48 DSR**). Enhanced (T) nodes for DSR are described in Section 34.1 following. (T)

(4) The existing OC48 DSR must have been in-service for at least (T) twenty-four (24) months under its current term plan or contract tariff option.

32. Contract Tariffs (Cont'd)

32.30 Contract Tariff Option 29 (Cont'd)

(B) Eligibility (Cont'd)

(5) The new OC48 DSR can not be an existing OC48 DSR that was disconnected from another contract tariff option or discount plan in order to subscribe that DSR to this Option 29. The new OC48 DSR must be configured with the following minimum requirements: (T) (T)

(a) a minimum of ten (10) enhanced nodes configured in a full ring architecture; and

(b) a minimum of eighty (80) miles around the circumference of the ring; and

(c) a Customer Service Management (CSM) optional feature using any level of support for those offered in Section 34.1 following; and (T)

(d) all enhanced nodes for the new OC48 DSR must be located within the Service Area of this Option 29 as set forth in (C) following. (T)

(C) Serving Area

(1) The serving area of Option 29 is comprised of the New York NY Metropolitan Statistical Area (**MSA #1**).

(2) Wire centers for the Phase II MSAs are listed in Section 15.3 preceding, as the same may be amended from time to time.

(3) Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in this tariff) that occur during the Service Period of this Option 29 will apply.

32. Contract Tariffs (Cont'd)

32.30 Contract Tariff Option 29 (Cont'd)

(D) Service Period

(1) The service period for the enhanced nodes, mileage and the CSM optional feature of the new OC48 DSR ordered under this Option 29 is sixty-four (64) months from the date that the new OC48 DSR is available for use by the customer (**Service Period**). (T) (T)

(2) The Service Period for each port on the new OC48 DSR Service that is ordered with the initial installation of service shall commence with the installation of the port and end on the same date on which the Service Period for the enhanced nodes, mileage and CSM optional feature under (D)(1) preceding ends. Ports for DSR are offered under terms and conditions and rates set forth in Section 34.1 following. (T) (T) (T)

(3) The Service Period for each port added subsequent to the initial installation of service is subject to the terms and conditions set forth in Section 34.1 following, except that the commitment period for such port will be coterminous with the end of the Service Period for the enhanced nodes, mileage and CSM optional feature under (D)(1) preceding when such ports are added prior to completion of the thirty-sixth (36th) month of the Service Period of this Option 29. Ports added after the 36th month of the Service Period of this Option 29 are subject to month-to-month billing terms as described in Section 34.1 following. (T) (T)

(E) Terms and Conditions

(1) Except as set forth in this Section 32.30, the terms and conditions (e.g., additions of nodes) and application of rates and charges as set forth in Section 34.1 following apply to the new OC48 DSR and to any service(s) connected to such new OC48 DSR. (T) (T)

(2) Each enhanced node on the new OC48 DSR must be located at customer designated premises or Telephone Company wire centers that are within the Serving Area of this Option 29. (T)

(3) Except as set forth in this Option 29, all other rates and charges and terms and conditions set forth in other sections of this tariff apply for any other rate element or work activity that may be associated with the new OC48 DSR included in this Option 29. (T)

32. Contract Tariffs (Cont'd)

32.30 Contract Tariff Option 29 (Cont'd)

(E) Terms and Conditions (Cont'd)

(4) The conversion from existing OC48 DSR to the new OC48 DSR is complete when all circuits on the existing OC48 DSR are disconnected from the existing DSR and are installed and operational on the new OC48 DSR, and the existing OC48 DSR is disconnected. (T)

(5) Transitional Billing Credit

(a) The customer will receive four (4) months of transitional billing credit for a conversion to new OC48 DSR under this Option 29. (T)

(b) Transitional billing credit is applied at fifty percent (50%) of the monthly recurring charges for 4 months for the node and mileage rate elements on the existing OC48 DSR, as applicable, and 50% of the monthly recurring charges for 4 months for the enhanced node and mileage rate elements on the new OC48 DSR. (T)

(6) Termination Liability

(a) Termination liability does not apply to discontinuance of the existing OC48 DSR when the terms and conditions set forth in this Option 29 are met. (T)

(b) Termination liability does apply if the new OC48 DSR under this Option 29 is discontinued prior to the end of the Service Period. (T)

(c) When termination liability is applicable, the following charges apply.

(i) If service is discontinued prior to the completion of the first thirty-six (36) months of the Service Period, termination liability for the enhanced node, mileage and the CSM optional feature rate elements apply. Termination liability is equal to one hundred percent (100%) of the monthly recurring charges for the enhanced nodes, mileage and CSM optional feature for the unexpired portion of the first 36 months and twenty-five percent (25%) of the monthly recurring charges for the enhanced nodes, mileage and CSM optional feature for the remainder of the Service Period. Termination liability applicable to the Port rate elements is applied in accordance with Section 34.1 following. (T)

(ii) If service is discontinued after the first thirty-six (36) months of the Service Period, termination liability is equal to twenty-five percent (25%) of the monthly recurring charges for the enhanced nodes, mileage and CSM optional feature for the remainder of the Service Period. Termination liability applicable to the Port rate elements is applied in accordance with Section 34.1 following. (T)

32. Contract Tariffs (Cont'd)

32.30 Contract Tariff Option 29 (Cont'd)

(E) Terms and Conditions (Cont'd)

(6) Termination Liability (Cont'd)

(d) When calculating any termination liability charge under this Option 29, the rates set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding) are used. (T) (T)

(7) When calculating any minimum period charges or cancellation charges as they apply under other sections of this tariff, the rates set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding) are used. (T) (T)

(8) Expiration of Service Period

Upon completion of the Service Period for this Option 29, the customer must choose one of the following options:

(a) discontinue service without termination liability; or

(b) select any then offered term plan or contract tariff option for which the customer is eligible; or

(c) continue subscription to the service at the 5-year rates and charges set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding). (T) (T)

(d) In the event that the customer does not make an election of (a) through (c) preceding, the customer's subscription to the new OC48 DSR will continue in accordance with (c) preceding. (T)

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32. Contract Tariffs (Cont'd)

32.30 Contract Tariff Option 29 (Cont'd)

(F) Rates and Charges

The following rates and charges apply to the enhanced node and mileage rate elements of the new OC48 DSR under this Option 29. The rates and charges for all other rate elements associated with the new OC48 DSR (e.g., ports, CSM optional feature), including those rate elements associated with services that connect to such new OC48 DSR, are set forth in other sections of this tariff. (T)

Rate Element	USOC	Monthly Rate	Nonrecurring Charge
OC48 Enhanced Node, per enhanced node	-----	$3,683.20	None
Mileage, OC48 per mile between nodes	-----	511.20	None

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32. CONTRACT TARIFFS (Cont'd)

32.31 Contract Tariff Option 30

(A) Scope

Contract Tariff Option 30, the New Connect Discount Plan H (**Plan H**), is an offering exclusively for:

- new installations of Special Access Verizon Dedicated SONET Ring service as described in Section 34.1 following (**DSR**);
- upgrades of DSR service as described in (B)(3)(b) following (**upgrades**); or
- conversions of Verizon Dedicated SONET Ring service as described in Section 26.1.1 preceding and as set forth in (B)(3)(c) following to DSR service as set forth in Section 34.1 following (**conversions**).

Plan H offers a discount, as set forth in (E)(2) following (**Plan H discount**), on certain DSR rate elements, as set forth in (D) following, when such DSR is newly installed, upgraded, or converted in accordance with the terms of this Plan H. Switched Access DSR rate elements as set forth in Section 34.1 following are not eligible to receive the Plan H discount.

(B) Eligibility Requirements

The customer must meet all of the following requirements in order to be eligible for subscription to Plan H.

(1) A customer must subscribe to Plan H by submitting a written authorization in a manner designated by the Telephone Company during the period that begins on June 11, 2005 and ends on December 23, 2005 (**Subscription Period**). (T)

(2) The customer must accept service on the original service date. If the customer does not accept service on the original service date, the customer's acceptance of the service on a later date will make the service ineligible for the Plan H discount, unless the later date is designated by the Telephone Company or another Exchange Telephone Company jointly providing service with the Telephone Company.

(3) A customer must order new installations of DSR, upgrades of existing DSR(s), or conversions, as applicable, in accordance with this Plan H during the Subscription Period.

(a) Except for upgrades as set forth in (B)(3)(b) following and conversions as set forth under (B)(3)(c) following, a new DSR service does not include DSR service that was disconnected from its current location and installed as new at the same location.

32. CONTRACT TARIFFS (Cont'd)

32.31 Contract Tariff Option 30 (Cont'd)

(B) Eligibility Requirements (Cont'd)

(3) (Cont'd)

(b) Upgrades of an existing DSR service under this Plan H are subject to the terms and conditions set forth in (E)(1) following and to all of the following requirements. (T)

(1) One (1) or two (2) existing DSRs (**the old DSR(s)**) must be upgraded to a single DSR (**the new DSR**), which new DSR must have a greater optical carrier rate than the combined optical carrier rate of the old DSR(s) being upgraded. For example: (T)

- An existing OC3 DSR that is changed to or replaced with a new OC12 DSR is an upgrade. (T)
- Two (2) existing OC12 DSRs that are changed to or replaced with one (1) new OC48 DSR is an upgrade. (T)

(2) The commitment period for the new DSR must have an expiration date that extends beyond the expiration date of the commitment period(s) associated with each of the old DSR(s); and (T)

(3) The new DSR must have at least one (1) customer premises node and one (1) CO node in common with each of the old DSR(s). (T)

(4) When two (2) existing DSRs are upgraded to single new DSR, the aggregate amount of all monthly charges for the nodes included in the new DSR commitment period must be at least twenty-five percent (25%) greater than the aggregate amount of the monthly charges for the nodes included in the remaining commitment period for the old DSR(s). (T)

(c) Conversions of IntelliLight® Dedicated SONET Ring services described in Section 26.1.1 preceding to IDSR service under this Plan H are eligible to receive the Plan H discount, provided that, all conditions for a conversion are met in accordance with the terms and conditions set forth in Section 7.4.10(C)(1) preceding.

32. Contract Tariffs (Cont'd)

32.31 Contract Tariff Option 30 (Cont'd)

(B) Eligibility Requirements (Cont'd)

(3) (Cont'd)

(d) The following types of changes are not upgrades or conversions under this Plan H and are not eligible for the Plan H discount:

- A change of an existing DSR with non-enhanced nodes to a DSR with enhanced nodes with the same optical carrier rate (e.g., an existing OC3 DSR with non-enhanced nodes that is changed to or replaced with a new OC3 DSR with enhanced nodes is not an upgrade) (T)
- An addition of one (1) or more port(s) or node(s) to an existing DSR service (T)
- Two (2) existing DSRs that are changed to or replaced with one (1) new DSR with the same optical carrier rate (e.g., 2 existing OC3 DSRs that are changed to or replaced with 1 new OC3 DSR is not an upgrade) (T)
- An existing DSR that is changed to or replaced with a new DSR with the same optical carrier rate but with additional nodes (e.g., an existing OC12 DSR with ten (10) nodes that is changed to or replaced with a new OC12 DSR with eleven (11) nodes is not an upgrade) (T)

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32. Contract Tariffs (Cont'd)

32.31 Contract Tariff Option 30 (Cont'd)

(C) Serving Area (N)

(1) The serving area of Plan H consists of the Metropolitan Statistical Areas (**MSAs**) set forth in (C)(1)(a) and (b) following.

(a) The Plan H discount will be applied in the following MSAs in accordance with Section 15.3 preceding of this tariff.

Albany-Schenectedy-Troy	MSA #44
Bangor ME	MSA #224
Binghampton NY	MSA #122
Boston MA-NH	MSA #6
Buffalo-Niagara Falls NY	MSA #25
Manchester NH	MSA #133
New York NY	MSA #1
Portland ME	MSA #152
Providence-Warwick RI	MSA #38
Springfield MA	MSA #63
Stamford-Norwalk CT	MSA #42
Syracuse NY	MSA #53
Utica-Rome NY	MSA #115
Worcester MA-CT	MSA #55

(b) The Plan H discount will be applied to all eligible rate elements as set forth in (E)(2) following, except for the portion of the communications path connecting the serving wire center to the associated End User location or the node at the end user location.

Burlington VT	MSA #248
Dutchess County NY	MSA #151
Elmira NY	MSA #284
Portsmouth NH-Rochester ME	MSA #156

(2) The Telephone Company MSAs listing in (C)(1) preceding are in effect as of June 11, 2005. Any additions or changes to the wire centers included in the MSAs listed in (C)(1) preceding that occur after June 11, 2005 do not apply to this Plan H. (N)

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32. Contract Tariffs (Cont'd)

32.31 Contract Tariff Option 30 (Cont'd)

(D) Eligible DSR Rate Elements and Service Configurations (T)

(1) Plan H offers a discount to the following DSR rate elements when such DSR is newly installed, upgraded, or converted in accordance with (E) following. (T) (T)

- Non Enhanced nodes (OC3 only)
- Enhanced nodes (OC12, OC48, OC192), including subtending nodes
- Mileage (OC3, OC12, OC48, OC192)
- Pass Through Interface, Per Interface (OC3, OC12, OC48, OC192)

(2) Plan H is available on either full ring or partial ring configurations.

(E) Description of Plan H

(1) Plan H offers a discount as set forth in (E)(2) following on all eligible DSR rate elements set forth in (D) preceding that meet the conditions outlined in this Plan H. The Plan H discount will apply to the eligible DSR service monthly recurring rate for the rate elements set forth in (D) preceding. Application of the Plan H discount on Mileage rate elements is limited to those instances where individual DSR service has at least two (2) contiguous serving wire centers within an MSA identified in (C) above. (T) (T) (T)

(2) Under Plan H, the customer will receive the following discount that coincides with the term plan selected by the customer for the newly installed, converted, or upgraded DSR service. (T)

- For any 3-year or 5-year term plan, the Plan H discount is 20%.
- For any 7 year term plan, the Plan H discount is 10%.

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32. Contract Tariffs (Cont'd)

32.31 Contract Tariff Option 30 (Cont'd)

(E) Description of Plan H (Cont'd)

(3) Subscription to Other Contract Tariff Options

(a) A customer subscribing to DSR Service under this Plan H may concurrently subscribe to Contract Tariff Option 26 as set forth in Section 32.27 preceding. (T)

(b) A customer subscribing to DSR services under this Plan H may concurrently 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 either currently or 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 those same services. (T)

(c) Except as set forth in (E)(3)(a) and (b) above, the customer may not subscribe any DSR rate elements that receive the Plan H discount to any other contract tariff, unless subscription of such DSR service is explicitly allowed under that contact tariff option. (T) (T)

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32. Contract Tariffs (Cont'd)

32.31 Contract Tariff Option 30 (Cont'd)

(F) Terms and Conditions

Unless superseded by the terms and conditions set forth herein, all terms and conditions, including termination liability and minimum periods, as stated in Section 34.1 following or, with respect to conversions, Section 26.1.1 preceding, as applicable, apply to the DSR services subscribed to this Plan H. (T) (T)

(1) The Plan H discount expires at the end of the term plan selected by the customer. If the customer renews or extends the term plan in accordance with Section 34.1 following, the Plan H discount is not applicable to such renewal or extension. (T)

(2) The Plan H discount is not used in calculating termination liability, cancellation charges, or other obligations as they may apply in other sections of this tariff.

(3) With the exception of adding or removing nodes to the DSR service subscribed to under this Plan H, any replacements, rearrangements, or other physical change to the service subscribed to Plan H will result in termination of the Plan H discount on all rate elements of the service. Any additions of one (1) or more node(s) after the Subscription Period will be billed at the then effective tariff rates, as set forth in Section 34.1 following, and such additional node(s) shall not be eligible for the Plan H discount. Ports may be added or removed to the DSR service subscribed to under this Plan H in accordance with Section 34.1 following at any time during the Service Period of this Plan H. (T) (T) (T) (T)

(4) Termination liability will not apply to the disconnection or upgrade of the old DSR(s) when the conditions set forth in (B)(3)(b) above are met. Termination liability will not apply to the disconnection or conversion of the old DSR(s) when the conditions set forth in (B)(3)(c) above are met. (T) (T)

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32. Contract Tariffs (Cont'd)

32.32 Contract Tariff Option 31 (N)

(A) Scope

(1) Contract Tariff Option 31 (**Option 31**) provides a customer with a discount to the monthly recurring rates for Special Access multiplexed High Capacity 44.736 Mbps Services and certain SONET services when the customer subscribes to this Option 31 in accordance with the terms and conditions set forth herein.

(2) In order to receive the Option 31 discount, a customer must concurrently subscribe to Option 29 of Tariff F.C.C. No. 1 (**FCC1 Option 29**) and Option 16 of Tariff F.C.C. No. 14 (**FCC 14 Option 16**). (x) (x) (x)

(3) The Option 31 discount will only apply to those services specified in (E) following which the customer orders under Option 31 of this tariff.

(B) Eligibility

The customer must meet all of the criteria set forth following in order to be eligible to receive the Option 31 discounts.

(1) A customer subscribes to Option 31 by submitting a written authorization in a manner designated by the Telephone Company during the sixty (60) day period which begins on June 17, 2005 and ends August 15, 2005 (**Subscription Period**).

(2) For calendar year ending December 31, 2004, a customer must have at least six thousand (6,000) High Capacity 44.736 Mbps (**DS3**) channel terminations (**DS3 Terminations)** which are in service anywhere within the operating territories of this tariff and of the Telephone Company's Tariff F.C.C. No. 1, Tariff F.C.C. No. 14, and Tariff F.C.C. No. 16. When counting DS3 Terminations, the Telephone Company will include the following: (x) (x)

(a) Special Access High Capacity 44.736 Mbps Primary Premises Channel Terminations and Special Access High Capacity 44.736 Mbps High Capacity Secondary Premises Channel Terminations in this tariff and in Tariff F.C.C. No. 1; and/or (x)

(b) Special Access DS3 Special Access Lines in Tariffs F.C.C. Nos. 14 and 16. (x) (N) (x)

(x) Issued under authority of Special Permission No. 05-025 of the Federal Communications Commission.

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32. Contract Tariffs (Cont'd)

32.32 Contract Tariff Option 31 (Cont'd)

(B) Eligibility (Cont'd)

(3) Within eight (8) months of the effective date of Option 31 (**ramp up period**), a customer subscribing to this Option 31 must have ordered a minimum of two hundred fifty (250) new Special Access multiplexed DS3s (**minimum commitment**) anywhere within the operating territories of this tariff and of the Telephone Company's Tariff F.C.C. No. 1, Tariff F.C.C. No. 14, and Tariff F.C.C. No. 16 in order to continue to receive the Option 31 discount under this tariff on Special Access multiplexed High Capacity 44.736 Mbps Services (as specified in (E) following) and new SONET (as specified in (E) following). The Serving Area is specified in (D)(1) following. The minimum commitment is subject to (a) through (d) following.

(a) The following service arrangements will count as new Special Access multiplexed DS3s (**new SpA muxed DS3s**) for the purpose of determining if the customer has met the minimum commitment, provided that such new SpA muxed DS3 service arrangements are ordered on or after March 18, 2005 and prior to the end of the ramp up period:

(1) new SpA muxed DS3 that terminates on a DS3 Termination as defined in (B)(2) preceding; and
(2) new SpA muxed DS3 that connects to a DS3 port of a Verizon Dedicated SONET Ring (**DSR**); and (T)
(3) new SpA muxed DS3 that terminates over an IntelliLight® Entrance Facility (**IEF**) with a Fractional OC48 interface; and
(4) new SpA muxed DS3 that connects to a DS3 Rider of a Custom Connect Service; and
(5) new SpA muxed DS3 that connects to a multiplexed IntelliLight® Broadband Transport Service (**IBT**).

(b) The count of new SpA muxed DS3s described in (a) preceding will not include the following:

(1) High Capacity multiplexed DS3 services that connect to a collocated arrangement; or
(2) NYNEX Enterprise DS3 Service as set forth in Section 7.2.13 preceding of this tariff; or
(3) Facilities Management Service utilizing a DS3 interface as set forth in Section 7.2.16 preceding and Section 7.2.13 of Tariff F.C.C. No.1; or
(4) DS3 facilities utilizing a DSR or DSR DS3 Transmux Port; or (T)
(5) any SpA muxed DS3 that is disconnected from its current location and installed as new at that same location for the purpose of subscribing that SpA muxed DS3 to this Option 31.

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32. Contract Tariffs (Cont'd)

32.32 Contract Tariff Option 31 (Cont'd)

(B) Eligibility (Cont'd)

(3) (Cont'd)

(c) For new SpA muxed DS3s that are part of a Shared Use arrangement, the associated Special Access portion of the new SpA muxed DS3 will count as a single new SpA muxed DS3.

(d) Only those new SpA muxed DS3s that were ordered under a 3-year, 5-year, or 7-year commitment and prior to the end of the ramp up period will be included in the count when determining whether the minimum commitment of new SpA muxed DS3s has been met.

(4) In order to receive the Option 31 discount on new SONET as defined below, the customer must meet the minimum commitment of new SpA muxed DS3 prior to the end of the ramp up period. There is no minimum commitment associated with the new SONET service. Unless a SONET service meets the requirement of an upgrade as set forth in 4(b) following or a conversion as set forth in 4(c) following, a new SONET service does not include SONET that was disconnected from its current location and installed as new at the same location for the purpose of subscribing that SONET to this Option 31. New SONET services eligible for the Option 31 discount include the following.

(a) New DSR and IBT that are ordered under this tariff in accordance with this Option 31 at any time beginning June 17, 2005 and ending June 16, 2006; and (T)

32. Contract Tariffs (Cont'd)

32.32 Contract Tariff Option 31 (Cont'd)

(B) Eligibility (Cont'd)

(4) (Cont'd)

(b) Upgrades of DSR to a new DSR with a greater Optical Carrier rate (e.g., OC12 to OC48) when ordered on or after June 17, 2005 and no later than June 16, 2006 (**upgrades**). Such upgrades are further subject to the requirements in either (1) or (2) following. (T)

(1) For upgrades in which the customer subscribes to both this Option 31 and Option 26 of this tariff, the upgrade is subject to the requirements set forth in this Option 31 and in Option 26 preceding.

(2) For all other upgrades, the upgrade is subject to (i) through (iv) following, (F)(1)(c) following, and Section 34.1 following. (T) (T)

(i) One (1) or two (2) existing DSRs (**the old DSR(s)**) must be upgraded with a single DSR (**the new DSR**), which new DSR must have a greater optical carrier rate than the combined optical carrier rate of the old DSR(s) being upgraded. (T) (T) (T)

(ii) The commitment period for the new DSR must have an expiration date that extends beyond the expiration date of the commitment period(s) associated with each of the old DSR(s). (T) (T)

(iii) The new DSR must have at least one (1) customer premises node and one (1) CO node in common with each of the old DSR(s). (T) (T)

(iv) When two (2) existing DSRs are upgraded to a single new DSR, the aggregate amount of all monthly charges for the nodes included in the new DSR commitment period must be at least twenty-five percent (25%) greater than the aggregate amount of the monthly charges for the nodes included in the remaining commitment period for the old DSR(s). (T) (T) (T) (T)

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32. Contract Tariffs (Cont'd)

32.32 Contract Tariff Option 31 (Cont'd)

(B) Eligibility (Cont'd)

(4) (Cont'd)

(c) Conversions of Verizon Dedicated SONET Ring services described in Section 26.1.1 preceding to DSR service under this Option 31 are eligible to receive the Option 31 discount, provided that, all conditions for a conversion are met in accordance with the terms and conditions set forth in Section 7.4.10(C)(1) preceding (**conversions**). (T) (T)

(d) In order to receive the Option 31 discount on new SONET, the customer must accept service for new SONET on the original service date. If the customer does not accept new SONET on the original service date, the customer's acceptance of service on a later date will make that new SONET ineligible for the Option 31 discount, unless the later date is designated by the Telephone Company or another Exchange Telephone Company jointly providing service with the Telephone Company.

(5) Subscription to Other Contract Tariff Options of This Tariff

(a) A customer subscribing to DSR under this Option 31 may concurrently subscribe to Contract Tariff Option 26 as set forth in this Section 32. (T)

(b) A customer subscribing to the services included in this Option 31 may concurrently 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 either currently or 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 those same services.

(c) Except as set forth in (a) and (b) above, the customer may not subscribe any new SpA muxed DS3 or new SONET rate element which receives the Option 31 discount to any other contract tariff, unless subscription of such new SpA muxed DS3 or new SONET rate element is explicitly allowed under that contact tariff option.

32. Contract Tariffs (Cont'd)

32.32 Contract Tariff Option 31 (Cont'd)

(C) Service Period

(1) Subject to the limitations in (C)(3) following, the service period for each new SpA muxed DS3 ordered under an individual circuit specific term plan in accordance with (B)(3) preceding is equal to the individual term commitment selected for such SpA muxed DS3 (**muxed DS3 service period**). Term plans for new SpA muxed DS3s are specified in (B)(3)(d) preceding.

(2) Subject to the limitations in (C)(3) following, the service period for each new SpA muxed DS3 ordered under a term plan that includes DS3 services and is managed on a non-circuit specific basis (e.g., CDP) is equal to the common expiration date for such DS3 term plan, or the time remaining in such existing DS3 term plan, as applicable. Available circuit specific term commitments for new SpA muxed DS3s are specified in (B)(3)(d) preceding.

(3) For new SpA muxed DS3 subscribed to this Option 31, and regardless of any term plan subscribed to by customer, the service period and corresponding discount in (F)(1)(a) following shall not extend beyond December 31, 2010.

(4) The service period for new SONET ordered under a term plan in accordance with this Option 31 is equal to the individual term plan selected for the specific new SONET involved and shall terminate coincident with expiration of the initial commitment period on such term plan (**SONET service period**). Term plans for such new SONET are specified in (F)(1)(a) following.

(D) Serving Area

(1) The serving area for new SpA muxed DS3s includes all of the Phase I and Phase II MSAs of this tariff and of the Telephone Company's Tariff F.C.C. Nos. 1 and 14. (C)

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32. Contract Tariffs (Cont'd)

32.32 Contract Tariff Option 31 (Cont'd) (N)

(D) Serving Area (Cont'd)

(2) The serving area for new SONET under Option 31 consists of the following MSAs.

(a) In the following MSAs, the Option 31 discount will be applied to all eligible rate elements set forth in (E)(1)(b) and (E)(1)(c) following in accordance with Section 15.3 preceding.

MSA Name	MSA Number
Albany-Schenectady-Troy	MSA #44
Bangor ME	MSA #224
Binghamton NY	MSA #122
Boston MA-NH	MSA #6
Buffalo-Niagara Falls NY	MSA #25
Manchester NH	MSA #133
New York NY	MSA #1
Portland ME	MSA #152
Providence-Warwick RI	MSA #38
Springfield MA	MSA #63
Stamford-Norwalk CT	MSA #42
Syracuse NY	MSA #53
Worcester MA-CT	MSA #55

(b) In the following MSAs, the Option 31 discount will be applied to all eligible rate elements as set forth in (E)(1)(b) and (E)(1)(c) following, except for the portion of the communications path connecting the serving wire center to the associated end user location or the node at the end user location.

MSA Name	MSA Number
Burlington VT	MSA #248
Dutchess County NY	MSA #151
Elmira NY	MSA #284
Portsmouth NH-Rochester ME	MSA #156
Utica-Rome NY	MSA #115

(3) The Telephone Company MSAs listed in (D)(1) and (D)(2) preceding are in effect as of the effective date of this Option 31. Any additions or changes to the wire centers included in the MSAs listed in (D)(1) or (D)(2) preceding that occur after June 17, 2005 do not apply. (N)

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32. Contract Tariffs (Cont'd)

32.32 Contract Tariff Option 31 (Cont'd)

(E) Services Eligible to Receive the Option 31 Discount

(1) The Option 31 discount specified in (F)(1) following will be applied to the following services and rate elements associated with new SpA muxed DS3 and new SONET that are provided within the MSAs for specified in (D)(2) preceding.

(a) New SpA Muxed DS3 that are ordered under a 3, 5 or 7 year term plan and by the end of the ramp up period set forth in (B)(3) preceding or after the ramp up period and prior to June 16, 2006:

(1) DS3 Primary Premises Channel Termination base rates; and
(2) DS3 Fixed and Per Mile Channel Mileage base rates; and
(3) DS3 to DS1 Central Office Multiplexing optional feature base rates.

(b) DSR Full and Partial Ring Configurations that are ordered under a 3, 5 or 7 year term plan on or after June 17, 2005 and no later than June 16, 2006. So long as either one of the following dates is within the period between June 17, 2005 and June 16, 2006, then such DSR shall be included in this Option 31 and receive the Option 31 discount: (i) the date that the customer provides the Telephone Company with its written or electronic authorization (order) to begin construction of the ring, or (ii) the date that the customer submits the Access Service Request (order) to commence billing. In either case, the Option 31 discount will not commence until the date that billing commences. (T) (T)

(1) OC3 Nodes that are not enhanced; and
(2) OC12, OC48 and OC192 enhanced nodes; and
(3) OC3, OC12, OC48 and OC192 Mileage (see Note); and
(4) Partial Ring High Speed (Pass-Through) Interfaces.

Note: Application of the Option 31 discount on Mileage rate elements is limited to those instances where individual DSR service has at least two (2) contiguous serving wire centers within an MSA identified in (D)(2)(b) preceding. (T)

(c) IBT Point-to-Point and Multiplexed Configurations that are ordered under a 3 or 5 year term plan on or after June 17, 2005 and no later than June 16, 2006.

(1) OC3, OC3c, STM1, OC12, OC12c, OC48, and OC48c Standard Channel Terminations
(2) OC3, OC3c, STM1, OC12, OC12c, OC48, and OC48c Ports (excludes all low speed ports associated with the multiplexing capability optional feature)
(3) OC3, OC3c, STM1, OC12, OC12c, OC48, and OC48c Mileage
(4) Multiplexing Capability Optional Feature - OC3, OC12, and OC48 multiplexing nodes only.

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32. Contract Tariffs (Cont'd)

32.32 Contract Tariff Option 31 (Cont'd) (N)

(E) Services Eligible to Receive the Option 31 Discount (Cont'd)

(2) The percentage discounts set forth in (F)(1)(a) following will only be applied to the rate elements specified in (E)(1) preceding and only in those MSAs specified in (D) preceding that have achieved Phase I or Phase II pricing flexibility. Wire centers for the Phase II MSAs are listed in Section 15.3 preceding of this tariff, Section 14.7 of Tariff F.C.C. No. 1, (x)
and Section 19.1 of Tariff F.C.C. No. 14. No discount will be (x)
applied to new SpA muxed DS3 or new SONET within the Telephone Company operating territories of Tariff F.C.C. No. 16. (x)

(F) Terms and Conditions

(1) Percentage Discounts

(a) The discounts under this Option 31 are percentage based and are applied for the duration of the Service Period to the applicable rate elements set forth in (E)(1) preceding which are ordered by the customer in accordance with the terms of this Option 31. The customer will receive the following discount that coincides with the term plan selected by the customer for the newly installed SpA muxed DS3 and newly installed, converted, or upgraded SONET, as applicable.

Term	Percentage Discount
3-year	20%
5-year	20%
7-year	10%

(b) The Telephone Company will first apply any discount associated with the applicable term plan (such as SDP, TPP or CDP) under which the service is ordered, and then apply the Option 31 discount to that already discounted rate. When the service involved is also under another contract tariff option for which minimum revenue, total revenue, or minimum quantities are measured on an aggregate basis, the Telephone Company will apply the Option 31 discount prior to applying any discount associated with such other contract tariff option. For example: assume that the monthly rate for SpA muxed DS3 is $1,500 and that the TPP discount is twenty percent (20%). Also assume that the applicable discount under this Option 31 is ten percent (10%). The Telephone Company will first apply the TPP discount to the monthly rate [$1,500 – ($1,500 x 20%) = $1,200.00] and then apply the Option 31 discount to that already reduced rate [$1,200 – ($1,200 – 10%) = 1,080]. (N)

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32. Contract Tariffs (Cont'd)

32.32 Contract Tariff Option 31 (Cont'd)

(F) Terms and Conditions (Cont'd)

(1) Percentage Discounts (Cont'd)

(c) Discounts associated with term plans for new SpA muxed DS3s are specified in the Service Discount Plan (SDP) as set forth in Section 7.4.10 preceding and the CDP as set forth in Section 25 preceding.

(d) Discounts associated with term plans for new SONET are specified in the TPP set forth in Section 34.1 following for DSR and (T)
Section 26.1.5 preceding for IBT. (T)

(e) Percentage Discount Beginning and Ending Dates

(1) For new SpA muxed DS3 that is ordered during the ramp up period set forth in (B)(3) preceding or after the ramp up period and prior to June 16, 2006, the Option 31 discount begins with the date of installation and continues for the duration of the muxed DS3 service period in accordance with (C) preceding, subject to the limitations set forth in (F)(2) following.

(2) For new SpA muxed DS3 that was ordered between March 18, 2005 and June 17, 2005, the Option 31 discount begins with the date of installation or the date of subscription to Option 31 (whichever is the later date) and continues for the duration of the muxed DS3 service period in accordance with (C) preceding, subject to the limitations set forth in (F)(2) following.

(3) For new SONET IBT, the Option 31 discount begins with the date of installation and continues for the duration of the SONET service period of the customer's initial term plan selected in accordance with (C)(4) preceding, subject to the limitations set forth in (F)(2) following.

(4) For DSR, the Option 31 discount begins coincident with the (T)
date that billing commences under Section 5.2 preceding and continues for the duration of the SONET service period of the customer's initial term plan selected in accordance with (C)(3) preceding, subject to the limitations set forth in (F)(2) following. The Option 31 discount will not apply during any period of renewal of, or extension to, the initial term plan selected.

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32. Contract Tariffs (Cont'd)

32.32 Contract Tariff Option 31 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(1) Percentage Discounts (Cont'd)

(f) Shared Use as set forth in Section 5.2.7 preceding is allowed on new SpA muxed DS3s and new SONET under this Option 31. The percentage discount specified in (a) preceding will only be applied to the portion of the new SpA muxed DS3 or new SONET that is rated as Special Access.

(2) In the event that the customer has not satisfied the minimum commitment of new SpA muxed DS3s as required under (B)(3) preceding by the end of the ramp up period, the following applies:

(a) Shortfall charges (**ramp-up shortfall**) apply equal to fifty percent (50%) of the discount already applied under this Option 31 for the period of time that each new SpA muxed DS3 has received the Option 31 discount; and

(b) the Option 31 discount applicable to SpA muxed DS3 and new SONET under this Option 31 will cease at the end of the ramp up period; and

(c) the customer's subscription to Option 31 is terminated. (N)

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32. Contract Tariffs (Cont'd)

32.32 Contract Tariff Option 31 (Cont'd)

(F) Terms and Conditions (Cont'd)

(3) Termination Liability and Minimum Periods

Unless superseded by the terms and conditions set forth herein, all terms and conditions, including termination liability and minimum periods, as stated in other sections of this tariff apply to new SpA muxed DS3 or new SONET subscribed to this Option 31.

(a) Termination Liability

(1) When calculating termination liability charges for SpA muxed DS3 as they may apply under other sections of this tariff, first apply the Option 31 discount to the monthly rates used in such calculation.

(2) When calculating any termination liability charge for new SONET as it may apply under other sections of this tariff, do not apply the Option 31 discount to the monthly rates used in such calculation.

(3) Termination liability will not apply when disconnecting or upgrading old DSR(s) in accordance with (B)(4)(b) preceding or (T)
when converting DSR in accordance with (B)(4)(c) preceding. (T)

(b) Minimum Periods

When calculating any minimum period charges for SpA muxed DS3 or new SONET as they may apply under other sections of this tariff, do not apply the Option 31 discount to the monthly rates used in such calculation.

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32. Contract Tariffs (Cont'd)

32.32 Contract Tariff Option 31 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(4) At expiration of the Service Period for new SpA muxed DS3 or new SONET, the customer has the following options.

(a) For SpA muxed DS3, the following options apply:

(1) disconnect service (in this case, the Option 31 discount will cease upon disconnection of the service); or

(2) continue with the service on a month-to-month basis, during which time the Option 31 discount will continue to be applied as set forth herein through December 31, 2010; or

(3) renew or extend the expired term plan under the terms and conditions specified for the term plan involved, during which time the Option 31 discount will continue to be applied as set forth herein through December 31, 2010; or

(4) select any then effective Contract Tariff Option applicable to new SpA muxed DS3 for which the customer is eligible. In this case, the Option 31 discount will cease upon subscription to such Contract Tariff Option.

(b) For SONET service, the following options apply:

(1) disconnect service (in this case, the Option 31 discount will cease upon disconnection of the service); or

(2) renew or extend the expired term plan under the terms and conditions specified for that term plan during which period of renewal or extension the Option 31 discount will not apply; or

(3) select any then effective term plan or contract tariff option applicable to the new SONET involved and for which the customer is eligible to subscribe. In this case, the Option 31 discount will cease upon subscription to such other term plan or contract tariff option.

(4) Regardless of the option selected, the Option 31 discount will cease upon expiration of the initial term plan for the new SONET or in accordance with (1) through (3) preceding, whichever occurs first. (N)

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32. Contract Tariffs (Cont'd)

32.33 Contract Tariff Option 32

(A) Scope

(1) Contract Tariff Option 32 (Option 32) provides a discount to the monthly rates applicable to Special Access Verizon Dedicated SONET Ring Service (**DSR**) in a full ring configuration that is subscribed to this Option 32 as: (T) (T)

(a) a new installation of DSR with an optical carrier rate of OC48 or OC192; or (T)

(b) an upgrade of an existing OC48 DSR to a new OC192; or (T)

(c) a conversion in subscription from OC48 or OC192 DSR that is subscribed to Contract Tariff Option 28, 30 or 31 to an OC48 or OC192 DSR that is subscribed to this Option 32. (T) (T)

(2) The terms and conditions, regulations and rates provided in this Section 32.33 apply to customers who subscribe to OC48 or OC192 DSR Service as offered herein. (T)

(B) Eligibility Requirements

All of the following requirements must be met in order to be eligible for subscription to Option 32.

(1) A customer must subscribe to Option 32 by submitting a written authorization in a manner designated by the Telephone Company during the subscription period which begins on August 10, 2005 and ends on December 31, 2005 (**Subscription Period**).

(2) The customer must accept service on the original service date. If the customer does not accept service on the original service date, any change to a later date will make the service ineligible for the discount, unless the change is initiated by the Telephone Company.

(3) A customer must subscribe to Option 32 for the service period set forth in (D) following.

(4) Each OC48 or OC192 subscribed to this Option 32 must be configured with between eight (8) and twenty-two (22) enhanced nodes that are located at customer designated premises or Telephone Company wire centers, and the ring mileage must be greater than 40 miles. A new OC48 or OC192 DSR under (A)(1)(a) preceding cannot be a DSR Service that was disconnected from another contract tariff option or discount plan in order to subscribe that DSR to this Option 32. (T) (T)

(5) All nodes for the OC48 or OC192 DSR must be located within the Serving Area as set forth in (C) following. (T)

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32. Contract Tariffs (Cont'd)

32.33 Contract Tariff Option 32 (Cont'd)

(C) Serving Area

(1) The serving area of Option 32 is comprised of the New York wire centers that are within the New York Metropolitan Statistical Area (**MSA #1**) and the New Jersey wire centers that are within the New York and New Jersey Corridor portion of MSA #1. At least seventy-five (75) percent of the total number of nodes on the OC48 or OC192 DSR, as applicable, must be served by wire centers that are within the New York and New Jersey Corridor portion of MSA #1. For example, a twelve (12) node OC48 DSR must have at least eight (8) nodes that are served by the wire centers specified in (3) following and any remaining nodes must be served by other New York wire centers of MSA #1. (T) (T)

(2) Wire centers for Phase II MSAs are listed in Section 15.3 preceding, as the same may be amended from time to time.

(3) The following Telephone Company wire centers of MSA #1 comprise the geographic area of the New York and New Jersey Corridor:

New York Wire Centers

NYCKNY14	NYCMNY42	NYCQNYFR
NYCKNY71	NYCMNY50	NYCQNYHS
NYCKNY77	NYCMNY56	NYCQNYIA
NYCKNYAI	NYCMNY73	NYCQNYJA
NYCKNYAL	NYCMNY79	NYCQNYLI
NYCKNYAR	NYCMNY97	NYCQNYLN
NYCKNYAU	NYCMNYBS	NYCQNYNJ
NYCKNYAY	NYCMNYBW	NYCQNYNW
NYCKNYBR	NYCMNYCA	NYCQNYOP
NYCKNYBU	NYCMNYMN	NYCQNYRH
NYCKNYCL	NYCMNYPS	NYCRNYND
NYCKNYFA	NYCRNYNS	NYCRNYSS
NYCKNYFT	NYCMNYTH	NYCRNYWS
NYCKNYKP	NYCMNYVS	NYCXNYCI
NYCKNYLA	NYCMNYWA	NYCXNYCR
NYCKNYRA	NYCMNYWS	NYCXNYGC
NYCKNYTY	NYCMNYZO	NYCXNYHO
NYCKNYWM	NYCQNYAS	NYCXNYJE
NYCMNY13	NYCQNYBA	NYCXNYKB
NYCMNY18	NYCQNYBH	NYCXNYMH
NYCMNY30	NYCQNYCO	NYCXNYTB
NYCMNY36	NYCQNYFH	NYCXNYTR
NYCMNY37	NYCQNYFL	

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32. Contract Tariffs (Cont'd)

32.33 Contract Tariff Option 32 (Cont'd) (N)

(C) Serving Area (Cont'd)

(3) The following Telephone Company wire centers of MSA #1 comprise the geographic area of the New York and New Jersey Corridor: (Cont'd)

New Jersey Wire Centers

BYNNNJ02	JRCYNJBR	PSSCNJPS
BLVLNJBE	JRCYNJJO	PTSNNJAR
BLFDNJBL	KRNYNJKN	PLFDNJPF
CFTNNJCF	LNDNNJ01	RCPKNJ02
CLWLNJCW	LTFLNJLF	RGWDNJRW
CFPKNJCS	LTFYNJLF	RHWYNJRA
CLSTNJCO	LVTNNJLI	RMSYNJRM
CNFRNJCR	MLBNNJMB	RSLLNJRL
DUMTNJDM	MTCLNJMC	RVDLNJPL
ELZBNJEL	MTVWNJMV	RTFRNJRU
ENWDNJEN	NBRGNJNB	SORGNJSO
EORNNJEO	NWPVNJMH	UNCYNJ02
ERLKNJEL	NWRKNJ03	UNINNJUV
FRLNNJFL	NWRKNJIR	WMFRNJ01
FRFDNJFA	NWRKNJ02	WORNNJWO
FTLENJLE	NWRKNJWA	WSFDNJWS
HCKNNJHK	NFLDNJNF	WYCKNJWK
HLDNNJ01	NTLYNJNU	
HLDLNJWE	OKLDNJ01	
IVTNNJES	RVEDNJOR	

(4) The remaining Telephone Company New York wire centers of MSA #1 are specified in Section 15.3 preceding.

(5) Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in this tariff) that occur during the Service Period of this Option 32 will apply. (N)

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32. Contract Tariffs (Cont'd)

32.33 Contract Tariff Option 32 (Cont'd)

(D) Service Period

(1) The service period for OC48 or OC192 DSR nodes and mileage ordered as new under (A)(1)(a) preceding, ordered as an upgrade under (A)(1)(b) preceding, or converted from Contract Tariff Option 28, 30 or 31 under (A)(1)(c) preceding is sixty-three (63) months from the date that the DSR under this Option 32 is available for use by the customer or that the conversion from Contract Tariff Option 28, 30 or 31 is complete (**Service Period**). (T) (T)

(2) The Service Period for each port on the DSR ordered under this Option 32 that is ordered with the initial installation of service shall commence with the installation of the port and end on the same date on which the Service Period for the nodes and mileage under (D)(1) preceding ends. (T)

(3) The Service Period on the DSR ordered under this Option 32 for each port added subsequent to the initial installation of service is subject to the terms and conditions set forth in Section 34.1 following, except that the commitment period for such port will be coterminous with the end of the Service Period for the nodes and mileage under (D)(1) preceding when such ports are added prior to the thirty-sixth (36th) month of the Service Period of this Option 32. Ports added after the 36th month of the Service Period of this Option 32 are subject to monthly terms as described in Section 34.1 following. (T) (T) (T) (T) (T) (T)

(E) Terms and Conditions

(1) Except as set forth in this Section 32.33, the terms and conditions (e.g., additions of nodes) and application of rates and charges as set forth in Section 34.1 following apply to the OC48 or 192 DSR that is subscribed to this Option 32. Additionally, the terms and conditions (e.g., additions of nodes) and application of rates and charges as set forth in Section 34.1 following apply to ports added subsequent to the initial installation of DSR under this Option 32, and to any service(s) connected to such OC48 or OC192 DSR. (T) (T) (T) (T) (T)

(2) The OC48 or OC192 DSR Service subscribed to this Option 32 must be configured with a minimum requirements set forth in (B)(4) preceding. (T)

32. Contract Tariffs (Cont'd)

32.33 Contract Tariff Option 32 (Cont'd)

(E) Terms and Conditions (Cont'd)

(3) Termination Liability

(a) In the event that service is discontinued prior to the end of the Service Period, termination liability applies in accordance with the regulations set forth in Section 34.1 following. Subject to (T)
the application of rates described in Section 15.3 preceding, any termination liability charge shall be calculated using the rates set forth in Section 30.34.1 preceding for price band rates and (T)
charges and Section 31.34.1 preceding for all other rates and (T)
charges.

(b) Termination liability under Contract Tariff Option 28, 30 or 31 preceding will not apply when converting subscription of OC48 or OC192 DSR under one of those contract tariff options to this (T)
Option 32.

(4) Minimum Period

(a) In the event that OC48 or OC192 DSR under this Option 32 is (T)
discontinued prior to the end of the minimum period as set forth in Section 5.2.5 preceding, minimum period charges apply. When calculating the minimum period charge, the rates set forth in Section 30.34.1 preceding for price band rates and charges and (T)
Section 31.34.1 preceding for all other rates and charges are (T)
used and apply in accordance with the application of rates set forth in Section 15.3 preceding.

(b) Minimum period charges under Contract Tariff Option 28, 30 or 31 preceding do not apply for conversion from such contract tariff option to this Opt

32. Contract Tariffs (Cont'd)

32.33 Contract Tariff Option 32 (Cont'd)

(E) Terms and Conditions (Cont'd)

(5) Cancellation

Cancellation charges apply if the customer cancels the order, or part of the order, for DSR ordered under this Option 32 prior to the service date, unless the order or part of the order is cancelled due to the Telephone Company failure to provide service on the service date. Cancellation charges apply in accordance with Section 5.2.3(B)(4) preceding. When calculating the cancellation charge, the rates set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges are used and apply in accordance with the application of rates set forth in Section 15.3 preceding. (T) (T) (T)

(6) Expiration of the Service Period

Upon completion of the Service Period for this Option 32, the customer must choose one of the following options:

(a) discontinue service without termination liability; or

(b) select any then offered term plan or contract tariff option for which the customer is eligible; or

(c) continue subscription to the service at the 5-year rates and charges set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges which apply in accordance with the application of rates set forth in Section 15.3 preceding. (T) (T)

(d) In the event that the customer does not make an election of (a) through (c) preceding, the customer's subscription to the OC48 DSR Service or OC192 DSR Service will continue in accordance with (c) preceding. (T)

(7) Except as set forth in this Option 32, all other rates and charges and terms and conditions set forth in other sections of this tariff apply for any other rate element or work activity that may be associated with the OC48 or OC192 DSR included in this Option 32. (T)

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32. Contract Tariffs (Cont'd)

32.33 Contract Tariff Option 32 (Cont'd)

(F) Rates and Charges

The following rates and charges apply to the nodes, mileage, and ports that are installed coincident with the initial installation of service and associated with services under this Option 32. The rates and charges for all other rate elements associated with the services included in this Option 32, including those rate elements associated with services that connect to such OC48 DSR Service or OC192 DSR Service, are set forth in other sections of this tariff. (T) (T)

Rate Element	USOC	Monthly Rate	Nonrecurring Charge
OC48 Enhanced Node, per enhanced node	-----	$3,222.80	None
OC192 Enhanced Node, per enhanced node	-----	6,440.00	None
Mileage,			
OC48 per mile between nodes	-----	447.30	None
OC192 per mile between nodes	-----	895.30	None
Ports, per port			
DS1	-----	22.40	None
DS3	-----	92.00	None
GigE1	-----	184.00	None
GigE3	-----	276.00	None

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32. Contract Tariffs (Cont'd)

32.34 Contract Tariff Option 33

(A) Scope

(1) Contract Tariff Option 33 (Option 33) is offered to customers who already subscribe to Special Access Optical Carrier 12 Verizon Dedicated SONET Ring (**existing OC12 DSR**) under a commitment period that expired prior to September 28, 2005, and reuses the nodes from such OC12 DSR to establish a new Special Access Optical Carrier 12 DSR (**new OC12 DSR**) that is subscribed to this Option 33 in accordance with (B) through (F) following. (T)

(2) The terms and conditions, regulations, and rates provided in this Section 32.34 apply to customers who order OC12 DSR as offered herein. (T)

(B) Eligibility

All of the following requirements must be met in order to be eligible for subscription to Option 33.

(1) The customer must already subscribe to existing OC12 DSR that utilizes nodes that are not enhanced. (T)

(2) The commitment period for the existing OC12 DSR must have expired prior to September 28, 2005. (T)

(3) The customer must subscribe to a new OC12 DSR in a full ring configuration under this Option 33 by submitting a written authorization in a manner designated by the Telephone Company during the subscription period which begins on September 28, 2005 and ends on December 31, 2005 (**Subscription Period**). (T)

(4) The customer must subscribe to this Option 33 for the service period set forth in (D) following.

(5) Except as otherwise allowed under (B)(6) following, each node of the new OC12 DSR must be a node that was reused from the existing OC12 DSR. When configuring the new OC12 DSR, the reused nodes must be located at the same customer designated premises and Telephone Company wire centers as they were located under the existing OC12 DSR configuration. (T)

(6) In addition to the reused nodes described in (B)(5) preceding, the customer must install one or two nodes at a customer designated premises or Telephone Company wire center that was not part of the configuration for the old OC12 DSR. However, such different customer designated premise or Telephone Company wire center must be within the Serving Area of this Option 33. (T)

32. Contract Tariffs (Cont'd)

32.34 Contract Tariff Option 33 (Cont'd)

(C) Serving Area

(1) The serving area of Option 33 is comprised of the Phase II, Level 2 wire centers of the Metropolitan Statistical Area (**MSAs**) specified in Section 15.3 preceding of this tariff.

(2) Wire centers for the Phase II, Level 2 MSAs are listed in Section 15.3 preceding, as the same may be amended from time to time.

(3) Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in this tariff) that occur after September 28, 2005 do not apply.

(D) Service Period

The service period for this Option 33 is one (1) year and commences with the date that the new OC12 DSR is available for use by the customer. (T)

(E) Terms and Conditions

(1) Except as set forth in this Section 32.34, the terms and conditions and application of rates and charges as set forth in Section 34.1 following apply to the new OC12 DSR and to any service connected to such new OC12 DSR. (T) (T) (T)

(2) Each OC12 node must be located at a customer designated premises or a Telephone Company wire center that is within the Serving Area of this Option 33.

(3) The rate elements to be included in the 1-year service period of this Option 33 include only the nodes and mileage around the circumference of the new OC12 DSR. All ports on the new OC12 DSR must be ordered on monthly terms in accordance with Section 34.1 following. (T) (T) (T)

(4) When a node is installed in accordance with (B)(6) preceding, a Subsequent Installation Nonrecurring Charge as specified in Section 34.1 following applies. Such nonrecurring charge is set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding). (T) (T) (T)

(5) The new OC12 DSR may be configured with OC3 nodes that subtend the OC12 nodes or with an OC3 ring-on-ring configuration. In either case, the OC3 nodes are subject to the rates and charges set forth in (F) following. (T)

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32. Contract Tariffs (Cont'd)

32.34 Contract Tariff Option 33 (Cont'd)

(E) Terms and Conditions (Cont'd)

(6) Minimum Period

(a) The minimum period for the new OC12 DSR under this Option 33 is one year. In the event that the new OC12 DSR is discontinued prior to the end of the minimum period, the minimum period obligation for this Option 33 are satisfied through the application of a termination liability charge as determined in (E) (8) following. However, the customer remains responsible for satisfying any outstanding minimum period obligations on other rate elements purchased under Section 34.1 following and to any other services connected to the new OC12 DSR as purchased under other sections of this tariff. (T)

(b) When calculating any minimum period charges or cancellation charges as they apply under other sections of this tariff, the rates set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding) are used in lieu of the rates set forth in (F) following. (T)

(7) Except as set forth in this Option 33, all other rates and charges and terms and conditions set forth in other sections of this tariff apply for any other rate element or work activity that may be associated with the new OC12 DSR of this Option 33. (T)

(8) Termination Liability

(a) If the new OC12 DSR under this Option 33 is discontinued prior to the end of the Service Period specified in (D) preceding, termination liability applies. Termination liability is calculated at one hundred percent (100%) of the monthly recurring charges for the node rate elements for the balance of the Service Period. (T)

(b) When applicable, the termination liability charge under this Option 33 is calculated using the rates set forth in (F) following.

(c) The customer remains responsible for satisfying any termination liability as it may apply to other rate elements purchased under Section 34.1 following and to any other services connected to the new OC12 DSR as purchased under other sections of this tariff. Such termination liability is calculated using the rates set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding). (T)

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32. Contract Tariffs (Cont'd)

32.34 Contract Tariff Option 33 (Cont'd)

(E) Terms and Conditions (Cont'd)

(9) Expiration of Service Period

Upon completion of the Service Period for this Option 33, the customer must choose one of the following options:

(a) discontinue service without termination liability; or

(b) select any then offered term plan or contract tariff option for which the customer is eligible; or

(c) continue subscription to the service on a month-to-month basis at the rates for the 5-year term plan set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding). (T) (T)

(d) In the event that the customer does not make an election of (a) through (c) preceding, the customer's subscription to the new OC48 DSR will continue in accordance with (c) preceding. (T)

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32. Contract Tariffs (Cont'd)

32.34 Contract Tariff Option 33 (Cont'd)

(F) Rates and Charges

(1) The following rates and charges apply to the node and mileage rate elements of this Option 33. The rates and charges for all other rate elements associated with the new OC12 DSR, including those rate elements associated with services that connect to such new OC12 DSR, are set forth in other sections of this tariff (T) (T)

(a) Monthly Rates

Rate Element	USOC	Monthly Rate
OC12 Node, per node	-----	$2,238.00
OC3 Node, per node	-----	1,290.00
Mileage, OC12 per mile between OC12 nodes	-----	359.00

(b) Nonrecurring Charges

	Nonrecurring Charge
OC12 or OC3 Node, per node reused	None
OC12 or OC3 Node, per node installed at or moved to a new location	See Section 34.1 following (T)

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32. Contract Tariffs (Cont'd)

32.35 Contract Tariff Option 34

(A) Scope

(1) Contract Tariff Option 34 (Option 34) provides discounted monthly rates to customers who subscribe to new OC48 DSR Service under Section 34.1 following in accordance with the requirements set forth in (B) through (F) following and migrate existing DS1 and DS3 circuits to the new OC48 DSR. (T)

(2) The terms and conditions, regulations and rates provided in this Section 32.35 apply to customers who upgrade to new OC48 DSR as offered herein. (T)

(B) Eligibility

All of the following requirements must be met in order to be eligible for subscription to Option 34.

(1) A customer must subscribe to Option 34 by submitting a written authorization in a manner designated by the Telephone Company during the thirty (30) day subscription period which begins on September 28, 2005 and ends on October 27, 2005 (**Subscription Period**).

(2) A customer must subscribe to Option 34 for the service period set forth in (D) following.

(3) A customer must subscribe to a new OC48 DSR Service that is configured as follows: (T)

(a) a minimum of ten (10) enhanced nodes configured in a full ring architecture; and

(b) a maximum of twenty (20) miles around the circumference of the ring; and

(c) a Customer Service Management (CSM) optional feature using any level of support for those offered in Section 34.1 following; and (T)

(d) all enhanced nodes for the new OC48 DSR must be located within the Service Area of this Option 34 as set forth in (C) following. (T)

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32. Contract Tariffs (Cont'd)

32.35 Contract Tariff Option 34 (Cont'd)

(C) Serving Area

(1) The serving area of Option 34 is comprised of the Phase II New York NY Metropolitan Statistical Area (**MSA #1**).

(2) Wire centers for the Phase II MSAs are listed in Section 15.3 preceding, as the same may be amended from time to time.

(3) Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in this tariff) that occur after September 28, 2005 do not apply.

(D) Service Period

(1) The service period for rate elements of the new OC48 DSR under this Option 34 is sixty-four (64) months from the date that the new OC48 DSR is available for use by the customer (**Service Period**). The customer must subscribe to Option 34 during the subscription period specified in (B)(1) preceding in order to receive the discounted rate set forth in (F) following. The following rate elements are discounted under this Option 34: (T) (T)

(a) enhanced nodes ordered during the subscription period; and

(b) mileage ordered during the subscription period; and

(c) DS1 and DS3 ports that are ordered during the subscription period or are migrated to the new OC48 DSR within the first four (4) months following the date that the new OC48 DSR is available for use by the customer (**migration period**). (T) (T)

(2) The Service Period for each DS1 or DS3 port added subsequent to the migration period is subject to the terms and conditions set forth in Section 34.1 following, except that the commitment period for such port will be coterminous with the end of the Service Period for the enhanced nodes, mileage, DS1 ports and DS3 ports ordered under (D)(1) preceding when such ports are added prior to completion of the thirty-sixth (36th) month of the Service Period of this Option 34. Ports added after the 36th month of the Service Period of this Option 34 are subject to month-to-month billing terms as described in Section 34.1 following. (T) (T)

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32. Contract Tariffs (Cont'd)

32.35 Contract Tariff Option 34 (Cont'd)

(D) Service Period (Cont'd)

(3) The Service Period for the CSM optional feature is set forth in Section 34.1 following, except that the commitment period for the CSM optional feature will be coterminous with the end of the Service Period for the enhanced nodes, mileage, DS1 ports and DS3 ports ordered or migrated under (D)(1) preceding. (T)

(E) Terms and Conditions

(1) Except as set forth in this Section 32.35, the terms and conditions (e.g., additions of nodes) and application of rates and charges as set forth in Section 34.1 following apply to the new OC48 DSR and to any service connected to such new OC48 DSR. (T) (T)

(2) Notwithstanding (E)(5)(c) following, this Option 34 includes a start up incentive in which the monthly rates for the node and mileage rate elements are subject to a fifty percent (50%) reduction to the rates set forth in (F) following for the period of time beginning with the date that service is available for use by the customer and ending one hundred twenty (120) days later. The start up incentive will be applied as a lump sum credit following the end of the 120 day period.

(3) Each enhanced node on the new OC48 DSR must be located at a customer designated premises or Telephone Company wire centers that is within the Serving Area of this Option 34. (T)

(4) Except as set forth in this Option 34, all other rates and charges and terms and conditions set forth in other sections of this tariff apply for any other rate element or work activity that may be associated with the new OC48 DSR included in this Option 34. (T)

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32. Contract Tariffs (Cont'd)

32.35 Contract Tariff Option 34 (Cont'd)

(E) Terms and Conditions (Cont'd)

(5) Termination Liability

(a) Termination liability applies if the new OC48 DSR under this Option 34 is discontinued prior to the end of the Service Period. (T)

(b) In the event that service is discontinued prior to the end of the Service Period, termination liability applies in accordance with the regulations set forth in Section 34.1 following, and the customer must return the start up incentive already applied under (E)(2) preceding. If service is discontinued within the first four (4) months of service, the customer is not eligible for the start up incentive described in (E)(2) preceding. However, the customer is responsible for any termination liability and minimum period obligation as they apply for early discontinuance of the service. (T) (T)

(c) When calculating any termination liability charge under this Option 34, the rates set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding) are used. (T) (T) (T)

(6) When calculating any minimum period charges or cancellation charges as they apply under other sections of this tariff, the rates set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding) are used. (T) (T)

(7) Expiration of Service Period

Upon completion of the Service Period for this Option 34, the customer must choose one of the following options:

(a) discontinue service without termination liability; or

(b) select any then offered term plan or contract tariff option for which the customer is eligible; or

(c) continue subscription to the service on a month-to-month basis at the rates for the 5-year term plan set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding). (T) (T)

(d) In the event that the customer does not make an election of (a) through (c) preceding, the customer's subscription to the new OC48 DSR will continue in accordance with (c) preceding. (T)

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32. Contract Tariffs (Cont'd)

32.35 Contract Tariff Option 34 (Cont'd)

(F) Rates and Charges

Subject to (E)(2) preceding, the following rates and charges apply to the enhanced node and mileage ordered during the subscription period, and to DS1 port and DS3 port rate elements ordered by the end of the migration period as defined in (D)(1)(c) preceding. The rates and charges for all other rate elements associated with the new OC48 DSR (e.g., other ports, DS1 and DS3 ports added after completion of the upgrade, CSM optional feature), including those rate elements associated with services that connect to such new OC48 DSR, are set forth in other sections of this tariff. (T) (T)

Rate Element	USOC	Monthly Rate	Nonrecurring Charge
OC48 Enhanced Node, per enhanced node	-----	$3,683.20	None
Mileage, OC48 per mile between nodes	-----	511.20	None
DS1 Ports, per port	-----	22.40	None
DS3 ports, per port	-----	92.00	None

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32. Contract Tariffs (Cont'd)

32.36 Contract Tariff Option 35

(A) Scope

(1) Contract Tariff Option 35 (Option 35) provides discounted monthly rates to customers who convert an existing Special Access Verizon Dedicated SONET Ring as defined in (a) following or an existing Special Access IntelliLight® Dedicated SONET Ring as defined in (b) following (**existing DSR**) to a new Special Access Verizon Dedicated SONET Ring (**new DSR**) in accordance with the requirements set forth in (B) through (F) following.

(a) An existing DSR at Optical Carrier 12 (OC12), 48 (OC48) or 192 (OC192) under Section 34.1 following that utilizes nodes that are not enhanced and has been in-service under its current term plan for at least the duration specified in (B)(7) following may convert to this Option 35 when the requirements and eligibility set forth herein are met; or

(b) an existing DSR at OC12 or OC48 under Section 26.1 preceding that utilizes nodes that are not enhanced and has been in-service under its current term plan for at least the duration specified in (B)(7) following may convert to this Option 35 when the requirements and eligibility set forth herein are met.

(2) The terms and conditions, regulations and rates provided in this Section 32.36 apply to customers who convert to a new DSR as offered herein.

(B) Eligibility

All of the following requirements must be met in order to be eligible for subscription to Option 35.

(1) A customer must subscribe to Option 35 by submitting a written authorization in a manner designated by the Telephone Company during the subscription period which begins on November 4, 2005 and ends on December 30, 2005 (**Subscription Period**). (T)

(2) A customer must subscribe to Option 35 for the service period set forth in (D) following.

(3) A customer must convert, in accordance with this Option 35, an existing DSR under Section 26.1 preceding or Section 34.1 following to a new DSR under this Option 35. For an existing DSR that is converted from Section 26.1 preceding, the new DSR will be configured in accordance with this Section 32.36 and Section 34.1 following. The existing DSR under Section 26.1 preceding or Section 34.1 following must be configured with nodes that are not enhanced and the new DSR must be equipped with nodes that are enhanced. Enhanced nodes for DSR are described in Section 34.1 following.

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32. Contract Tariffs (Cont'd)

32.36 Contract Tariff Option 35 (Cont'd)

(B) Eligibility (Cont'd)

(4) Except as allowed under (B)(7) following, the new DSR can not be an existing DSR that was disconnected from another contract tariff option or discount plan in order to subscribe that DSR to this Option 35. (T)(y) (T)(y) (T)(y) (S)(x)

(5) A customer may not concurrently subscribe the new DSR to any other contract tariff option in this Section 32 during its subscription to this Option 35. (T)(y) (S)(x) (S)(x)

(6) The new DSR must be the same optical carrier rate as the existing DSR. For example, an existing OC12 DSR can only be converted to a new OC12 DSR under this Option 35. (T)(y) (T)(y) (T)(y)

(7) The new DSR must be configured with at least the same number of nodes as the existing DSR. (T)(y) (T)(y)

(a) If the new DSR is configured with more nodes than the existing DSR, the existing DSR must have been in-service under its current term plan for at least twenty-four (24) months as of December 30, 2005, regardless of the number of months in the existing DSR term plan. (T)(y) (T)(y) (S)(x) (T)(y) (S)(x)

(b) If the new DSR is configured with the same number of nodes as the existing DSR, the existing DSR must have been in-service under it current term plan as of December 30, 2005 as follows: (T)(y) (T)(y) (S)(x)

Existing Term Plan	Minimum Number of Months In-Service
3-Year	24 Months
5-Year	36 Months
7-Year	48 Months

(S)(x)

(8) At least one of the premises enhanced nodes on the new DSR must be located at the same customer designated premises as a premises node on the existing DSR, and at least one of the central office enhanced nodes on the new DSR must be located at the same central office as a central office node on the existing DSR. All nodes on the new DSR must be located within the Serving Area of this Option 35. (T)(y) (S)(x) (T)(y) (T)(y) (T)(y) (T)(y) (S)(x)

(9) The new DSR must include at least two (2) ports capable of transmitting Ethernet signals. (T)(y) (S)(x)

(x) Reissued material originally filed under Transmittal No. 633 and effective November 4, 2005

(y) Filed under authority of Special Permission No. 05-056 of the Federal Communications Commission

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32. Contract Tariffs (Cont'd)

32.36 Contract Tariff Option 35 (Cont'd)

(C) Serving Area (S)(x)

(1) The serving area of Option 35 is comprised of the Phase I and Phase II Metropolitan Statistical Areas (MSAs) of this tariff. Phase II MSAs are listed in Section 15.3 preceding.

(2) Wire centers for the Phase II MSAs are listed in Section 15.3 preceding, as the same may be amended from time to time.

(3) Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in this tariff) that occur during the Service Period of this Option 35 will apply.

(D) Service Period

(1) The service period for the enhanced nodes and mileage of the new DSR ordered under this Option 35 is thirty-eight (38) months for a 3-year term plan, sixty-two (62) months for a 5-year term plan, or eighty-six (86) months for a 7-year term plan. The selected 38 month, 62 month or 86 month service period is that period of time during which the rates set forth in (F) following apply and during which the customer is subject to termination liability for early discontinuance of service under this Option 35. The selected service period applies in lieu of the commitment period for the term plan specified in Section 34.1 following for the 3-year term plan, the 5-year term plan or the 7-year term plan, respectively. The number of months of the service period under this Option 35 includes two (2) months during which transitional billing credit as described in (E)(6) following applies. The service period commences with the date that the new DSR is available for use by the customer and ends 38 months, 62 months or 86 months later based on the term plan selected (**Service Period**). (S)(x) (T)(y) (S)(x) (S)(x) (T)(y) (S)(x) (S)(x) (T)(y) (S)(x) (S)(x)

(2) The term plan for each port or optional feature on the new DSR Service that is ordered with the initial installation of service shall commence with the installation of the port or optional feature and end on the same date on which the Service Period for the enhanced nodes and mileage under (D)(1) preceding ends. Except as set forth in this (D)(2), ports and optional features for DSR are offered under terms and conditions and rates set forth in Section 34.1 following. (T)(y) (S)(x) (S)(x) (T)(y) (S)(x) (T)(y)

(x) Reissued material originally filed under Transmittal No. 633 and effective November 4, 2005

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32. Contract Tariffs (Cont'd)

32.36 Contract Tariff Option 35 (Cont'd) (S)(x)

(D) Service Period (Cont'd)

(3) The term plan for each port or optional feature added subsequent to the initial installation of service is subject to the terms and (S)(x)
conditions set forth in Section 34.1 following, except that the (T)(y)
service period selected in (D)(1) preceding shall apply in lieu of (S)(x)
the commitment period for the term plan specified in Section 34.1 (T)(y)
following. The expiration date of the service period for such port (T)(y)
or optional feature will be coterminous with the expiration date of (S)(x)
the Service Period for the enhanced nodes and mileage under (D)(1)
preceding when such ports or optional features are added prior to
completion of the twenty-first (21st) month of the Service Period
for a 3-Year term, the thirty-sixth (36th) month of the Service
Period for a 5-Year term, or the fiftieth (50th) month of the
Service Period for a 7-Year term. Ports or optional features added
after the aforementioned periods are subject to month-to-month (S)(x)
billing terms as described in Section 34.1 following. (T)(y)

(E) Terms and Conditions (S)(x)

(1) Except as set forth in this Section 32.36, the terms and conditions
(e.g., additions of nodes) and application of rates and charges as (S)(x)
set forth in Section 34.1 following apply to the new DSR and to any (T)(y)
service(s) connected to such new DSR. (T)(y)

(2) The rates and charges set forth in (F) following for the node and (S)(x)
mileage rate elements apply for nodes and mileage that are ordered
during the subscription period specified in (B)(1) preceding.
Nodes and mileage added after the end of the subscription period (S)(x)
are subject to the rates and charges set forth in Section 30.34.1 (T)(y)
preceding for price band rates and charges and Section 31.34.1 (T)(y)
preceding for all other rates and charges (as determined in (S)(x)
accordance with Section 15.3 preceding).

(3) A new term plan and corresponding service period shall commence on (S)(x)
the date that the new DSR is available for use by the customer. (T)(y)
The customer may select any term plan offered, provided that the (S)(x)
corresponding Service Period is equal to, or longer than, the (S)(x)
number of months remaining in the term plan of the existing DSR. (T)(y)
For example, if the existing DSR term plan is 7-Years and there are (T)(y)
48 months remaining to the end of that term plan, the customer may (S)(x)
only select a 5-Year or a 7-Year term plan under this Option 35 for (S)(x)
the new DSR. Additionally, no time-in-service credit will be (T)(y)
applied for the period of time that the existing DSR was in-service (T)(y)
under its current term plan. (S)(x)

(4) Except as set forth in this Option 35, all other rates and charges (S)(x)
and terms and conditions set forth in other sections of this tariff (S)(x)
apply for any other rate element or work activity that may be (S)(x)
associated with the new DSR included in this Option 35. (T)(y)

(x) Reissued material originally filed under Transmittal No. 633 and effective November 4, 2005

(y) Filed under authority of Special Permission No. 05-056 of the Federal Communications Commission

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32. Contract Tariffs (Cont'd)

32.36 Contract Tariff Option 35 (Cont'd)

(E) Terms and Conditions (Cont'd)

(5) The conversion from the existing DSR to the new DSR is complete when all circuits on the existing DSR are disconnected from the existing DSR and are installed and operational on the new DSR, and the existing DSR is disconnected. (T)(y)

(6) Transitional Billing Credit (S)(x)

(a) Upon completion of the conversion and regardless of the time taken to complete the conversion, the customer will receive two (2) months of transitional billing credit for a conversion to new DSR under this Option 35. (S)(x) (T)(y)

(b) Transitional billing credit is applied at fifty percent (50%) of the monthly recurring charges for 2 months for the node and mileage rate elements on the existing DSR, as applicable, and 50% of the monthly recurring charges for 2 months for the enhanced node and mileage rate elements on the new DSR. (S)(x) (S)(x) (T)(y) (S)(x) (T)(y)

(7) Termination Liability (S)(x)

(a) Termination liability does not apply to discontinuance of the existing DSR when the terms and conditions set forth in this Option 35 are met. (S)(x) (T)(y) (S)(x)

(b) Termination liability does apply if the new DSR under this Option 35 is discontinued prior to the end of the Service Period. Termination liability is subject to the terms and conditions set forth in Section 34.1 following. (T)(y) (S)(x) (S)(x) (T)(y)

(c) When calculating any termination liability charge under this Option 35, the 3-year, 5-year or 7-year term plan rates set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding) are used. These rates apply in lieu of the 38 month, 62 month or 86 month service period rates set forth in (F) following. (S)(x) (S)(x) (T)(y) (T)(y) (S)(x)

(8) When calculating any minimum period charges or cancellation charges as they apply under other sections of this tariff, the 3-year, 5-year or 7-year term plan rates set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding) are used. These rates apply in lieu of the 38 month, 62 month or 86 month service period rates set forth in (F) following. (S)(x) (T)(y) (T)(y) (S)(x) (S)(x)

(x) Reissued material originally filed under Transmittal No. 633 and effective November 4, 2005

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32. Contract Tariffs (Cont'd)

32.36 Contract Tariff Option 35 (Cont'd) (S)(x)

(E) Terms and Conditions (Cont'd)

(9) Expiration of Service Period

Upon completion of the Service Period for this Option 35, the customer must choose one of the following options:

(a) discontinue service without termination liability; or

(b) select any then offered term plan or contract tariff option for which the customer is eligible; or

(c) continue subscription to the service on a monthly basis at the applicable 3-Year, 5-Year or 7-Year term plan rates and charges set forth in Section 30.7.19 preceding for price band rates and charges and Section 31.7.19 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding).

(d) In the event that the customer does not make an election of (a) through (c) preceding, the customer's subscription to the new DSR will continue in accordance with (c) preceding. (S)(x) (T)(y) (S)(x)

(x) Reissued material originally filed under Transmittal No. 633 and effective November 4, 2005

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32. Contract Tariffs (Cont'd)

32.36 Contract Tariff Option 35 (Cont'd) (S)(x)

(F) Rates and Charges

The following rates and charges apply to the enhanced nodes and mileage of the new DSR when ordered at anytime up to the end of the subscription period. The rates and charges for nodes and mileage ordered after the end of the subscription period, and for all other rate elements associated with the new DSR (e.g., ports, CSM optional feature), including those rate elements associated with services that connect to such new DSR, are set forth in other sections of this tariff. (S)(x) (T)(y) (S)(x) (S)(x) (T)(y) (S)(x)

Rate Element	USOC	Monthly Rate	Nonrecurring Charge
OC12 Enhanced Node, per enhanced node			
38 Month Service Period	-----	$ 4,860.00	None
62 Month Service Period	-----	2,430.00	None
86 Month Service Period	-----	2,308.50	None
OC48 Enhanced Node, per enhanced node			
38 Month Service Period	-----	$10,658.00	None
62 Month Service Period	-----	4,143.60	None
86 Month Service Period	-----	3,935.85	None
OC192 Enhanced Node, per enhanced node			
38 Month Service Period	-----	$16,560.00	None
62 Month Service Period	-----	8,280.00	None
86 Month Service Period	-----	7,866.00	None
OC12 Mileage, per mile			
38 Month Service Period	-----	$ 671.00	None
62 Month Service Period	-----	323.10	None
86 Month Service Period	-----	323.95	None
OC48 Mileage, per mile			
38 Month Service Period	-----	$ 1,279.00	None
62 Month Service Period	-----	575.10	None
86 Month Service Period	-----	576.65	None
OC192 Mileage, per mile			
38 Month Service Period	-----	$ 2,559.00	None
62 Month Service Period	-----	1,151.10	None
86 Month Service Period	-----	1,154.25	None (S)(x)

(x) Reissued material originally filed under Transmittal No. 633 and effective November 4, 2005
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32. Contract Tariffs (Cont'd)

32.37 Contract Tariff Option 36 (N)

(A) Scope

(1) Contract Tariff Option 36 (**Option 36**) provides discounted monthly rates for Special Access IntelliLight® Broadband Transport Service (**IBT**) and Special Access multiplexed IntelliLight® Broadband Transport Service (**multiplexed IBT**) which are ordered in accordance with the requirements set forth in this Option 36. IBT that are eligible for subscription to this Option 36 are specified in (A)(2) following.

(2) The following IBT are eligible for subscription to this Option 36 when the conditions set forth herein are met.

(a) Customer orders a new IBT (point-to-point or multiplexed) during the subscription period set forth in (B)(1) following (**new IBT**). Except as allowed under (B)(4)(b) following, a new IBT can not be a point-to-point IBT or a multiplexed IBT of the same or greater capacity that was disconnected from another contract tariff option or discount plan in order to include that service in this Option 36; or

(b) Customer upgrades an existing point-to-point or multiplexed IBT to a point-to-point or multiplexed IBT of a greater capacity (e.g., an upgrade of an OC3 IBT to an OC12 IBT) (**upgrade of IBT**). Upgrades are subject to the requirements set forth in (B)(3) following; or

(c) Customer renews the term plan of an existing point-to-point IBT or an existing multiplexed IBT, in each case, where the term plan is scheduled to expire prior to December 31, 2006 (**renewal of IBT**). The customer must order such renewal during the subscription period set forth in (B)(1) following and the new term plan must be of equal or greater duration than the expiring term plan. With the exception of renewal of the IBT term plan, no other changes may be made to the IBT service (e.g., a change from a 2-fiber interface to a 4-fiber interface).

(3) The terms and conditions, regulations, and rates provided in this Section 32.37 apply to customers who order a new IBT, an upgrade of IBT, or a renewal of IBT as offered herein. (N)

32. Contract Tariffs (Cont'd)

32.37 Contract Tariff Option 36 (Cont'd) (N)

(B) Eligibility

All of the following requirements must be met in order to be eligible for subscription to Option 36.

(1) A customer must subscribe to Option 36 by submitting a written authorization in a manner designated by the Telephone Company during the subscription period which begins on January 4, 2006 and ends on December 31, 2006 (**Subscription Period**).

(2) A customer must be ordering a new IBT, an upgrade of IBT, or a renewal of IBT as defined in (A)(2) preceding and in accordance with this Option 36.

(3) For an upgrade of IBT, the replacing point-to-point IBT or multiplexed IBT:

(a) must be a greater capacity than the IBT being replaced (e.g., replacing an OC12 IBT with an OC48 IBT); and
(b) must have a Service Period that is greater in duration than the time remaining in the commitment period currently in effect for the replaced IBT. For example, a point-to-point IBT under a 5-year term plan with 40 months remaining in the commitment period can only upgrade to IBT with a 5-year Service Period; and
(c) must have at least one location that was part of the service configuration of the replaced IBT.

(4) A customer may not subscribe IBT under this Option 36 to any other contract tariff option set forth in this Section 32 except as follows:

(a) A customer who subscribes to IBT under this Option 36 may concurrently subscribe that IBT 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 either currently or 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 those same services, unless specifically prohibited by such Tariff arrangement, contract tariff option, special service arrangement, or ICB.

(b) A customer who subscribes its IBT to Option 31 preceding may either continue with its subscription to Option 31 for IBT services or may subscribe a new IBT, an upgrade of an IBT, or a renewal of IBT to this Option 36 if such services are ordered, upgraded, or renewed during the Subscription Period set forth in (B)(1) preceding. In no case can the same IBT be subscribed to both Option 31 and to this Option 36, and in no case will the Option 31 discount and the Option 36 discount be applied to the same IBT. Any IBT purchased prior to the January 4, 2006 under Option 31 preceding shall not be eligible to be subscribed to this Option 36, unless such IBT is renewed or upgraded in accordance with the terms of this Option 36. (N)

32. Contract Tariffs (Cont'd)

32.37 Contract Tariff Option 36 (Cont'd) (N)

(C) Serving Area

(1) The serving area of Option 36 is comprised of the Phase I and Phase II Metropolitan Statistical Areas (**MSAs**) of this tariff. Phase II MSAs are listed in Section 15.3 preceding.

(2) Wire centers for the Phase II MSAs are listed in Section 15.3 preceding, as the same may be amended from time to time.

(3) Any additions of, or changes to, the wire centers within an MSA that occur during the Service Period of this Option 36 will apply beginning on the effective date of such change and continuing through the end of the Service Period. When such change results in an increase or decrease to the rates applicable to the IBT under this Option 36, no retroactive billing or adjustment will be made for the portion of the Service Period that has elapsed prior to the effective date of the change.

(D) Service Period

(1) The **Service Period** for a new IBT, an upgrade of IBT, or a renewal of IBT under this Option 36 is that period of time during which the customer is subscribed to this Option 36. Customer must select a term period for its IBT or multiplexed IBT service from those offered under Section 26.1.5(C)(1) preceding. The term periods under Section 26.1.5(C)(1) preceding for IBT are month-to-month, 3-year, or 5-year terms.

(a) The Service Period for a 3-year term plan or a 5-year term plan is three (3) years or five (5) years, respectively, and may be extended for one additional term in accordance with (E)(4) following.

(b) The Service Period for month-to-month billed IBT is a minimum of twelve (12) months. The customer may continue its subscription to this Option 36 until the IBT is disconnected or until the first bill period following December 31, 2016, whichever occurs first.

(2) The selected Service Period for a new IBT or an upgrade of IBT under this Option 36 commences with the date that billing for the new IBT or upgrade of IBT commences. The selected service period for a renewal of IBT under this Option 36 commences on the first day following the expiration date of the commitment period for the expiring term plan. For example, the Service Period for an IBT that is due to expire May 27, 2006 and is renewed in accordance with this Option 36 shall commence on May 28, 2006.

(3) During the Service Period, the rates set forth in (F) following shall apply and the customer is subject to termination liability under (E)(5) following for early discontinuance of service under this Option 36. (N)

32. Contract Tariffs (Cont'd)

32.37 Contract Tariff Option 36 (Cont'd) (N)

(E) Terms and Conditions

(1) Except as set forth in this Section 32.37, the terms and conditions and application of rates and charges as set forth in Section 26.1.5 preceding apply to the new IBT, an upgrade of IBT, or a renewal of IBT.

(2) The rates for IBT subscribed to this Option 36 are set forth in (F) following and will be applied for the duration of the Service Period specified in (D) preceding. Only those IBTs that are ordered as new, as an upgrade of IBT, or as a renewal of IBT during the subscription period of this Option 36 will receive the rates set forth in (F) following. IBTs ordered at any time prior to, or after, the subscription period of this Option 36 are not eligible for the rates set forth in (F) following. Such IBTs are subject to the rates and charges set forth in Section 30.26.5 preceding for price band rates and charges and Section 31.26.5 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding).

(3) Except as set forth in this Option 36, all other rates and charges and terms and conditions set forth in other sections of this tariff apply for any other rate element or work activity that may be associated with the new IBT, the upgrade of IBT, or the renewal of IBT subscribed to this Option 36 and to any other service connected to such IBT.

(4) For customers who subscribe IBT to this Option 36 under a 3-year or 5-year Service Period as selected in (D)(1) preceding, the rates set forth in (F) following shall cease upon expiration of the initial Service Period unless the customer provides written notification to the Telephone Company no later than 30 days prior to end of the initial term of its intention to extend the expiring Service Period. Extension of the Service Period is subject to the following:

(a) The customer may extend an expiring 3-year Service Period by one additional 3-year term or by one 5-year term.

(b) The customer may extend an expiring 5-year Service Period by one additional 5-year term.

(c) During the period of extension (**Extended Service Period**), the rates set forth in (F) following shall continue to apply until service is discontinued or the Extended Service Period expires, whichever occurs first. Only one such extension of the Service Period is allowed per IBT or multiplexed IBT service. (N)

32. Contract Tariffs (Cont'd)

32.37 Contract Tariff Option 36 (N)

(E) Terms and Conditions (Cont'd)

(5) Termination Liability and Minimum Period Charges

(a) Termination Liability for 3-Year and 5-Year Service Periods

(1) Termination liability applies if a new IBT, an upgrade of IBT, or a renewal of IBT that is subscribed to this Option 36 under a 3-year or 5-year Service Period is discontinued prior to the end of the selected Service Period. Termination liability is subject to the terms and conditions set forth in Section 26.1.5(C) preceding.

(2) When calculating any termination liability charge under this Option 36, the rates set forth in (F) following are not used. Such termination liability will be calculated using the applicable 3-year term plan rates or 5-year term plan rates set forth in Section 30.26.5 preceding for price band rates and charges and Section 31.26.5 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding).

(b) Minimum Period Charges for Month-to-Month Service Periods

Minimum period charges apply to a new IBT, an upgrade of IBT, or a renewal of IBT when such IBT is subscribed to this Option 36 and is disconnected prior to the end of the first twelve (12) months of the Service Period. When calculating any minimum period charges under this Option 36, the rates set forth in (F) following are not used. Such minimum period charges will be calculated using the month-to-month rates set forth in Section 30.26.5 preceding for price band rates and charges and Section 31.26.5 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding).

(6) Shared Use as set forth in Section 5.2.7 preceding is allowed under this Option 36; however, only the Special Access portion of the new IBT, the upgrade of IBT or the renewal of IBT is eligible for the rates set forth in (F) following.

(7) Expiration of Service Period

Upon completion of the Service Period or Extended Service Period, as applicable, for this Option 36, the customer may discontinue service without termination liability. If the customer does not discontinue service, the service will continue at the selected term plan rates set forth in Section 30.26.5 preceding for price band rates and charges and Section 31.26.5 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding) until such time as the customer either cancels service or subscribes to a new term plan or contract tariff option for which the customer is eligible. In all cases, the rates set forth in (F) following will cease upon expiration of the Service Period or Extended Service Period of this Option 36 or on the first bill date following December 31, 2016, whichever occurs first. (N)

32. Contract Tariffs (Cont'd)

32.37 Contract Tariff Option 36 (Cont'd) (N)

(F) Rates and Charges

The following rates will be applied to a new IBT, an upgrade of IBT, or a renewal of IBT that is subscribed to this Option. Such rates will continue through the end of the Service Period or Extended Service Period, as applicable, selected by the customer. The rates and charges that apply to such IBT after the end of the Service Period or Extended Service Period, as applicable, and for any other rate not shown, whether for the IBT or for a service connected to such IBT, the rates and charges set forth in other sections of this tariff apply.

(1) Special Access Standard Channel Terminations, each

	Monthly Rates	Nonrecurring Charges	
OC3/OC3c or STM1			
Basic – New York NY MSA			
Month-to-Month	$3,218.00	$1.00	
3-Year	2,328.00	1.00	
5-Year	2,240.00	1.00	
Basic – All Other MSAs			
Month-to-Month	3,678.00	1.00	
3-Year	2,660.00	1.00	
5-Year	2,560.00	1.00	
W/FPD – New York NY MSA			
Month-to-Month	3,605.00	1.00	
3-Year	2,660.00	1.00	
5-Year	2,590.00	1.00	
W/FPD – All Other MSAs			
Month-to-Month	4,120.00	1.00	
3-Year	3,040.00	1.00	
5-Year	2,960.00	1.00	
OC12/OC12c			
Basic – New York NY MSA			
Month-to-Month	$6,860.00	$2.00	
3-Year	4,571.00	2.00	
5-Year	3,150.00	2.00	
Basic – All Other MSAs			
Month-to-Month	7,840.00	2.00	
3-Year	5,224.00	2.00	
5-Year	3,600.00	2.00	
W/FPD – New York NY MSA			
Month-to-Month	7,350.00	2.00	
3-Year	5,096.00	2.00	
5-Year	3,465.00	2.00	
W/FPD – All Other MSAs			
Month-to-Month	8,400.00	2.00	
3-Year	5,824.00	2.00	
5-Year	3,960.00	2.00	(N)

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32. Contract Tariffs (Cont'd)

32.37 Contract Tariff Option 36 (Cont'd) (N)

(F) Rates and Charges (Cont'd)

(1) Special Access Standard Channel Terminations, each (Cont'd)

	Monthly Rates	Nonrecurring Charges
OC48/OC48c		
Basic – New York NY MSA		
Month-to-Month	$ 7,700.00	$3.00
3-Year	5,250.00	3.00
5-Year	4,445.00	3.00
Basic – All Other MSAs		
Month-to-Month	8,800.00	3.00
3-Year	6,000.00	3.00
5-Year	5,080.00	3.00
W/FPD – New York NY MSA		
Month-to-Month	8,295.00	3.00
3-Year	5,807.00	3.00
5-Year	4,890.00	3.00
W/FPD – All Other MSAs		
Month-to-Month	9,480.00	3.00
3-Year	6,636.00	3.00
5-Year	5,588.00	3.00
OC192/OC192c		
Basic – New York NY MSA		
Month-to-Month	$17,600.00	$4.00
3-Year	11,200.00	4.00
5-Year	8,800.00	4.00
Basic – All Other MSAs		
Month-to-Month	19,800.00	4.00
3-Year	12,600.00	4.00
5-Year	9,900.00	4.00
W/FPD – New York NY MSA		
Month-to-Month	18,960.00	4.00
3-Year	13,520.00	4.00
5-Year	9,480.00	4.00
W/FPD – All Other MSAs		
Month-to-Month	21,330.00	4.00
3-Year	15,210.00	4.00
5-Year	10,665.00	4.00

(N)

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32. Contract Tariffs (Cont'd)

32.37 Contract Tariff Option 36 (Cont'd) (N)

(F) Rates and Charges (Cont'd)

(2) Special Access Ports*, per Termination (Cont'd)

	Monthly Rates	Nonrecurring Charges
OC3		
2 Fiber – New York NY MSA		
Month-to-Month	$142.00	$1.00
3-Year	127.00	1.00
5-Year	96.00	1.00
2 Fiber – All Other MSAs		
Month-to-Month	170.00	1.00
3-Year	150.00	1.00
5-Year	112.00	1.00
4 Fiber 1 + 1 – New York NY MSA		
Month-to-Month	263.00	1.00
3-Year	248.00	1.00
5-Year	180.00	1.00
4 Fiber 1 + 1 – All Other MSAs		
Month-to-Month	315.00	1.00
3-Year	293.00	1.00
5-Year	210.00	1.00
OC3c or STM1		
2 Fiber – New York NY MSA		
Month-to-Month	$168.00	$1.00
3-Year	156.00	1.00
5-Year	108.00	1.00
2 Fiber – All Other MSAs		
Month-to-Month	202.00	1.00
3-Year	182.00	1.00
5-Year	126.00	1.00
4 Fiber 1 + 1 – New York NY MSA		
Month-to-Month	315.00	1.00
3-Year	288.00	1.00
5-Year	192.00	1.00
4 Fiber 1 + 1 – All Other MSAs		
Month-to-Month	378.00	1.00
3-Year	336.00	1.00
5-Year	224.00	1.00

(N)

* Excludes multiplexing option low speed ports. See (F)(4)(b) following for Option 36 rates applicable to low speed ports. (N)

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32. Contract Tariffs (Cont'd)

32.37 Contract Tariff Option 36 (Cont'd) (N)

(F) Rates and Charges (Cont'd)

(2) Special Access Ports*, per Termination (Cont'd)

	Monthly Rates	Nonrecurring Charges
OC12		
2 Fiber – New York NY MSA		
Month-to-Month	$315.00	$2.00
3-Year	276.00	2.00
5-Year	192.00	2.00
2 Fiber – All Other MSAs		
Month-to-Month	378.00	2.00
3-Year	322.00	2.00
5-Year	224.00	2.00
4 Fiber 1 + 1 – New York NY MSA		
Month-to-Month	600.00	2.00
3-Year	540.00	2.00
5-Year	360.00	2.00
4 Fiber 1 + 1 – All Other MSAs		
Month-to-Month	720.00	2.00
3-Year	630.00	2.00
5-Year	420.00	2.00
OC12c		
2 Fiber – New York NY MSA		
Month-to-Month	$365.00	$2.00
3-Year	288.00	2.00
5-Year	216.00	2.00
2 Fiber – All Other MSAs		
Month-to-Month	438.00	2.00
3-Year	336.00	2.00
5-Year	252.00	2.00
4 Fiber 1 + 1 – New York NY MSA		
Month-to-Month	700.00	2.00
3-Year	558.00	2.00
5-Year	390.00	2.00
4 Fiber 1 + 1 – All Other MSAs		
Month-to-Month	840.00	2.00
3-Year	651.00	2.00
5-Year	455.00	2.00

(N)

* Excludes multiplexing option low speed ports. See (F)(4)(b) following for Option 36 rates applicable to low speed ports. (N) (N)

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32. Contract Tariffs (Cont'd)

32.37 Contract Tariff Option 36 (N)

(F) Rates and Charges (Cont'd)

(2) Special Access Ports*, per Termination (Cont'd)

	Monthly Rates	Nonrecurring Charges
OC48		
2 Fiber – New York NY MSA		
Month-to-Month	$ 525.00	$3.00
3-Year	495.00	3.00
5-Year	360.00	3.00
2 Fiber – All Other MSAs		
Month-to-Month	630.00	3.00
3-Year	585.00	3.00
5-Year	420.00	3.00
4 Fiber 1 + 1 – New York NY MSA		
Month-to-Month	1,050.00	3.00
3-Year	990.00	3.00
5-Year	720.00	3.00
4 Fiber 1 + 1 – All Other MSAs		
Month-to-Month	1,260.00	3.00
3-Year	1,170.00	3.00
5-Year	840.00	3.00
OC48c		
2 Fiber – New York NY MSA		
Month-to-Month	$ 550.00	$3.00
3-Year	523.00	3.00
5-Year	390.00	3.00
2 Fiber – All Other MSAs		
Month-to-Month	660.00	3.00
3-Year	618.00	3.00
5-Year	455.00	3.00
4 Fiber 1 + 1 – New York NY MSA		
Month-to-Month	1,100.00	3.00
3-Year	1,045.00	3.00
5-Year	780.00	3.00
4 Fiber 1 + 1 – All Other MSAs		
Month-to-Month	1,320.00	3.00
3-Year	1,235.00	3.00
5-Year	910.00	3.00

(N)

* Excludes multiplexing option low speed ports. See (F)(4)(b) following for Option 36 rates applicable to low speed ports. (N)

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32. Contract Tariffs (Cont'd)

32.37 Contract Tariff Option 36 (Cont'd) (N)

(F) Rates and Charges (Cont'd)

(2) Special Access Ports*, per Termination (Cont'd)

	Monthly Rates	Nonrecurring Charges
OC192		
2 Fiber – New York NY MSA		
Month-to-Month	$2,000.00	$1.00
3-Year	1,680.00	1.00
5-Year	1,440.00	1.00
2 Fiber – All Other MSAs		
Month-to-Month	2,250.00	1.00
3-Year	1,890.00	1.00
5-Year	1,620.00	1.00
4 Fiber 1 + 1 – New York NY MSA		
Month-to-Month	4,000.00	1.00
3-Year	3,360.00	1.00
5-Year	2,880.00	1.00
4 Fiber 1 + 1 – All Other MSAs		
Month-to-Month	4,500.00	1.00
3-Year	3,780.00	1.00
5-Year	3,240.00	1.00
OC192c		
2 Fiber – New York NY MSA		
Month-to-Month	$2,160.00	$1.00
3-Year	1,840.00	1.00
5-Year	1,600.00	1.00
2 Fiber – All Other MSAs		
Month-to-Month	2,430.00	1.00
3-Year	2,070.00	1.00
5-Year	1,800.00	1.00
4 Fiber 1 + 1 – New York NY MSA		
Month-to-Month	4,160.00	1.00
3-Year	3,520.00	1.00
5-Year	3,040.00	1.00
4 Fiber 1 + 1 – All Other MSAs		
Month-to-Month	4,680.00	1.00
3-Year	3,960.00	1.00
5-Year	3,420.00	1.00

(N)

* Excludes multiplexing option low speed ports. See (F)(4)(b) following for Option 36 rates applicable to low speed ports. (N) (N)

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32. Contract Tariffs (Cont'd)

32.37 Contract Tariff Option 36 (Cont'd) (N)

(F) Rates and Charges (Cont'd)

(3) Special Access Channel Mileage

	Monthly Rates Fixed	Per Mile
OC3/OC3c or STM1		
New York NY MSA		
Basic Month-to-Month	$1,313.00	$231.00
Basic 3-Year	1,271.00	194.00
Basic 5-Year	1,140.00	107.00
All other MSAs		
Basic Month-to-Month	1,575.00	277.00
Basic 3-Year	1,502.00	227.00
Basic 5-Year	1,330.00	125.00
New York NY MSA		
W/FPD Month-to-Month	1,313.00	243.00
W/FPD 3-Year	1,271.00	208.00
W/FPD 5-Year	1,140.00	119.00
All other MSAs		
W/FPD Month-to-Month	1,575.00	291.00
W/FPD 3-Year	1,502.00	242.00
W/FPD 5-Year	1,330.00	139.00
OC12/OC12c		
New York NY MSA		
Basic Month-to-Month	$3,000.00	$580.00
Basic 3-Year	2,750.00	540.00
Basic 5-Year	2,100.00	270.00
All other MSAs		
Month-to-Month	3,600.00	696.00
3-Year	3,500.00	630.00
5-Year	2,450.00	315.00
New York NY MSA		
W/FPD Month-to-Month	3,000.00	738.00
W/FPD 3-Year	2,750.00	696.00
W/FPD 5-Year	2,100.00	315.00
All other MSAs		
W/FPD Month-to-Month	3,600.00	885.00
W/FPD 3-Year	3,500.00	812.00
W/FPD 5-Year	2,450.00	368.00

(N)

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32. Contract Tariffs (Cont'd)

32.37 Contract Tariff Option 36 (Cont'd) (N)

(F) Rates and Charges (Cont'd)

(3) Special Access Channel Mileage (Cont'd)

	Monthly Rates Fixed	Per Mile
OC48/OC48c		
New York NY MSA		
Basic Month-to-Month	$5,445.00	$1,475.00
Basic 3-Year	5,157.00	1,410.00
Basic 5-Year	3,780.00	813.00
All other MSAs		
Basic Month-to-Month	6,534.00	1,770.00
Basic 3-Year	6,017.00	1,645.00
Basic 5-Year	4,410.00	875.00
New York NY MSA		
W/FPD Month-to-Month	5,445.00	1,625.00
W/FPD 3-Year	5,157.00	1,560.00
W/FPD 5-Year	3,780.00	897.00
All other MSAs		
W/FPD Month-to-Month	6,534.00	1,950.00
W/FPD3-Year	6,017.00	1,820.00
W/FPD 5-Year	4,410.00	966.00
OC192/OC192c		
New York NY MSA		
Basic Month-to-Month	$12,720.00	$2,360.00
Basic 3-Year	10,400.00	1,880.00
Basic 5-Year	8,625.00	1,000.00
All other MSAs		
Basic Month-to-Month	14,310.00	2,655.00
Basic 3-Year	11,700.00	2,115.00
Basic 5-Year	10,350.00	1,125.00
New York NY MSA		
W/FPD Month-to-Month	12,720.00	2,600.00
W/FPD 3-Year	10,400.00	2,080.00
W/FPD 5-Year	8,625.00	1,104.00
All other MSAs		
W/FPD Month-to-Month	14,310.00	2,925.00
W/FPD 3-Year	11,700.00	2,340.00
W/FPD 5-Year	10,350.00	1,242.00

(N)

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32. Contract Tariffs (Cont'd)

32.37 Contract Tariff Option 36 (Cont'd) (N)

(F) Rates and Charges (Cont'd)

(4) Special Access Multiplexing Capability

(a) Per Arrangement

	Monthly Rates	
	Fixed	Per Mile
OC3 Multiplexer Node		
Month-to-Month New York MSA	$1,114.00	$1,599.00
3-Year New York MSA	1,055.00	1,599.00
5-Year New York MSA	774.00	1,599.00
Month-to-Month All Other MSAs	1,337.00	1,599.00
3-Year All Other MSAs	1,231.00	1,599.00
5-Year All Other MSAs	903.00	1,599.00
OC12 Multiplexer Node		
Month-to-Month New York MSA	1,972.00	1,599.00
3-Year New York MSA	1,855.00	1,599.00
5-Year New York MSA	1,343.00	1,599.00
Month-to-Month All Other MSAs	2,366.00	1,599.00
3-Year All Other MSAs	2,164.00	1,599.00
5-Year All Other MSAs	1,567.00	1,599.00
OC48 Multiplexer Node		
Month-to-Month New York MSA	5,329.00	1,599.00
3-Year New York MSA	4,579.00	1,599.00
5-Year New York MSA	2,762.00	1,599.00
Month-to-Month All Other MSAs	6,395.00	1,599.00
3-Year All Other MSAs	5,342.00	1,599.00
5-Year All Other MSAs	2,993.00	1,599.00

(N)

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32. Contract Tariffs (Cont'd)

32.37 Contract Tariff Option 36 (Cont'd) (N)

(F) Rates and Charges (Cont'd)

(4) Special Access Multiplexing Capability (Cont'd)

(b) Low Speed Ports*, per port

	Monthly Rates	Nonrecurring Charges	
OC3			
2 Fiber – New York NY MSA			
Month-to-Month	$142.00	$1.00	
3-Year	127.00	1.00	
5-Year	96.00	1.00	
2 Fiber – All Other MSAs			
Month-to-Month	170.00	1.00	
3-Year	150.00	1.00	
5-Year	112.00	1.00	
4 Fiber 1 + 1 – New York NY MSA			
Month-to-Month	263.00	1.00	
3-Year	248.00	1.00	
5-Year	180.00	1.00	
4 Fiber 1 + 1 – All Other MSAs			
Month-to-Month	315.00	1.00	
3-Year	293.00	1.00	
5-Year	210.00	1.00	
OC3c or STM1			
2 Fiber – New York NY MSA			
Month-to-Month	$168.00	$1.00	
3-Year	156.00	1.00	
5-Year	108.00	1.00	
2 Fiber – All Other MSAs			
Month-to-Month	202.00	1.00	
3-Year	182.00	1.00	
5-Year	126.00	1.00	
4 Fiber 1 + 1 – New York NY MSA			
Month-to-Month	315.00	1.00	
3-Year	288.00	1.00	
5-Year	192.00	1.00	
4 Fiber 1 + 1 – All Other MSAs			
Month-to-Month	378.00	1.00	
3-Year	336.00	1.00	
5-Year	224.00	1.00	(N)

* DS1, DS3 and STS1 low speed ports are not applicable for the Option 36 discount. (N) (N)

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32. Contract Tariffs (Cont'd)

32.37 Contract Tariff Option 36 (Cont'd) (N)

(F) Rates and Charges (Cont'd)

(4) Special Access Multiplexing Capability (Cont'd)

(b) Low Speed Ports*, per port (Cont'd)

	Monthly Rates	Nonrecurring Charges
OC12		
2 Fiber – New York NY MSA		
Month-to-Month	$315.00	$2.00
3-Year	276.00	2.00
5-Year	192.00	2.00
2 Fiber – All Other MSAs		
Month-to-Month	378.00	2.00
3-Year	322.00	2.00
5-Year	224.00	2.00
4 Fiber 1 + 1 – New York NY MSA		
Month-to-Month	600.00	2.00
3-Year	540.00	2.00
5-Year	360.00	2.00
4 Fiber 1 + 1 – All Other MSAs		
Month-to-Month	720.00	2.00
3-Year	630.00	2.00
5-Year	420.00	2.00
OC12c		
2 Fiber – New York NY MSA		
Month-to-Month	$365.00	$2.00
3-Year	288.00	2.00
5-Year	216.00	2.00
2 Fiber – All Other MSAs		
Month-to-Month	438.00	2.00
3-Year	336.00	2.00
5-Year	252.00	2.00
4 Fiber 1 + 1 – New York NY MSA		
Month-to-Month	700.00	2.00
3-Year	558.00	2.00
5-Year	390.00	2.00
4 Fiber 1 + 1 – All Other MSAs		
Month-to-Month	840.00	2.00
3-Year	651.00	2.00
5-Year	455.00	2.00

(N)

* DS1, DS3 and STS1 low speed ports are not applicable for the Option 36 discount. (N) (N)

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32. Contract Tariffs (Cont'd)

32.38 Contract Tariff Option 37 (N)

(A) Scope

(1) Contract Tariff Option 37 (**Option 37**) is an offering exclusively for customers who order a minimum of two (2) new Special Access Dedicated SONET Ring Services at Optical Carrier 48 (OC48), Optical Carrier 192 (OC192) or a combination of both (**new DSRs**). Option 37 provides discounted monthly rates for certain monthly rate elements for such new DSRs which are ordered in accordance with the requirements set forth in this Option 37 and which meet the requirements set forth herein.

(2) The terms and conditions, regulations, and rates provided in this Section 32.38 apply to customers who order new DSRs as offered herein.

(B) Eligibility

All of the following requirements must be met in order to be eligible for subscription to Option 37.

(1) A customer must subscribe to Option 37 by submitting a written authorization in a manner designated by the Telephone Company during the subscription period which begins on February 28, 2006 and ends on March 29, 2006 (**Subscription Period**).

(2) A customer must be ordering a minimum of two (2) new OC48 DSRs, a minimum of two (2) new OC192 DSRs, or a minimum of two (2) new DSRs that are a combination of OC48 and OC192 DSRs in accordance with this Option 37.

(3) Each of the new DSRs must be configured with a minimum of ten (10) enhanced nodes. Enhanced nodes are described in Section 34.1 following.

(4) The new DSRs must be located within the serving areas set forth in (C) following. (N)

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32. Contract Tariffs (Cont'd)

32.38 Contract Tariff Option 37 (Cont'd) (N)

(C) Serving Area

(1) The serving area of Option 37 is comprised of the wire centers that are within the New York and New Jersey Corridor and within the New York NY Metropolitan Statistical Area (**MSA**).

The New York wire centers that are within the New York NY MSA are listed in Section 15.3 preceding, as the same may be amended from time to time.

(2) The following Telephone Company wire centers of the New York NY MSA comprise the geographic area of the New York and New Jersey Corridor:

New York Wire Centers

NYCKNY14	NYCMNY42	NYCQNYFR
NYCKNY71	NYCMNY50	NYCQNYHS
NYCKNY77	NYCMNY56	NYCQNYIA
NYCKNYAI	NYCMNY73	NYCQNYJA
NYCKNYAL	NYCMNY79	NYCQNYLI
NYCKNYAR	NYCMNY97	NYCQNYLN
NYCKNYAU	NYCMNYBS	NYCQNYNJ
NYCKNYAY	NYCMNYBW	NYCQNYNW
NYCKNYBR	NYCMNYCA	NYCQNYOP
NYCKNYBU	NYCMNYMN	NYCQNYRH
NYCKNYCL	NYCMNYPS	NYCRNYND
NYCKNYFA	NYCRNYNS	NYCRNYSS
NYCKNYFT	NYCMNYTH	NYCRNYWS
NYCKNYKP	NYCMNYVS	NYCXNYCI
NYCKNYLA	NYCMNYWA	NYCXNYCR
NYCKNYRA	NYCMNYWS	NYCXNYGC
NYCKNYTY	NYCMNYZO	NYCXNYHO
NYCKNYWM	NYCQNYAS	NYCXNYJE
NYCMNY13	NYCQNYBA	NYCXNYKB
NYCMNY18	NYCQNYBH	NYCXNYMH
NYCMNY30	NYCQNYCO	NYCXNYTB
NYCMNY36	NYCQNYFH	NYCXNYTR
NYCMNY37	NYCQNYFL	

(N)

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32. Contract Tariffs (Cont'd)

32.38 Contract Tariff Option 37 (Cont'd) (N)

(C) Serving Area

(2) The following Telephone Company wire centers of the New York NY MSA comprise the geographic area of the New York and New Jersey Corridor: (Cont'd)

New Jersey Wire Centers

BYNNNJ02	JRCYNJBR	PSSCNJPS
BLVLNJBE	JRCYNJJO	PTSNNJAR
BLFDNJBL	KRNYNJKN	PLFDNJPF
CFTNNJCF	LNDNNJ01	RCPKNJ02
CLWLNJCW	LTFLNJLF	RGWDNJRW
CFPKNJCS	LTFYNJLF	RHWYNJRA
CLSTNJCO	LVTNNJLI	RMSYNJRM
CNFRNJCR	MLBNNJMB	RSLLNJRL
DUMTNJDM	MTCLNJMC	RVDLNJPL
ELZBNJEL	MTVWNJMV	RTFRNJRU
ENWDNJEN	NBRGNJNB	SORGNJSO
EORNNJEO	NWPVNJMH	UNCYNJ02
ERLKNJEL	NWRKNJ03	UNINNJUV
FRLNNJFL	NWRKNJIR	WMFRNJ01
FRFDNJFA	NWRKNJ02	WORNNJWO
FTLENJLE	NWRKNJWA	WSFDNJWS
HCKNNJHK	NFLDNJNF	WYCKNJWK
HLDNNJ01	NTLYNJNU	
HLDLNJWE	OKLDNJ01	
IVTNNJES	RVEDNJOR	

(3) Any additions of, or changes to, the wire centers within an MSA that occur during the Service Period of this Option 37 will apply beginning on the effective date of such change and continuing through the end of the Service Period. When such change results in an increase or decrease to the rates applicable to the DSRs under this Option 37, no retroactive billing or adjustment will be made for the portion of the Service Period that has elapsed prior to the effective date of the change. (N)

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32. Contract Tariffs (Cont'd)

32.38 Contract Tariff Option 37 (Cont'd) (N)

(D) Service Period

(1) The service period for each of the new DSRs represents that period of time during which that new DSR is subscribed to under this Option 37 and during which the rates and charges set forth in (F) following apply. During the service period and subject to (E)(6)(b) following, the customer is subject to termination liability under (E)(7) following for early discontinuance of one or more of the DSRs subscribed to under this Option 37.

(a) Each DSR will have an initial service period of sixty-three (63) months (**Initial Service Period**).

(b) Up to two (2) extensions of the service period are permitted with each extension being twelve (12) months in duration thereby extending the service period to seventy-five (75) months (one extension) or eight-seven (87) months (two extensions) (**Extended Service Period**).

(2) Each new DSR under this Option 37 will have an Initial Service Period that commences with the date that billing for that new DSR commences and will continue for sixty-three (63) months unless otherwise extended under (D)(1)(b) preceding or converted under (E)(6)(b) following.

(3) The rates set forth in (F) following will apply during the Initial Service Period, and if applicable, during the Extended Service Period.

(E) Terms and Conditions

(1) Except as set forth in this Section 32.38, the terms and conditions and application of rates and charges as set forth in Section 34.1 following apply to the new DSR.

(2) The rates for new DSR subscribed to under this Option 37 are set forth in (F) following and will be applied for the duration of the Service Period specified in (D) preceding. Only those new DSRs that are ordered during the subscription period of this Option 37 will receive the rates set forth in (F) following. New DSRs ordered at any time prior to, or after, the subscription period of this Option 37 are not eligible for the rates set forth in (F) following. Such DSRs are subject to the 5-year term plan rates and charges set forth in Section 30.34.1 following for price band rates and charges and Section 31.34.1 following for all other rates and charges (as determined in accordance with Section 15.3 preceding). (N)

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32. Contract Tariffs (Cont'd)

32.38 Contract Tariff Option 37 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(3) Except as set forth in this Option 37, all other rates and charges and terms and conditions set forth in other sections of this tariff apply for any other rate element or work activity that may be associated with the new DSR subscribed to under this Option 37 (e.g., the Customer Service Management optional feature) and to any other service connected to such new DSR.

(4) Minimum Service Period

The minimum service period for each DSR subscribed to under this Option 37 is twenty-four (24) months.

(5) Node Disconnections and Node Moves

(a) Upon completion of the minimum service period set forth in (E)(4) preceding of each DSR subscribed to under this Option 37, the customer may disconnect or move up to fifteen percent (15%) of the total number of nodes on all new DSRs that are subscribed to under this Option 37 without incurring termination liability as it applies under (E)(7) following. To determine the total number of nodes that can be disconnected or moved without termination liability, first sum the total number of nodes on each new DSR that is subscribed to under this Option 37 and then multiply by 15%. When the calculation results in a fraction of a node, round down to the nearest whole node. For example, if the customer subscribes 3 new DSRs to this Option 37 and each DSR is configured with ten (10) nodes for a total of thirty (30) nodes subscribed to under this Option 37, the customer may disconnect or move up to four (4) of the nodes (30 nodes multiplied by 15% equals 4.5 nodes which is then rounded down to 4 nodes that may be disconnected or moved) without the application of termination liability. Node moves are subject to a Subsequent Installation Nonrecurring Charges as described in Section 34.1(D)(5) following.

(b) Termination liability will apply to each additional node (i.e., those nodes in excess of 15%) that is disconnected or moved after satisfying the minimum service period set forth in (E)(4) preceding is satisfied.

(c) Termination liability will also apply to each node that is disconnected or moved prior to satisfying the minimum service period set forth in (E)(4) preceding. (N)

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32. Contract Tariffs (Cont'd)

32.38 Contract Tariff Option 37 (Cont'd)

(E) Terms and Conditions (Cont'd)

(6) Subscription to Other Contract Tariff Options, Conversion to General Tariff, Conversion to Another Contract Tariff Option, or Conversion to Telephone Company Provided dedicated SONET ring service (C) (C)

(a) Subscription to Other Contract Tariff Options

Except as allowed under (E)(6)(b) following, the customer may not subscribe new DSR under this Option 37 to any other Contract Tariff Option unless specifically allowed to do so under that other Contract Tariff Option.

(b) Conversion to General Tariff, Conversion to Another Contract Tariff Option, or Conversion to Telephone Company Provided dedicated SONET ring service (C) (C)

(1) Upon completing the first thirty-six (36) months of the Initial Service Period, the customer may order conversion of a new DSR subscribed to under this Option 37 to general tariff rates and charges, may order conversion of a new DSR subscribed to under this Option 37 to any other Contract Tariff Option in this Section 32 for which the customer is eligible for subscription to that Contract Tariff Option, or may order conversion of a new DSR subscribed to under this Option 37 to a Telephone Company provided dedicated SONET ring service, subject to the following. (C) (C) (C)

(a) The conversion must be ordered during the period that begins the first day of month thirty-seven (37) of the Initial Service Period and ends the last day of month thirty-nine (39) of the Initial Service Period; and

(b) The customer must order DSR service under the general tariff's rates, terms and conditions set forth in Section 34 following and with an initial commitment period that expires later than the date on which the Initial Service Period under this Option 37 would have expired if service was not converted to general tariff; or

(c) The customer must order DSR service under another Contract Tariff Option in this Section 32, or must order Telephone Company provided dedicated SONET ring service, in each case at the rates, terms and conditions applicable to such service and with an initial commitment period that expires later than the date on which the Initial Service Period under this Option 37 would have expired if service was not converted to another Contract Tariff Option or Telephone Company provided dedicated SONET ring service; and (C) (C) (C) (C)

(d) With the exception of conversion to general tariff, to another Contract Tariff Option, or to Telephone Company provided dedicated SONET ring service, no other changes may be made to the new DSR (e.g., addition of a node). (C) (C)

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32. Contract Tariffs (Cont'd)

32.38 Contract Tariff Option 37 (Cont'd)

(E) Terms and Conditions (Cont'd)

(6) Subscription to Other Contract Tariff Options, Conversion to General Tariff, Conversion to Another Contract Tariff Option, or Conversion to Telephone Company Provided dedicated SONET ring service (Cont'd) (C)

(b) Conversion to General Tariff, Conversion to Another Contract Tariff Option, or Conversion to Telephone Company Provided dedicated SONET ring service (Cont'd) (C)

(2) Upon conversion to general tariff, other Contract Tariff Option, or Telephone Company provided dedicated SONET ring service, the rates set forth in (F) following will cease and the customer's subscription of the DSR(s) under Option 37 is terminated. The elapsed portion of the Initial Service Period under this Option 37 will not be counted towards the commitment period selected under the general tariff, towards the service period of the other Contract Tariff Option, or towards the commitment period of the Telephone Company provided dedicated SONET ring service to which service is converted. Additionally, the rates applicable to the new general tariff, Contract Tariff Option, or Telephone Company provided dedicated SONET ring service, as applicable, will not apply retroactively to the service as it was provided under this Option 37. (C)

Certain material formerly appearing on this page now appears on Original Page 32-301.1.

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32. Contract Tariffs (Cont'd)

32.38 Contract Tariff Option 37 (Cont'd)

(E) Terms and Conditions (Cont'd)

(M)

(7) Termination Liability and Minimum Period Charges

(a) Termination Liability

(1) Except as allowed under (E)(5)(a) or (E)(6) preceding, termination liability applies if a new DSR that is subscribed to under this Option 37 is discontinued prior to the end of the Initial Service Period. Termination liability is subject to the terms and conditions set forth in Section 34.1(E) following. Termination liability does not apply when service under this Option 37 is discontinued during the Extended Service Period.

(2) When calculating any termination liability charge under this Option 37, the rates set forth in (F) following are not used. Such termination liability will be calculated using the 5-year term plan rates set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding).

(b) Minimum Period Charges

Minimum period charges apply when a new DSR that is subscribed to under this Option 37 is disconnected or moved prior to the end of the first twenty-four (24) months of its Initial Service Period. When calculating any minimum period charges under this Option 37, the rates set forth in (F) following are not used. Such minimum period charges will be calculated using the 5-year term plan rates set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding).

(8) Shared Use as set forth in Section 5.2.7 preceding is allowed under this Option 37; however, only the Special Access portion of the new DSR is eligible for the rates set forth in (F) following. (M)

Certain material now appearing on this page formerly appeared on 2nd Revised Page 32-301.

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32. Contract Tariffs (Cont'd)

32.38 Contract Tariff Option 37 (Cont'd)

(E) Terms and Conditions (Cont'd)

(9) Expiration of Service Period

Upon completion of the Initial Service Period or Extended Service Period, as applicable, the customer may discontinue service under this Option 37 without termination liability. If the customer does not discontinue service, the service will continue at the 5-year term plan rates set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding) until such time as the customer either cancels service or subscribes to a new term plan, contract tariff option for which the customer is eligible, or other Telephone Company provided service. In all cases, the rates set forth in (F) following will cease upon expiration of the Initial Service Period or the Extended Service Period. (C) (C)

(F) Rates and Charges

The following rates will be applied to the new DSRs that are subscribed to under this Option 37. Such rates will continue through the end of the Initial Service Period selected by the customer or to the end of the Extended Service Period selected by the customer, as applicable. The rates and charges that apply to such new DSR after the end of the Initial Service Period or Extended Service Period, as applicable, and for any other rate not shown, whether for a new DSR or for a service connected to such new DSR, are the rates and charges set forth in other sections of this tariff.

	Monthly Rates	Nonrecurring Charges
(1) **Enhanced Nodes**, per node		
OC48 Enhanced Node	$2,946.56	None
OC192 Enhanced Node	5,888.00	None

	Monthly Rates
(2) **Mileage**, per mile	
OC48	$408.96
OC192	818.56

	Monthly Rates	Nonrecurring Charges
(3) **Ports**, per ports		
DS1 Port @ OC48 Node	$ 22.40	None
DS1 Port @ OC192 Node	22.40	None
DS3 Port @ OC48 Node	92.00	None
DS3 Port @ OC192 Node	92.00	None

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32. Contract Tariffs (Cont'd)

32.39 Contract Tariff Option 38 (N)

(A) Scope

(1) Contract Tariff Option 38 (Option 38) provides discounted monthly rates to customers who order a minimum of six (6) Special Access Verizon Dedicated SONET Rings in partial ring or full ring configurations (**new DSRs**). The new DSRs may be newly installed services or may be other Special Access SONET, purchased under this tariff, under Tariff F.C.C. No. 1, under Tariff F.C.C. No. 14, or under any combination of the three tariffs (**existing SONET services**), that are converted or upgraded to new DSRs in accordance with the requirements set forth in (B) through (F) following. The Option 38 discounted monthly rates are applicable for certain rate elements of such new DSRs when ordered in accordance with the requirements set forth herein. (x) (x)

(a) Existing SONET services purchased under this tariff consist of the following Special Access Services.

(1) Existing Verizon Dedicated SONET Rings (**existing DSRs**) at Optical Carrier 3 (OC3) utilizing nodes that are not enhanced. These services may be upgraded to new DSR at Optical Carrier 12 (OC12), 48 (OC48) or 192 (OC192). The new DSRs will utilize enhanced nodes. Upgrades are further subject to (E)(6) following.

(2) Existing DSRs at OC12, OC48 or OC192 utilizing enhanced nodes or nodes that are not enhanced. These services may be converted to new DSRs of the same optical carrier rate (e.g., an OC12 existing DSR can be converted to a new OC12 DSR). The new DSRs will utilize enhanced nodes.

(3) Existing DSRs at OC12 or OC48 utilizing enhanced nodes or nodes that are not enhanced. These services may be upgraded to new DSRs of a higher optical carrier rate (e.g., an OC12 existing DSR can be upgraded to a new OC48 DSR or to a new OC192 DSR). The new DSRs will utilize enhanced nodes. Upgrades are further subject to (E)(6) following.

(4) Existing SONET services as defined in (A)(1)(a)(1) through (3) preceding are further subject to the eligibility requirements set forth in (B) following.

(5) Existing SONET services as defined in (A)(1)(a)(1) through (3) preceding must be existing SONET services that were purchased under other sections of this tariff or under other contract tariff option(s) of this Section 32.

(2) The terms and conditions, regulations, and rates provided in this Section 32.39 apply to customers that order new DSRs, and convert or upgrade existing DSR as offered herein. (N)

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32. Contract Tariffs (Cont'd)

32.39 Contract Tariff Option 38 (Cont'd) (N)

(B) Eligibility

All of the following requirements must be met in order to be eligible for subscription to Option 38.

(1) A customer must subscribe to Option 38 by submitting a written authorization in a manner designated by the Telephone Company during the subscription period which begins on March 3, 2006 and ends on June 30, 2006 (**Subscription Period**).

(2) A customer must order a minimum of six (6) new DSRs during the subscription period set forth in (B)(1) preceding. Such new DSRs may be ordered under Option 38 of this tariff, under Option 35 of Tariff F.C.C. No. 1, under Option 18 of Tariff F.C.C. No. 14 or under a combination of these tariffs. Each of the new DSRs must either be an existing SONET that is converted to new DSR, an existing SONET that is upgraded to new DSR, a newly installed service as described in (A)(1)(a) preceding, or any combination of converted, upgraded and newly installed services. (x) (x) (x)

(a) At least seventy-five percent (75%) of the total number of existing SONET services that are converted and/or upgraded to new DSR must have been in-service for at least twenty-four (24) months as of the date of subscription to this Option 38 or March 3, 2006, whichever is the later date. For those existing SONET services that have not satisfied their minimum period obligations, minimum period charges apply as set forth in other sections of this tariff; and

(b) At least forty percent (40%) of the total number of existing SONET services that are converted and/or upgraded to new DSRs must have an initial term plan that has either already expired as of March 3, 2006 or that will expire no later than March 2, 2007, whichever is the later date; and

(c) At least fifty percent (50%) of the new DSRs subscribed to this Option 38 (whether converted or upgraded from existing SONET services or newly installed service) must have an optical carrier rate of OC48 or OC192.

(3) The new DSRs must be located within the serving areas specified in (C) following. (N)

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32. Contract Tariffs (Cont'd)

32.39 Contract Tariff Option 38 (Cont'd) (N)

(C) Serving Area

(1) The serving area of Option 38 is comprised of the wire centers that are within the Phase I and Phase II Metropolitan Statistical Area (**MSAs**) of this tariff. Wire centers within the Phase II MSAs of this tariff are set forth in Section 15.3 preceding.

(2) Any additions of, or changes to, the wire centers within an MSA that occur during the Service Period of this Option 38 will apply beginning on the effective date of such change and continuing through the end of the Service Period. When such change results in an increase or decrease to the rates applicable to the new DSRs under this Option 38, no retroactive billing or adjustment will be made for the portion of the Service Period that has elapsed prior to the effective date of the change.

(D) Service Period

(1) The service period for Option 38 is sixty (60) months unless the customer elects the transitional billing option set forth in (E)(5) following in which case the service period of this Option 38 is sixty-four (64) months (**Service Period**). The Service Period is applicable to the enhanced nodes, partial ring high speed (pass-through) interfaces, and mileage of each new DSR that is subscribed to this Option 38. The Service Period is that period of time during which the rates set forth in (F) following apply and is in lieu of the commitment period for the 5-year term plan specified in Section 34.1 following.

(2) When ordering a conversion from existing SONET service or an upgrade of existing SONET service, and the customer elects the transitional billing option set forth in (E)(5) following, the 64 month Service Period under this Option 38 shall include four (4) months during which transitional billing credit as described in (E)(5) following shall apply.

(3) Each new DSR subscribed to this Option 38 shall have its own Service Period of either sixty (60) months or sixty-four (64) months depending on whether or not the customer elects the transitional billing option set forth in (E)(5) following.

(a) The Service Period for a newly installed service commences with the date that the new DSR is available for use by the customer.

(b) The Service Period for an existing SONET service that is converted or upgraded to a new DSR commences with the date that the new DSR is available for use by the customer and ends sixty (60) months later (when ordered without the transitional billing option) or sixty-four (64) months later (when ordered with the transitional billing option), unless otherwise extended due to the addition of a node as described in (D)(4) following. (N)

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32. Contract Tariffs (Cont'd)

32.39 Contract Tariff Option 38 (Cont'd) (N)

(D) Service Period (Cont'd)

(4) Node Additions

(a) An additional node(s) may be added to a new DSR at any time prior to the end of the 60 or 64 month Service Period, as applicable.

(b) Nodes added after the initial installation of a new DSR and during the subscription period specified in (B) preceding will have an expiration date that is coterminous with the expiration date of the 60 or 64 month Service Period for the initial nodes ordered, as applicable, and will be subject to the rates and charges set forth in (F) following.

(c) Nodes added after the subscription period and prior to completion of the thirty-sixth (36th) month of the Service Period will have an expiration date that is coterminous with the expiration date of the 60 or 64 month Service Period for the initial nodes installed, as applicable, and will be subject to the rates and charges set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding).

(d) Nodes added after the first 36 months of the Service Period will have an expiration date of twenty-four (24) months from the date that the additional node(s) is placed into service. The addition of these nodes also requires that the 60 or 64 month Service Period for the new DSR, as applicable, be extended by twenty-four (24) months thereby making the expiration date for the additional node(s) coterminous with the expiration date for the remainder of the new DSR. The additional node(s) will be subject to the rates and charges set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding). The rates and charges applicable to the new DSR during the extended Service Period are set forth in (F) following. (N)

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32. Contract Tariffs (Cont'd)

32.39 Contract Tariff Option 38 (Cont'd) (N)

(E) Terms and Conditions

(1) Except as set forth in this Section 32.39, the terms and conditions and application of rates and charges as set forth in Section 34.1 following apply to the new DSRs and to any service connected to the new DSRs.

(2) The rates for the new DSRs subscribed to this Option 38 are set forth in (F) following and will be applied for the duration of the Service Period specified in (D) preceding or extended Service Period as set forth in (D)(4)(d) preceding. Only those new DSRs that are ordered during the subscription period of this Option 38 will receive the rates set forth in (F) following. New DSRs ordered at any time prior to or after the subscription period of this Option 38 are not eligible for the rates set forth in (F) following. Such new DSRs are subject to the rates and charges set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding), unless otherwise subscribed to another contract tariff option in which case the rates and charges applicable to that contract tariff option apply.

(3) Except as set forth in this Option 38, all other rates and charges and terms and conditions set forth in other sections of this tariff apply for any other rate elements or work activity that may be associated with the new DSRs subscribed to this Option 38 (e.g., ports) and to any other service connected to such new DSRs.

(4) The conversion or upgrade from the existing SONET service to new DSR is complete when all circuits on the existing SONET service are disconnected from the existing SONET service and are installed and operational on the new DSR, and the existing SONET service is disconnected.

(5) Transitional Billing

(a) At the time of ordering a conversion involving physical work activity (e.g., conversion from DSR without enhanced nodes to DSR with enhanced nodes) or an upgrade of existing SONET service to new DSR, a customer requesting the transitional billing option must specify such option in its order for service. In doing so, the customer will receive four (4) months of transitional billing credit as further described in (E)(5)(b) following, when the requirements set forth herein are met.

(b) Transitional billing credit is applied at fifty percent (50%) of the monthly recurring charges for the node, partial ring high speed (pass-through) interface and mileage rate elements on each existing SONET service and 50% of the monthly recurring charges for the enhanced node, partial ring high speed (pass-through) interface and mileage rate elements on each new DSR for which the customer orders the transitional billing option. Transitional billing credit is not applicable to ports or any other rate element on either the existing SONET service or new DSR. (N)

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32. Contract Tariffs (Cont'd)

32.39 Contract Tariff Option 38 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(6) Upgrade of Existing SONET Services

An upgrade of existing DSR under this Option 38 is subject to the following requirements:

(a) One (1) or two (2) existing DSRs (**the old ring(s)**) must be replaced with a single DSR of greater capacity (**the new DSR**) than the combined capacity of the old ring(s) being replaced (e.g., an OC12 old ring can be upgraded to a new OC48 DSR or to a new OC192 DSR, or two OC12 old rings can be upgraded to a new OC48 DSR); and

(b) The Service Period for the new DSR shall commence with the date that the new DSR is available for use by the customer; and

(c) When upgrading one old ring, the Service Period for the new DSR must have an expiration date that extends beyond the expiration date of the commitment period for that old ring. When upgrading two old rings, the Service Period for the new DSR must have an expiration date that extends beyond the expiration date of the old ring with the longer expiration date; and

(d) The new DSR must have at least one (1) customer premises node and one (1) CO node in common with each of the old ring(s); and

(e) When two (2) old rings are being upgraded into a single, higher capacity new DSR, the aggregate amount of all monthly charges for the nodes and ports included in the Service Period of the new DSR subscribed to under this Option 38 must be at least twenty-five percent (25%) greater than the aggregate amount of monthly charges remaining in the commitment period for the nodes and ports of the old rings being disconnected; and

(f) The customer must specify in its order for service whether or not the transitional billing option as set forth in (E)(5) preceding will apply for the upgrade of existing SONET service.

(7) Termination Liability and Minimum Period Charges

(a) Termination Liability

(1) Termination liability will not apply for disconnection of an existing SONET service when such disconnection occurs for the purpose of converting that existing SONET service to a new DSR under this Option 38.

Termination liability will not apply for disconnection of an existing SONET service when such disconnection occurs for the purpose of upgrading that existing SONET service to a new DSR under this Option 38 and the requirements set forth in (E)(6) preceding are met. (N)

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32. Contract Tariffs (Cont'd)

32.39 Contract Tariff Option 38 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(7) Termination Liability and Minimum Period Charges (Cont'd)

(a) Termination Liability (Cont'd)

(2) Termination liability will apply if a new DSR that is subscribed to this Option 38 is discontinued prior to the end of the thirty-sixth (36th) month of the Service Period (when ordered without the transitional billing option as set forth in (E)(5) preceding) or prior to the end of the fortieth (40th) month of the Service Period (when ordered with the transitional billing option as set forth in (E)(5) preceding). Except as set forth in (E)(7)(a)(2)(a) and (b) following, termination liability is subject to the terms and conditions set forth in Section 34.1(E) following.

(a) Termination Liability on a new DSR that is ordered without the transitional billing option set forth in (E)(5) preceding applies to the node and partial ring high speed (pass-through) interface rate elements only at 100% of the monthly recurring charge from the date of disconnection through the end of the first twenty-four (24) months of the Service Period and 75% of the monthly recurring charge from the twenty-fifth (25th) month of the Service Period through the end of the thirty-sixth (36th) month of the Service Period. Termination liability does not apply in months thirty-seven (37) through months sixty (60) of the Service Period.

(b) Termination Liability on a new DSR that is ordered with the transitional billing option set forth in (E)(5) preceding applies to the node and partial ring high speed (pass-through) interface rate elements only at 100% of the monthly recurring charge from the date of disconnection through the end of the first twenty-eight (28) months of the Service Period and 75% of the monthly recurring charge from the twenty-ninth (29th) month of the Service Period through the end of the fortieth (40th) month of the Service Period. Termination liability does not apply in months forty-one (41) through months sixty-four (64) of the Service Period.

(3) When calculating any termination liability charge under this Option 38, the rates set forth in (F) following are not used. Such termination liability will be calculated using the 5-year term plan rates set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding). (N)

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32. Contract Tariffs (Cont'd)

32.39 Contract Tariff Option 38 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(7) Termination Liability and Minimum Period Charges (Cont'd)

(b) Minimum Period Charges

Minimum period charges apply if a new DSR or any service connected to such new DSR is disconnected prior to satisfying the minimum period requirement for the service involved. Minimum periods for each service are specified in Section 5.2.5 preceding. When calculating any minimum period charges under this Option 38, the rates set forth in (F) following are not used. Such minimum period charges will be calculated using the applicable rates for the type of service involved as set forth in Section 30 preceding for price band rates and charges and Section 31 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding).

(8) Shared Use as set forth in Section 5.2.7 preceding is allowed under this Option 38; however, only the Special Access portion of the new DSRs are eligible for the rates set forth in (F) following.

(9) Expiration of Service Period

Upon completion of the Service Period for this Option 38, the customer must choose one of the following options:

(a) discontinue service without termination liability; or

(b) select any then offered term plan or contract tariff option for which the customer is eligible; or

(c) continue subscription to the service on a monthly basis at the 5-year term plan rates and charges set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding).

(d) In the event that the customer does not make an election of (E)(9)(a) through (c) preceding, the customer's subscription to the new DSR will continue in accordance with (E)(9)(c) preceding. (N)

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32. Contract Tariffs (Cont'd)

32.39 Contract Tariff Option 38 (Cont'd) (N)

(F) Rates and Charges

The following rates will be applied to the new DSRs that are subscribed to this Option 38. Such rates will continue through the end of the Service Period specified in (D) preceding. The rates and charges that apply to such new DSRs after the end of the Service Period and for any other rate not shown, whether for the new DSRs or for a service connected to such new DSRs, are the rates and charges set forth in other sections of this tariff.

	Monthly Rates	Nonrecurring Charges
(1) **Enhanced Nodes**, per node		
OC12 Enhanced Node	$1,890.00	None
OC48 Enhanced Node	3,222.80	None
OC192 Enhanced Node	6,440.00	None
(2) **Partial Ring High Speed (Pass-through) Interfaces**, per interface		
OC12 Interface	$1,890.00	None
OC48 Interface	3,222.80	None
OC192 Interface	6,440.00	None

	Monthly Rates
(3) Ring **Mileage**, per mile	
OC12	$251.30
OC48	447.30
OC192	895.30 (N)

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32. Contract Tariffs (Cont'd)

32.40 Contract Tariff Option 39 (N)

(A) Scope

(1) Contract Tariff Option 39 (**Option 39**) is an offering exclusively for customers who upgrade a minimum of two (2) existing Special Access Optical Carrier 12 Verizon Dedicated SONET Ring Services that are configured with nodes that are not enhanced (**existing OC12 DSRs**) to the same number of new Special Access Optical Carrier 48 Verizon Dedicated SONET Ring Services that are configured with nodes that are enhanced (**new OC48 DSRs**) in accordance with the requirements set forth herein. Option 39 provides discounted monthly rates for certain rate elements of such new OC48 DSRs when ordered in accordance with the requirements set forth in this Option 39.

(2) The terms and conditions, regulations, and rates provided in this Section 32.40 apply to customers who upgrade to new OC48 DSRs as offered herein.

(B) Eligibility

All of the following requirements must be met in order to be eligible for subscription to Option 39.

(1) A customer must subscribe to Option 39 by submitting a written authorization in a manner designated by the Telephone Company during the three (3) month subscription period which begins on March 4, 2006 and ends on June 3, 2006 (**Subscription Period**).

(2) A customer must order a minimum of two (2) upgrades of existing OC12 DSRs as follows.

(a) A minimum of one (1) existing OC12 DSR located in the Boston MA-NH Metropolitan Statistical Area (**MSA**) of this tariff must be upgraded to one (1) new OC48 DSR within that same MSA; and

(b) a minimum of one (1) existing OC12 DSR located in the New York NY MSA of this tariff, of the Telephone Company's Tariff F.C.C. No. 1 (**Tariff FCC 1**), or as jointly provided under this tariff and Tariff FCC 1 must be upgraded to one (1) new OC48 DSR within that same MSA. (x) (x) (x)

(c) Each existing OC12 DSR that is upgraded to a new OC48 DSR under (B)(2)(a) or (b) preceding must have been in service under its current service configuration for a minimum of two (2) years.

(3) The total number of new OC48 DSRs subscribed to this Option 39 must collectively be configured with at least ten (10) enhanced nodes and at least sixteen (16) miles in total for all of the new OC48 DSRs. Enhanced nodes are described in Section 34.1 following.

(4) The new DSRs must be located within the serving areas set forth in (C) following. (N)

(x) Issued under authority of Special Permission No. 06-008 of the Federal Communications Commission

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32. Contract Tariffs (Cont'd)

32.40 Contract Tariff Option 39 (Cont'd) (N)

(C) Serving Area

(1) The serving area of Option 39 is comprised of the wire centers that are within the Boston MA-NH MSA (**MSA #6**) and the New York NY MSA (**MSA #1**) of this tariff and MSA #1 of Tariff FCC 1. The wire centers for MSA#1 and MSA#6 of this tariff are specified in Section 15.3 preceding. (x)

(2) Any additions of, or changes to, the wire centers within an MSA that occur during the Service Period of this Option 39 will apply beginning on the effective date of such change and continuing through the end of the Service Period. When such change results in an increase or decrease to the rates applicable to the DSRs under this Option 39, no retroactive billing or adjustment will be made for the portion of the Service Period that has elapsed prior to the effective date of the change.

(D) Service Period

(1) The service period for Option 39 is sixty-four (64) months for the new OC48 DSRs and any DS1 ports, DS3 ports, DS3 Transmux ports or GigE3 ports that are ordered during the subscription period specified in (B) preceding. The service period is that period of time during which the rates set forth in (F) following apply and is in lieu of the commitment period for the 5-year term plan specified in Section 34.1 following. The service period under this Option 39 includes four (4) months during which transitional billing credit as described in (E)(5) following applies. Beginning with the date that service is available for use by the customer and continuing through the end of the service period set forth in this (D), the customer is subject to termination liability under (E)(6) following for early discontinuance of any node or port that is subscribed to this Option 39. In the case of discontinuance of one or more nodes, the collective minimum requirements set forth in (B)(3) preceding must be maintained or the customer's subscription to this Option 39 shall cease upon disconnection of such node(s).

(2) A single service period applies for all of the new OC48 DSRs that are subscribed to this Option 39 and commences with the date that the last of the new OC48 DSRs is installed and available for use by the customer (**Service Period**) and ends 64 months later. In the event that the Service Period of one (1) or more of the new OC48 DSRs is extended under (D)(5) following, the Service Period for the remaining new OC48 DSRs will not be extended, in which case a single Service Period no longer applies. The rates set forth in (F) following will apply beginning with the date that each new OC48 DSR is available for use by the customer and continuing through the end of the Service Period. (N)

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32. Contract Tariffs (Cont'd)

32.40 Contract Tariff Option 39 (Cont'd) (N)

(D) Service Period (Cont'd)

(3) The Service Period for each DS1 port, DS3 port, DS3 Transmux port or GigE3 port that is ordered with the initial installation of service or at any time during the subscription period set forth in (B) preceding will commence with the installation of the port and end on the same date on which the Service Period for the enhanced nodes and mileage under (D)(1) preceding ends. Except as set forth in this (D)(3), all other ports and optional features associated with the new OC48 DSR are offered under terms and conditions and rates set forth in Section 34.1 following.

(4) For each port or optional feature added at any time after the end of the subscription period set forth in (B) preceding, the port or optional feature is added under the terms and conditions and rates set forth in Section 34.1 following, except that the expiration date of the term plan for such port or optional feature will be coterminous with the expiration date of the Service Period when such ports or optional features are added prior to completion of the fortieth (40th) month of the Service Period or prior to the last twenty-four (24) months of the Expired Service Period, as applicable. Ports or optional features added after the first 40 months of the Service Period or within the last 24 months of the Expired Service Period are subject to month-to-month billing terms as described in Section 34.1 following. (N)

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32. Contract Tariffs (Cont'd)

32.40 Contract Tariff Option 39 (Cont'd) (N)

(D) Service Period (Cont'd)

(5) Node Additions

(a) An additional node(s) may be added to the new OC48 DSR at any time prior to the end of the sixty-four month Service Period.

(b) Nodes added after the initial installation of the new OC48 DSR and during the subscription period specified in (B) preceding will have an expiration date that is coterminous with the expiration date of the sixty-four (64) month Service Period for the initial nodes ordered and will be subject to the rates and charges set forth in (F) following.

(c) Nodes added after the subscription period and prior to completion of the fortieth (40th) month of the Service Period will have an expiration date that is coterminous with the expiration date of the 64 month Service Period for the initial nodes installed and will be subject to the rates and charges set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding).

(d) Nodes added after the first 36 months of the Service Period will have an expiration date of twenty-four (24) months from the date that the additional node(s) is placed into service. This also requires that the 64 month Service Period for that particular new OC48 DSR be extended by twenty-four (24) months thereby making the expiration date for the additional node(s) coterminous with the expiration date for the remaining nodes for that new OC48 DSR (**Extended Service Period**). The Service Period for any remaining new OC48 DSRs will not be extended, in which case a single Service Period for all new OC48 DSRs no longer applies. The additional node(s) will be subject to the rates and charges set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding). The rates and charges applicable to the remaining rate elements of the new OC48 DSR for the Extended Service Period are set forth in (F) following. (N)

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32. Contract Tariffs (Cont'd)

32.40 Contract Tariff Option 39 (Cont'd) (N)

(E) Terms and Conditions

(1) Except as set forth in this Section 32.40, the terms and conditions and application of rates and charges as set forth in Section 34.1 following apply to the new OC48 DSRs and to any service connected to the new OC48 DSRs.

(2) The rates and charges for the new OC48 DSRs subscribed to this Option 39 are set forth in (F) following and will be applied beginning with the date that each new OC48 DSR is available for use by the customer and continuing through the end of the Service Period specified in (D) preceding or the Extended Service Period specified in (D)(5)(d) preceding. Only those new OC48 DSRs and DS1 ports, DS3 ports, DS3 Transmux ports or GigE3 ports that are ordered during the subscription period of this Option 39 will receive the rates set forth in (F) following. New OC48 DSRs, DS1 ports, DS3 ports, DS3 Transmux ports or GigE3 ports ordered at any time prior to, or after, the subscription period of this Option 39 are not eligible for the rates set forth in (F) following. Such new OC48 DSRs, DS1 ports, DS3 ports, DS3 Transmux ports and GigE3 ports are subject to the rates and charges set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding).

(3) Except as set forth in this Option 39, all other rates and charges and terms and conditions set forth in other sections of this tariff apply for any other rate elements or work activity that may be associated with the new OC48 DSRs subscribed to this Option 39 (e.g., OCn ports) and to any other service connected to such new OC48 DSR.

(4) The upgrade is considered complete when all circuits on the existing OC12 DSRs are disconnected from the existing OC12 DSRs and are installed and available for use on the new OC48 DSRs, and the existing OC12 DSRs are disconnected.

(5) Transitional Billing

(a) This customer will receive four (4) months of transitional billing credit for the upgrade of existing OC12 DSRs to new OC48 DSRs under this Option 39.

(b) Transitional billing credit is applied at fifty percent (50%) of the monthly recurring charges for the node and mileage rate elements on the existing OC12 DSRs and 50% of the monthly recurring charges for the node and mileage rate elements on the new OC48 DSRs. Transitional billing credit is not applicable to ports. (N)

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32. Contract Tariffs (Cont'd)

32.40 Contract Tariff Option 39 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(6) Termination Liability and Minimum Period Charges

(a) Termination Liability

(1) Termination liability will not apply for disconnection of the existing OC12 DSRs when such disconnection occurs for the purpose of upgrading those existing OC12 DSRs to new OC48 DSRs under this Option 39.

(2) Termination liability will apply if a new OC48 DSR, DS1 port, DS3 port, DS3 Transmux port, or GigE3 port that is subscribed to this Option 39 is discontinued prior to the end of the Service Period or Extended Service Period, as applicable. Termination liability is subject to the terms and conditions set forth in Section 34.1(E) following.

(3) When calculating any termination liability charge under this Option 39, the rates set forth in (F) following are not used. Such termination liability will be calculated using the 5-year term plan rates set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding). (N)

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32. Contract Tariffs (Cont'd)

32.40 Contract Tariff Option 39 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(6) Termination Liability and Minimum Period Charges (Cont'd)

(b) Minimum Period Charges

Minimum period charges apply if the new OC48 DSRs or any service connected to such new OC48 DSRs is disconnected prior to satisfying the minimum period requirement for the service involved. Minimum periods for each service are specified in Section 5.2.5 preceding. When calculating any minimum period charges under this Option 39, the rates set forth in (F) following are not used. Such minimum period charges will be calculated using the applicable rates for the type of service involved as set forth in Section 30 preceding for price band rates and charges and Section 31 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding).

(7) Shared Use as set forth in Section 5.2.7 preceding is allowed under this Option 39; however, only the Special Access portion of the new DSR is eligible for the rates set forth in (F) following.

(8) Expiration of Service Period

Upon completion of the Service Period or Extended Service Period for this Option 39, as applicable, the customer must choose one of the following options:

(a) discontinue service without termination liability; or

(b) select any then offered term plan or contract tariff option for which the customer is eligible; or

(c) continue subscription to the service on a monthly basis at the 5-Year term plan rates and charges set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding).

(d) In the event that the customer does not make an election of (E)(8)(a) through (c) preceding, the customer's subscription to the new OC48 DSR will continue in accordance with (E)(8)(c) preceding. (N)

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32. Contract Tariffs (Cont'd)

32.40 Contract Tariff Option 39 (Cont'd) (N)

(F) Rates and Charges

The following rates and charges will be applied to the new OC48 DSRs and ports that are subscribed to this Option 39. The monthly rates set forth below will continue through the end of the Service Period specified in (D) preceding or the end of the Extended Service Period specified in (D)(5)(d) preceding, as applicable. The rates and charges that apply to such new OC48 DSRs and ports after the end of the Service Period or the end of the Extended Service Period, as applicable, and for any other rate not shown, whether for the new OC48 DSRs or for a service connected to such new OC48 DSRs, are the rates and charges set forth in other sections of this tariff.

	Monthly Rates	Nonrecurring Charges
(1) **OC48 Enhanced Node**, per node	$3,453.00	None

	Monthly Rates Per Mile
(2) **OC48 Mileage**, per mile	$479.25

	Monthly Rates	Nonrecurring Charges
(3) **Ports**, per port added during the Subscription Period		
DS1 Port @ OC48 Node	$ 21.00	None
DS3 Port @ OC48 Node	86.25	None
DS3 Transmux @ OC48 Nodes	300.00	None
GigE3 Port @ OC48	258.75	None (N)

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32. Contract Tariffs (Cont'd)

32.41 Contract Tariff Option 40 (N)

(A) Scope

Contract Tariff Option 40 (**Option 40**) provides a customer with monthly billing credits on (i) the Facilities Management Service (**FMS**) Channel Mileage rate elements when it maintains a minimum number of FMS transport miles and (ii) on the IntelliLight® Entrance Facilities (IEF) rate elements, when the customer satisfies the other criteria as set forth in this Option 40. Calculation of monthly billing credits shall be in accordance with the terms of this Option 40.

(B) Definitions

The following definitions are used in this Option 40.

(1) **Alternative Tariff Arrangement** shall mean collectively any other generally available tariff arrangement, contract tariff option, special service arrangement, or Individual Case Basis (**ICB**) tariff arrangement offered by the Telephone Company and available to the customer pursuant to this tariff with respect to any of the services covered by this Option 40.

(2) **BANs** shall mean Billing Account Numbers of the customer which shall be used to provide the Billing Credits (if any) to the customer.

(3) **Billing Credit** shall mean collectively the amounts (if any) provided to the customer as a credit on its monthly bill at the end of each Quarter during the Service Period based on the applicable discounts on the specific services (as set forth in (H) following) offered to the customer pursuant to this Option 40. Calculation of the applicable Billing Credits is described in (I) following.

(4) **Discount** shall mean collectively the discounts (if any) on FMS Channel Mileage rate elements and on IEF monthly rate elements as provided under the terms of Option 40 of this tariff and Option 37 (x)
of the Verizon Telephone Companies Tariff F.C.C. NO. 1 (FCC 1). (x)
Discounts offered on FMS Channel Mileage Rate Elements and on all IEF monthly rate elements are described in (H) following. (N)

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32. Contract Tariffs (Cont'd)

32.41 Contract Tariff Option 40 (Cont'd) (N)

(B) Definitions (Cont'd)

(5) **FMS Channel Mileage Rate Elements** shall mean the monthly recurring rates for the channel mileage rate elements included within the FMS Plan as follows.

(a) The FMS Channel Mileage Rate Elements for this tariff are described in Section 6.2.12(F)(3) preceding for Switched Access FMS and Section 7.2.16(F)(3) preceding for Special Access FMS.

(b) The monthly recurring rates for Switched Access FMS Channel Mileage for this tariff are set forth in Sections 30.6.9(A)(2) and (B)(2) for Price Band rates and Section 31.6.9(A)(2) and (B)(2) for all other rates as determined in Section 15.3. The monthly recurring rates for Special Access FMS Channel Mileage in this tariff are set forth in Sections 30.7.18(A)(2) and (B)(2) for Price Band rates and Section 31.7.18(A)(2) and (B)(2) for all other rates as determined in Section 15.3 preceding.

(c) The FMS Channel Mileage Rate Elements for FCC 1 are described in Section 6.8.26(D)(10) for Switched Access FMS and Section 7.2.13(D)(11) for Special Access FMS. (x)

(d) The monthly recurring rates for FMS Channel Mileage for FCC 1 are set forth in Section 6.9.10(D) preceding for Switched Access FMS and Section 7.5.18(C) preceding for Special Access FMS (as determined in accordance with Section 14.7 preceding). (x)

(6) **FMS Plan** shall mean the Switched Access or Special Access FMS Services provided pursuant to Sections 6.2.12 and 7.2.16 preceding of this tariff and Sections 6.8.26 and 7.2.13 of FCC 1. (x)

(7) **FMS Transport Miles** shall mean the aggregate number of miles billed by the Telephone Company to the customer for FMS Channel Mileage Rate Elements during each month of the Service Period for all FMS Plan Services provided pursuant to this tariff and to FCC 1 and which miles are not subject to dispute by the customer. If the customer disputes the billing of any mileage for the FMS Channel Mileage Rate Elements (e.g., number of miles billed for a circuit is incorrect), then such miles shall not be included in the calculation of FMS Transport Miles. Unless manifest error can be demonstrated by the customer, the Telephone Company's calculation of such aggregate mileage shall be deemed to be accurate, and shall not be subject to dispute by the customer. (x) (N)

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32. Contract Tariffs (Cont'd)

32.41 Contract Tariff Option 40 (Cont'd) (N)

(B) Definitions (Cont'd)

(8) **Grooms** shall mean a change in the connecting facility assignment (**CFA**) or termination point of a Special Access DS1 or DS3 Service, and shall include any of the following types of moves, rearrangements, reterminations, disconnection and reconnection, or other changes (however characterized) to the Special Access Service: (i) a change in the customer designated premises from one location to another; (ii) a change in the CFA or termination point within a single Telephone Company wire center; or (iii) a change in the CFA or termination point from one Telephone Company wire center to CFA in another Telephone Company wire center (CFA can be associated with a facility provided by either the Telephone Company or provided by a collocator).

(9) **IEF** shall mean IntelliLight® Entrance Facility Service (IEF) as described in Section 26.1.4 preceding of this tariff and Section 7.2.15 of FCC 1. Rate elements and rates for IEF are set forth in Section 30.26.4 and 31.26.4 preceding of this tariff and Section 7.5.21 of FCC 1. Any IEF Services which are included in an FMS Plan are ineligible for Discounts and Billing Credits. (x) (x)

(10) **Maximum Monthly Grooms** shall have the meaning set forth in (J) following.

(11) **Minimum FMS Transport Miles** shall have the meaning set forth in (G) following.

(12) **MRC** shall mean monthly recurring rates or charges for the services provided pursuant to Telephone Company tariffs.

(13) **Quarter** shall mean either of the following periods, as applicable: (i) the first Quarter is the period beginning with the date of subscription to the end of that month and the three (3) consecutive months following such month; or (ii) each consecutive three (3) month period thereafter commencing on the first day of the calendar month following the end of the prior Quarter and ending three (3) calendar months after such date. (N)

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32. Contract Tariffs (Cont'd)

32.41 Contract Tariff Option 40 (Cont'd) (N)

(C) Eligibility

The customer must meet all of the following criteria in order to be eligible the rates, terms and conditions of this Option 40.

(1) During the three (3) month period beginning three (3) months prior to the date of subscription and ending with the date of subscription, the customer must have been continuously subscribed to the FMS Plan (as defined in (B)(6) preceding) offered in this tariff and in FCC 1 and must continuously subscribe to the FMS Plan during the Service Period. (x)

(2) During the 3 month period beginning three (3) months prior to the date of subscription and ending with the date of subscription, the customer must have maintained a minimum average of one hundred sixty thousand (160,000) billed Transport FMS Miles per month.

(3) The customer may not concurrently subscribe to an Alternative Tariff Arrangement which meets any of the following criteria at any time during the Service Period: (i) an Alternative Tariff Arrangement which provides a discount, credit, or other reduction in rates or terms for IEF Services; and (ii) an Alternative Tariff Arrangement which provides discounts on FMS Channel Mileage Rate Elements or on other rate elements included within the FMS Plan. If the customer wishes to subscribe to such an Alternate Tariff Arrangement, then the customer shall not receive any Discounts and Billing Credits under this Option 40.

(4) A customer must subscribe to Option 40 by submitting a written authorization in a manner designated by the Telephone Company during the sixty day (60) period that begins on April 29, 2006 and ends on June 28, 2006 (**Subscription Period**)

(D) Service Period

The Service Period of this Option 40 shall commence with the date of subscription and continue through the last day of the month that is twelve (12) consecutive months following the month after that date of subscription. For example, if the Service Period commences May 20, 2006, then the Service Period shall end May 31, 2007. (N)

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32. Contract Tariffs (Cont'd)

32.41 Contract Tariff Option 40 (Cont'd) (N)

(E) Services and Rate Elements Subject to This Option 40

Subject to the terms and conditions of this Option 40, the applicable Discount (as described in (H) following) shall be provided on the following Services and the following rate elements:

(1) FMS Channel Mileage Rate Elements

The applicable Discount on FMS Channel Mileage Rate Elements (as described in (H)(1) following) shall only be applied to the MRCs for FMS Channel Mileage Rate Elements that are billed during the Service Period and that meet all of the following criteria during each month of the Service Period:

(a) The entire circuit (all portions other than the End User channel termination to the secondary premises), must be included within the FMS Plan; and

(b) The FMS Channel Mileage Rate Element must be a rate element of an FMS Plan circuit that has a Network Channel (NC) Code of either HC, HF, or OC (i.e., the circuit must be DS1 or greater bandwidth); and

(c) The FMS Channel Mileage Rate Elements must be billing one of the following USOCs: 1A59S, 1A64S, 1A6US, 1A6VS, 1YJB3, 1YJB5, 1YJBX, 1A5YS, 1A87S, 1A88S, 1A89S, 1YAMS, 1YANS, 1YAPS, 1YAQS,1YARS, 1YJD3, 1YJD5, 1YJDX, 1YJF3, 1YJF5, 1YJFX, 1YJA3, 1YJA5, 1YJAX,; and

(d) The customer meets the requirements of maintaining the Minimum FMS Transport Miles as more specifically described in (G) following, and the requirements regarding disputes, payments, credits and debits set forth in (I)(4) following. (N)

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32. Contract Tariffs (Cont'd)

32.41 Contract Tariff Option 40 (Cont'd) (N)

(E) Services and Rate Elements Subject to This Option 40 (Cont'd)

(2) IEF Services

The applicable Discount (as defined in Section (H)(2) following) shall apply only to the MRC rate elements for IEF Services which are installed and billed during the Service Period.

(3) The Discount and Billing Credit is provided only (i) on billed FMS Channel Mileage Rate Elements that meet the requirements of this Option 40 (including (I) following) and (ii) IEF MRC rate elements that are billed and installed during each Quarter of the Service Period. The following types of charges (which is an illustrative list and is not intended to be a comprehensive listing of all other charges excluded from application of Discounts and Billing Credits) are not included in the application of Discounts and the calculation of the Billing Credits:

(a) Any non recurring charges;
(b) Taxes, or other charges imposed by a federal, state, local, or other governmental entity (e.g. Federal Universal Service Fund);
(c) Service or administrative fees or charges imposed by the Telephone Company (e.g. interest penalty, late payment penalty);
(d) Any other billed amount related to Qualifying Services for which payment is being withheld or under dispute by the customer;
(e) Any debits or credits for Services rendered in prior Quarters or periods prior to the date of subscription; subject to (I) following
(f) Minimum period charges;
(g) Termination liabilities; or
(h) Any other charges which are not applied on a recurring monthly basis. (N)

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32. Contract Tariffs (Cont'd)

32.41 Contract Tariff Option 40 (Cont'd) (N)

(F) Service 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 Section 15.3 preceding of this tariff. Wire centers for the Phase II MSAs of this tariff are listed Section 15.3 preceding. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in the tariff) that occur during the Service Period of this Option 40 will apply.

(G) Minimum FMS Transport Miles

(1) Subject to the terms and conditions set forth in this Option 40, including the requirement to maintain the Minimum FMS Transport Miles as set forth in this Section (G), the customer is eligible to receive the applicable Discount set forth in Table 1 of (H)(1) following.

(2) In order to receive the applicable Discount (as set forth in Table 1 of (H)(1) following) and the Billing Credits (as determined in accordance with (I) following) associated therewith, in any given month of the Service Period, the customer must meet either one of the following criteria (individually and collectively referred to as **Minimum FMS Transport Miles**):

(a) During any month of the Service Period, the customer must maintain in-service no less than 160,000 FMS Transport Miles per month. If the customer meets this criteria, then the Telephone Company will not calculate, and the customer is not required to meet the requirements of (G)(2)(b) following; or

(b) During any Quarter, the customer must maintain an average of no less than 160,000 FMS Transport Miles during each month of such Quarter. If the customer maintains an average number of miles of no less than 160,000 FMS Transport Miles during each month of such Quarter, but does not otherwise meet the criteria set forth in (G)(2)(a) preceding (i.e., the actual monthly FMS Transport Miles in a given calendar month are less than 160,000 miles), the customer shall still be eligible for the applicable Discounts set forth in (H) following. (N)

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32. Contract Tariffs (Cont'd)

32.41 Contract Tariff Option 40 (Cont'd) (N)

(G) FMS Minimum Transport Miles (Cont'd)

(2) (Cont'd)

(b) (Cont'd)

The following two illustrative examples are presented.

Example 1: During Quarter 1, the Telephone Company calculates the customer's FMS Transport Miles during each such month of Quarter 1 as follows:

Month 1 - 154,000 miles, and

Month 2 – 160,000 miles, and

Month 3 – 161,000 miles.

Since Month 1 did not meet the requirements of (G)(2)(a)(2) preceding, this results in an average number of FMS Transport Miles for Quarter 1 of 158,333 miles per month (i.e., an aggregate of 475,000 Transport Miles for Quarter 1 divided by 3 months).

Based on this information, the customer would not receive the applicable Discounts (as set forth in Table 1 of (H)(1) following) or the Billing Credits (as set forth in (I) following) in month 1 of Quarter 1 because the customer has not met either of the criteria set forth in (G)(2) preceding (i.e., the actual FMS Transport Miles in month 1 are less than 160,000 miles, and the average monthly FMS Transport Miles, as measured throughout the three months of Quarter 1, are less than 160,000 miles). However, the customer would be eligible for the applicable Discounts (as set forth in Table 1 of (H) following) and the Billing Credits (as set forth in (I) following) because the customer meets the Minimum FMS Transport Mile criteria in (G)(2)(a) preceding (i.e., it's actual FMS Transport Miles for months 2 and 3 are each above 160,000 miles). (N)

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32. Contract Tariffs (Cont'd)

32.41 Contract Tariff Option 40 (Cont'd) (N)

(G) FMS Minimum Transport Miles (Cont'd)

(2) (Cont'd)

(b) (Cont'd)

Example 2: During Quarter 1, the Telephone Company calculates the customer's FMS Transport Miles (excluding any miles which are disputed by the customer) during each such month of Quarter 1 as follows:

Month 1 - 159,000 miles, and

Month 2 – 164,000 miles, and

Month 3 – 166,000 miles.

This results in an average number of FMS Transport Miles for Quarter 1 of 163,000 miles per month (i.e., an aggregate of 489,000 Transport Miles for Quarter 1 divided by 3 months).

Based on this information, the customer would receive the applicable Discounts (as set forth in Table 1 of (H)(1) following) and the Billing Credits (as set forth in (I) following) for each month of Quarter 1 because the customer meets the Minimum FMS Transport Mile criteria in (G)(2)(b) preceding (i.e., the average monthly FMS Transport Miles are greater than 160,000 miles for each month of Quarter 1). (N)

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32. Contract Tariffs (Cont'd)

32.41 Contract Tariff Option 40 (Cont'd) (N)

(H) Discounts

(1) FMS Plan Discounts

Subject to the terms of this Option 40, including the requirement to maintain the Minimum FMS Transport Miles as set forth in (G) preceding, and the method of calculation and timing of the Billing Credit as set forth in (I) following, the Telephone Company will apply the applicable Discount (as set forth in Table 1 below) to the customer's FMS Channel Mileage Rate Elements. The applicable Discount is derived by (i) assigning each circuit included in the FMS Plan to a mileage band (as set forth in Table 1 below) based on the length of the channel mileage billed for such circuit; and (ii) assigning all circuits included in the FMS Plan into FMS Transport Mile tiers (as set forth in Table 1 below) based on the aggregate billed FMS Transport Miles in any given month of the Service Period.

Table 1: Discounts by Mileage Band and FMS Transport Miles

FMS Transport Miles	Mileage Band 1 1 – 10 Miles	Mileage Band 2 11 – 20 Miles	Mileage Band 3 21 Miles or Above
Tier 1 1 – 160,000	32.0%	27.5%	24.0%
Tier 2 160,001 and above*	50.0%	40.0%	35.0%

* The aggregate Billing Credits payable at this tier are subject to an aggregate and overall cap of three-million dollars ($3,000,000) for the entire Service Period.

For example, assume that in a given month in the Service Period, the customer had 165,000 FMS Transport Miles. Then, the customer would be eligible for the applicable Discounts based on mileage bands for all FMS Transport Miles up to 160,000 miles, and would be eligible for applicable Discounts in Tier 2 based on mileage bands for all FMS Transport Miles greater than 160,000 miles. The actual Discount level would depend on the length of the circuit. A detailed method of calculation is described in (I) following.

(2) Discounts on IEF Services

Subject to the terms of this Option 40, including the requirement to maintain the Minimum FMS Transport Miles as set forth in (G) preceding, and the method of calculation and timing of payment of the Billing Credit as set forth in (I) following), the Telephone Company will apply a ten percent (10%) Discount to the MRC rate elements for each IEF Service that is newly ordered and billed during the Service Period. (N)

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32. Contract Tariffs (Cont'd)

32.41 Contract Tariff Option 40 (Cont'd) (N)

(I) Calculation and Payment of Billing Credits

(1) Method of Calculation of the Applicable Billing Credit

(a) Following the end of each Quarter during the Service Period, the Telephone Company will calculate the applicable Billing Credit (if any) to be applied to the customer's BANs by assigning the FMS Transport Miles (excluding any miles which are disputed or payment is withheld by customer) for each month of the Quarter into Table 1 of (H)(1) preceding, and then applying the corresponding discount based on the assignment of those FMS Transport Miles. Specifically, (i) the first 160,000 FMS Transport Miles and the associated FMS Transport MRCs for each month of the Quarter are assigned into Tier 1 of Table 1 in (H)(1) preceding, and (ii) any miles in excess of 160,000 FMS Transport Miles and the associated FMS Transport MRCs, if any, for that same month of the Quarter are assigned into Tier 2 of Table 1 in (H)(1) preceding. Finally, the discounts set forth in Table 1 of (H)(1) preceding are applied to the assigned FMS Transport MRCs for each month and all such discounted sums are totaled to determine the Billing Credit due for the Quarter. The associated MRCs of any FMS Transport Miles that are unpaid or under dispute at the time of performing this calculation will not be assigned.

(b) Finally, the Billing Credit for FMS Transport Miles determined in (a) preceding will be reduced to reflect any Grooms which exceed the Maximum Monthly Grooms specified in (J) following. For month 1 of Quarter 1, the Billing Credit shall be pro-rated based on the number of days beginning with the date of subscription to the end of such calendar month.

(c) The Telephone Company will then calculate any Billing Credits for IEF Services by multiplying the ten percent (10%) discount specified in (H)(2) preceding by the aggregate amount of all MRC rate elements for IEF Service that is newly ordered and billed during each month.

(d) The calculations specified in (a) through (c) preceding will be repeated for each month in each Quarter. (N)

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32. Contract Tariffs (Cont'd)

32.41 Contract Tariff Option 40 (Cont'd) (N)

(I) Calculation and Payment of Billing Credits (Cont'd)

(1) Method of Calculation of the applicable Billing Credit (Cont'd)

Consider the following illustrative example:

Assume the customer has 154,000 FMS Transport Miles for month 1 of Quarter 2, but otherwise has met the Minimum FMS Transport Miles set forth in (G)(2) preceding. Assume further that the customer had MRCs which were billed in Quarter 1 of $3,000,000, and that the customer disputed and did not pay $450,000 of such billed MRCs claiming that the FMS Channel Mileage was incorrectly calculated. Hence, in calculating the Billing Credit, the MRC would be calculated as $2,550,000 ($3,000,000 less $450,000). Thus, after the completion of the preceding calculation, the customer has the following distribution of FMS Transport Miles and MRCs for the FMS Channel Mileage Rate Elements:

	Miles	MRC
Mileage band 1	30,000	$ 750,000
Mileage band 2	29,000	800,000
Mileage band 3	95,000	1,000,000
Total	154,000	$2,550,000

After applying the discount from Table 1 of (H)(1) preceding, the calculation yields the following Billing Credits by mileage band:

Mileage band 1 $750,000 x .32 = $240,000

Mileage band 2 $800,000 x .275 = $220,000

Mileage band 3 $1,000,000 x .24 = $240,000

The total Billing Credit is $700,000 ($240,000 plus $220,000 plus $240,000).

Assume further that the customer had purchased $500,000 of IEF Services MRCs. Also assume that the customer did not exceed the Maximum Monthly Grooms which would otherwise incur a reduction under (J) following. Hence the final billing credits in this example are $700,000 for FMS Channel Mileage and $50,000 for IEF Services. Each of the above calculations would be repeated for each month in a Quarter to arrive at the aggregate Billing Credit for the Quarter. (N)

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32. Contract Tariffs (Cont'd)

32.41 Contract Tariff Option 40 (Cont'd) (N)

(I) Calculation and Payment of Billing Credits (Cont'd)

(2) Payment of Billing Credits

If the customer is eligible for a Billing Credit as set forth in this Option 40, then, subject to the terms of this Option 40, no later than sixty (60) days after the end of each Quarter during the Service Period, the Telephone Company shall credit the customer's BANs with the applicable Billing Credit as determined in accordance with the terms of this Option 40. The Billing Credits will be provided only in the MSAs that have achieved Phase I or Phase II pricing flexibility under this tariff.

(3) Upfront Billing Credit

No later than thirty (30) days following the date of subscription, and subject to the terms and conditions of this Option 40, the Telephone Company will provide the customer with a one-time Billing Credit of eight-hundred thousand dollars ($800,000), which credit shall be applied by the Telephone Company to specific BANs as agreed to by the customer and the Telephone Company. The Upfront Billing Credit shall not be included in the Billing Credits or calculation of Discounts for Quarter 1.

(4) In calculating the Billing Credit, all of the following requirements shall apply.

(a) The Telephone Company shall not include in the calculation of the Billing Credit any amounts which are unpaid and/or disputed by the customer as of the thirtieth (30th) day following the end of each Quarter. For example, assume that the customer had MRCs which were billed in Quarter 1 of $3,000,000. Assume further that the customer disputed and did not pay $450,000 of such billed MRCs claiming that the FMS Channel Mileage was incorrectly calculated. Hence, in calculating the Billing Credit as set forth in (I) preceding, the MRC would be calculated as $2,550,000 ($3,000,000 less $450,000). (N)

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32. Contract Tariffs (Cont'd)

32.41 Contract Tariff Option 40 (Cont'd) (N)

(I) Calculation and Payment of Billing Credits (Cont'd)

(4) (Cont'd)

(b) To the extent that the customer has any disputes, then the customer must submit such disputes to the Telephone Company no later than the thirtieth (30th) day following the end of each Quarter. Each dispute must be submitted in a manner designated by the Telephone Company and must clearly state next to the circuit ID and amount under dispute the following "Dispute Associated with 2006 Contract Tariff".

(c) Any amounts or Services that are included in calculation of the Billing Credit will not be subject to any claims or disputes by the customer at any time in the future.

(d) For the purpose of calculating the Billing Credit, the Telephone Company shall not include in MRCs any credits or debits for Services provided during any prior periods (regardless of whether such credits or debits were the result of a valid dispute by the customer or were the result of a billing error by the Telephone Company) or any prior Quarter other than the then current Quarter for which the Billing Credit is being calculated. As an illustrative example, assume that the customer had MRCs for all FMS Channel Mileage Rate Elements which were billed in Quarter 1 of $3,000,000. Assume further that the customer disputed and did not pay $450,000 of such billed MRCs claiming that the FMS Channel Mileage was incorrectly calculated. Hence, in calculating the Billing Credit (as set forth in (I) preceding), the MRC would be calculated as $2,550,000 ($3,000,000 less $450,000). Assume further that in Quarter 2, the Telephone Company and the customer agree that such billing was partially in error and that the customer should have received a credit of $300,000 for FMS Channel Mileage Rate Elements. Then, in Quarter 2, the Telephone Company shall not include such credit adjustment of $300,000 nor the subsequent debit of $150,000 for purposes of calculating the customer's Billing Credit in Quarter 2. (N)

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32. Contract Tariffs (Cont'd)

32.41 Contract Tariff Option 40 (Cont'd) (N)

(J) Limitation on Grooms

In consideration for the terms and conditions set forth herein, the Discounts and Billing Credit offered by the Telephone Company, the customer and the Telephone Company agree to the following:

(1) Commencing on the date of subscription and during each month of the Service Period, the Telephone Company shall not be required to perform Grooms of more than twenty-five (25) Special Access circuits per month, of which number no more than two (2) Special Access circuits may be equal to DS3 or greater bandwidth (**Maximum Monthly Grooms**).

(2) The Maximum Monthly Grooms limitation set forth in (J)(1) preceding shall only apply to the following LATAs: 128, 132, 130, 134, 136, 140, 224, 226, 228, 230, 234, 236, 238, 248, 252. When determining the Maximum Monthly Grooms limitation, the Telephone Company shall count all Grooms ordered during the month in any of the operating territories for such LATAs of this tariff and within any of the operating territories specified for such LATAs in the Telephone Company's Tariff F.C.C. No. 14 and/or F.C.C. No. 16. (x) (N) (x)

(x) Issued under authority of Special Permission No. 06-015 of the Federal Communications Commission.

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32. Contract Tariffs (Cont'd)

32.41 Contract Tariff Option 40 (Cont'd) (N)

(K) Limitation on Grooms (Cont'd)

(3) The following types of Grooms shall not be included in the Maximum Monthly Grooms and shall be performed by the Telephone Company in accordance with its normal business practices:

(a) Telephone Company Initiated Grooms: Any Groom initiated by the Telephone Company shall not be included in the number of Maximum Monthly Grooms.

(b) Maintenance Grooms: A circuit that is identified as a Maintenance Groom (as defined below) by the customer, and accepted by the Telephone Company as a Maintenance Groom shall not be included in the number of Maximum Monthly Grooms. A **Maintenance Groom** shall mean a circuit which meets all of the following criteria:

(1) there is no change in the mileage between the original and Groomed circuit; and

(2) the original circuit is experiencing service failures as a result of equipment problems, and grooming will correct such problems; and

(3) the total MRC billed by the Telephone Company to the customer for such Groomed circuit shall be equal to or greater than the original circuit prior to the Groom being performed. All Maintenance Grooms shall be subject to review and acceptance by the Telephone Company and the Telephone Company's final decision shall be binding as to whether a specific Groom is a Maintenance Groom, or whether such Groom is to be included in the Maximum Monthly Grooms. The Telephone Company may route such circuit as it deems necessary, and such routing shall be at the Telephone Company's sole discretion.

(c) Optimization Grooms: Any Grooms where (i) there is no change in the mileage between the original and Groomed circuit and (ii) the total MRCs billed by the Telephone Company to the customer for such Groomed circuit shall be equal to or greater than the original circuit prior to the Grooming activities having been performed;

(d) Any circuit that is at a bandwidth less than a DS1 level shall not be subject to the Maximum Monthly Grooms limitation. (N)

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32. Contract Tariffs (Cont'd)

32.41 Contract Tariff Option 40 (Cont'd) (N)

(K) Limitation on Grooms (Cont'd)

(4) The customer may submit requests to the Telephone Company to perform Grooms that exceed the Maximum Monthly Grooms during any calendar month, but the Telephone Company shall not be obligated to perform any Grooms in excess of the Maximum Monthly Grooms, unless the customer specifically instructs the Telephone Company in writing to perform Grooms in excess of the Maximum Monthly Grooms. Any Grooms performed by the Telephone Company that are in excess of the Maximum Monthly Grooms shall be subject to the terms of (J)(6) following.

(a) If the customer submits requests to the Telephone Company to perform Grooms that are less than the Maximum Monthly Grooms during any calendar month and there are no other Grooms that are being carried over from prior months, then the customer may "bank" or carryover the additional Grooms that are less than the Maximum Monthly Grooms to a subsequent month or subsequent months of the Service Period. For example, if the customer submits only 20 requests for Grooms in a given month, then the customer may carryover or bank the five (5) Grooms and can use them in successive months. No additional Billing Credit or Discount will be provided for any banked or carried over Grooms which are not used by the end of the Service Period.

(b) If the Telephone Company is unable to complete any of the scheduled Grooms in a given calendar month, and as a result the customer has fewer than the Maximum Monthly Grooms, then the Maximum Monthly Groom for the next successive calendar month of the Service Period shall be increased by the number of Grooms that were not completed by the Telephone Company in the prior month. For example, if the Telephone Company did not complete five (5) Grooms in month 4 of the Service Period, and as a result completed only 20 Grooms in month 4, then the Maximum Monthly Groom for month 5 shall be increased from 25 to 30. (N)

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32. Contract Tariffs (Cont'd)

32.41 Contract Tariff Option 40 (Cont'd) (N)

(K) Limitation on Grooms (Cont'd)

(5) When a Special Access Circuit is channelized, then a request to perform a Groom on such circuit shall mean that all lower bandwidth circuits that ride such higher bandwidth shall each individually be counted as a separate request for Grooming in addition to the higher bandwidth circuit. For example, if a Special Access DS3 service is channelized such that 10 Special Access DS1 circuits ride such a Special Access DS3, then a Groom of such Special Access DS3 circuit will be counted as 11 Grooms in total.

(6) In any given month during the Service Period, if the customer submits one or more requests to the Telephone Company, and the Telephone Company agrees to perform more than the Maximum Monthly Grooms, then the Billing Credit shall be reduced for each Groomed Special Access circuit that is above the Maximum Monthly Groom limitation by an amount set forth in Table 2 below. The reduction charges in Table 2 below will be in addition to any retermination charges currently assessed under this tariff.

Table 2: Reductions in Billing Credits for Exceeding Maximum Monthly Grooms

Length of Special Access Circuit being Groomed	Special Access DS1 Reduction Charge	Special Access DS3 Reduction Charge
1 – 10 Miles	$ 700.00	$ 5,400.00
11 – 20 Miles	1,300.00	10,600.00
21 Miles or greater	2,250.00	17,000.00

(7) No representation or warranty is made by the Telephone Company with respect to the number of Grooms, process, speed, or completion of any Grooms in addition to the Maximum Monthly Grooms, and such additional Grooms shall not be subject to the terms of this Option 40 with respect to any remedies for failure to perform the Grooms. (N)

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32. Contract Tariffs (Cont'd)

32.41 Contract Tariff Option 40 (Cont'd) (N)

(L) Termination of Plan

Subject to the terms set forth in this Section (L), the customer may terminate this Option 40 at any time during the Service Period. The customer must provide written notice of termination at least thirty (30) days prior to the requested date of termination of this Option 40, and termination of this Option 40 shall be deemed to be an automatic termination of Option 37 in FCC 1. (x)

(1) If the customer terminates or cancels this Option 40 within the first six (6) months following (add tariff effective date), then the customer shall pay (no later than thirty (30) days after such date of termination) to the Telephone Company an amount equal to the sum of the following: (i) fifty percent (50%) of all Billing Credits paid up to the date of such termination plus (ii) nine-hundred thousand dollars ($900,000).

(2) If the customer terminates or cancels this Option 40 at any time on or after the seventh (7th) month following the date of subscription, then the customer shall pay (no later than thirty (30) days after such date of termination) to the Telephone Company an amount equal to the sum of the following: (i) twenty-five percent (25%) of all Billing Credits paid up to the date of such termination plus (ii) four-hundred thousand dollars ($400,000). (N)

(x) Issued under authority of Special Permission No. 06-015 of the Federal Communications Commission.

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32. Contract Tariffs (Cont'd)

32.42 Contract Tariff Option 41 (N)

(A) Scope

(1) Contract Tariff Option 41 (**Option 41**) provides a transitional billing credit for certain monthly recurring rates assessed during a conversion (as described below) from Special Access Verizon Dedicated SONET Ring (DSR) service(s) to Special Access IntelliLight® Optical Transport Service (IOTS).

(2) DSR is described in Section 34.1 following. IOTS is described in Section 7.2.19 preceding.

(B) Eligibility Requirements

All of the following requirements must be met in order to be eligible for subscription to Option 41.

(1) A customer must subscribe to Option 41 by submitting a written authorization in a manner designated by the Telephone Company during the sixty day (60) period that begins on May 9, 2006 and ends on July 8, 2006 (**Subscription Period**).

(2) The customer must place an order for a conversion from DSR to IOTS. For each conversion of DSR to IOTS that is ordered, the customer must meet all of the following requirements.

(a) A conversion under this Option 41 is the replacement of one (1) or two (2) in-service DSRs which are equipped with enhanced nodes or with nodes that are not enhanced (**the existing DSR(s)**) with a single IOTS (**the replacing IOTS**). At the customer's option, the replacing IOTS may also include a new DSR that utilizes IOTS SONET optical transport channels as the backbone transmission facilities between the DSR enhanced nodes (**the new DSR**). The new DSR is subject to the DSR requirements set forth in Section 34.1 following and to the IOTS requirements set forth in Section 7.2.19 preceding as they apply to connecting DSR to IOTS.

(b) For each existing DSR being converted, the replacing IOTS must include a SONET optical transport channel that has an optical carrier rate equal to, or greater than, the optical carrier rate of the existing DSR. For example, when converting one (1) existing Optical Carrier 12 (OC12) DSR to IOTS, the IOTS must include a SONET optical transport channel with an optical carrier rate of OC12 or greater.

(c) The existing DSR(s) must have been purchased under Section 34.1 following or under another contract tariff option in this Section 32. (N)

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32. Contract Tariffs (Cont'd)

32.42 Contract Tariff Option 41 (Cont'd) (N)

(B) Eligibility Requirements (Cont'd)

(2) (Cont'd)

(d) The commitment period for the term plan of the replacing IOTS must extend beyond the expiration date of the commitment period for the term plan of the existing DSR as follows:

(1) When converting one existing DSR to IOTS, the commitment period for the term plan of the replacing IOTS (as selected under Section 7.2.19 preceding or under another contract tariff option in this Section 32) must have an expiration date that extends beyond the expiration date of the commitment period for the term plan of the existing DSR.

(2) When converting two existing DSRs to a single IOTS, the commitment period for the term plan of the replacing IOTS (as selected under Section 7.2.19 preceding or under another contract tariff option in this Section 32) must have an expiration date that extends beyond the expiration date of the commitment period for the DSR term plan with the later expiration date.

(e) The replacing IOTS must be within the same operating territory as the existing DSR(s) and must be configured as follows.

(1) Where one existing DSR is converted to IOTS, the replacing IOTS must have at least one (1) customer premises node location and one (1) CO node location in common with the existing DSR being replaced.

(2) Where two existing DSRs are converted to a single IOTS, the replacing IOTS must have at least one (1) customer premises node location and one (1) CO node location in common with either of the existing DSR(s) being replaced.

(C) Serving Area

(1) The serving area of Option 41 consists of the Phase I and Phase II Metropolitan Statistical Areas (**MSAs**) of this tariff. Wire centers within the Phase II MSAs of this tariff are set forth in Section 15.3 preceding.

(2) Any additions of, or changes to, the wire centers within an MSA that occur during the Service Period of the replacing IOTS subscribed to under this Option 41 will apply and be included in this Option 41. (N)

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32. Contract Tariffs (Cont'd)

32.42 Contract Tariff Option 41 (Cont'd) (N)

(D) Terms and Conditions

(1) Except as set forth in this Section 32.42, the terms and conditions applicable to Special Access IOTS, as set forth in Section 7.2.19 preceding also apply.

(2) Upon completion of the conversion, and regardless of the actual time taken to complete the conversion, a transitional billing credit applies as follows.

(a) two (2) months of transitional billing credit equal to fifty percent (50%) of the recurring monthly rates for the node, high speed pass-through interface, amplification and mileage Special Access rate elements of the replacing IOTS will apply; and

(b) two (2) months of transitional billing credit equal to fifty percent (50%) of the recurring monthly rates for the node, high speed pass-through interfaces and mileage Special Access rate elements of the existing DSR(s) will apply.

(c) When the replacing IOTS also includes a new DSR that utilizes IOTS SONET optical transport channels as the transmission facilities between the DSR enhanced nodes, transitional billing credit is not applicable to the enhanced nodes for such new DSR.

(d) Shared Use as set forth in Section 5.2.7 preceding is allowed under this Option 41; however, only the Special Access portion of such existing DSR(s) or replacing IOTS is eligible for the transitional billing credit.

(e) The conversion from DSR to IOTS is complete when all circuits on the existing DSR(s) are disconnected and the SONET optical transport channels on the replacing IOTS (as required under (B)(2)(b) preceding) are installed and operational on the replacing IOTS, and the existing DSR(s) are disconnected.

(3) For each conversion the customer subscribes to under this Option 41, the commitment period of the term plan for the replacing IOTS (as selected by the customer under Section 7.2.19 preceding or the applicable contract tariff option under this Section 32) will be extended by two (2) months beyond the selected commitment period (**extended commitment period**). (N)

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32. Contract Tariffs (Cont'd)

32.42 Contract Tariff Option 41 (Cont'd) (N)

(D) Terms and Conditions (Cont'd)

(4) Subscription to Other Contract Tariff Options

A customer subscribing an IOTS to this Option 41 may concurrently subscribe that same IOTS 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 either currently or at any time during the commitment period, which tariff arrangement, contract tariff option, special service arrangement, or ICB allows subscription to IOTS.

(5) Termination liability will not apply to disconnection of the existing DSR(s) when the conditions set forth in (B)(2) preceding and Section 7.2.19(F) preceding or the applicable contract tariff option in this Section 32 are met. The customer will remain responsible for any outstanding minimum period obligations on services connected to the existing DSR(s) as they may apply under Section 5.2.5 preceding.

(6) During the extended commitment period (as set forth in (D)(3) preceding) for the replacing IOTS, the customer is subject to termination liability under Section 7.2.19(E) preceding or the applicable contract tariff option in this Section 32 if service subscribed to under this Option 41 is discontinued prior to the end of the extended commitment period. (N)

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32. CONTRACT TARIFFS (Cont'd)

32.43 Contract Tariff Option 42 (N)

(A) Scope

(1) Contract Tariff Option 42 (**Option 42**) is an offering exclusively for:

- a new installation of Optical Carrier 12 (OC12), Optical Carrier 48 (OC48) or Optical Carrier 192 (OC192) Special Access Verizon Dedicated SONET Ring service (**DSR**) as described in Section 34.1 following when such new installation of DSR is ordered under a 5-year term plan (**new DSR**); or
- an upgrade of DSR to a DSR of a higher optical carrier rate when such upgrade is ordered under a 5-year term plan and in accordance with (B)(3)(b) and Section 34.1 following (**upgrade of DSR**); or
- a renewal to a 5-year commitment period for an existing DSR at OC12, OC48, or OC192 when such existing DSR is still in-service under a 3-year or a 5-year term plan that has (i) already expired and the customer did not select a new plan under Section 34.1(D)(2) following or extend the expiring commitment period under Section 34.1(I) following; or (ii) that will expire during the subscription period described in (B)(1) following (collectively, **renewal of DSR**); or
- a conversion of an existing IntelliLight® Dedicated SONET Ring service as described in Section 26.1 preceding (**IDSR**) to DSR as described in Section 34.1 following when such replacing DSR is ordered under a 5-year term plan (**conversion to DSR**).

(2) Option 42 provides discounted monthly rates for a new DSR, an upgrade of DSR, a renewal of DSR, or a conversion to DSR when ordered in accordance with the terms of this Option 42. Switched Access DSR rate elements as set forth in Section 34.1 following are not eligible for the Option 42 rates and charges set forth in (H) following.

(B) Eligibility Requirements

All of the following requirements must be met in order to be eligible for subscription to Option 42.

(1) A customer must subscribe to Option 42 by submitting a written authorization in a manner designated by the Telephone Company during the twelve (12) month period that begins on May 13, 2006 and ends on May 12, 2007 (**Subscription Period**).

(2) The customer must accept service on the original service date. If the customer does not accept service on the original service date, the customer's acceptance of the service on a later date will make the service ineligible for the Option 42 rates and charges set forth in (H) following, unless the later service date is designated by the Telephone Company. (N)

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32. CONTRACT TARIFFS (Cont'd)

32.43 Contract Tariff Option 42 (Cont'd) (N)

(B) Eligibility Requirements (Cont'd)

(3) A customer must order a new DSR, an upgrade of DSR, a renewal of DSR, or a conversion to DSR, as applicable, in accordance with this Option 42 and during the Subscription Period specified in (B)(1) preceding.

(a) Except when ordering an upgrade of DSR as set forth in (B)(3)(b) following or a conversion to DSR as set forth in (B)(3)(c) following, a new DSR does not include a DSR service that was subscribed to under another contract tariff option in this Section 32 or that was disconnected from its current location and installed as new at that same location.

(b) Upgrades

(1) An upgrade of an existing DSR service to a DSR with a greater optical carrier rate under this Option 42 is subject to all of the following requirements.

(a) One (1) or two (2) existing DSRs (**the old DSR(s)**) must be replaced with a single DSR of greater capacity (**the new DSR**) than the combined capacity of the old DSR(s) being replaced (e.g., an OC12 old DSR can be upgraded to a new OC48 DSR or to a new OC192 DSR, or two OC12 old DSRs can be upgraded to a new OC48 DSR) and the new DSR must be ordered with a 5-Year term plan; and

(b) The Service Period for the new DSR shall commence with the date that the new DSR is available for use by the customer; and

(c) When upgrading one old DSR to a new DSR, the expiration date of the 5-year Service Period for the new DSR must be a later date than the date that the term plan for the old DSR would have expired. When upgrading two old DSRs to a new DSR, the expiration date of the 5-year Service Period for the new DSR must be a later date than the date that the term plan for the old DSR with the later expiration date would have expired; and

(d) The new DSR must have at least one (1) customer premises node location and one (1) CO node location in common with each of the old DSR(s); and

(e) When two (2) old DSRs are upgraded to a new DSR, the aggregate amount of all monthly charges for the nodes and ports included in the Service Period of the new DSR must be at least twenty-five percent (25%) greater than the aggregate amount of monthly charges remaining in the commitment period for the nodes and ports of the old DSRs being disconnected.

(f) The customer must specify in its order for service whether or not the transitional billing option as set forth in (G)(5) following will apply for the upgrade. (N)

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32. CONTRACT TARIFFS (Cont'd)

32.43 Contract Tariff Option 42 (Cont'd)

(B) Eligibility Requirements (Cont'd)

(3) (Cont'd)

(b) Upgrades (Cont'd)

(2) The following types of changes are not considered upgrades under this Option 42 and are not eligible for the Option 42 discounted monthly rates: (T) (T)

- A change of an existing DSR using nodes that are not enhanced to a DSR of the same optical carrier rate that uses enhanced nodes (e.g., an existing OC12 DSR using nodes that are not enhanced which is replaced with a new OC12 DSR with enhanced nodes is not an upgrade)
- The addition of one (1) or more port(s) or node(s) to an existing DSR service
- Two (2) existing DSRs that are replaced with one (1) new DSR of the same OC rate (e.g., 2 existing OC12 DSRs that are replaced with 1 new OC12 DSR is not an upgrade or 1 existing OC3 DSR and 1 existing OC12 DSR that are replaced with 1 new OC12 DSR is not an upgrade)
- An existing DSR that is replaced with a new DSR of the same optical carrier rate but is configured with an additional node(s) (e.g., an existing OC12 DSR with ten (10) nodes that is replaced by a new OC12 DSR with eleven (11) nodes is not an upgrade).

(c) Conversions

(1) Conversions of IDSR purchased under Section 26.1 preceding to DSR purchased under this Option 42 are eligible for the Option 42 rates and charges set forth in (H) following, provided that the replacing DSR has at least one (1) customer premises node location and one (1) CO node location in common with the IDSR being replaced, and all terms and conditions for a conversion as set forth in Section 7.4.10(C)(1) preceding, Section 26.1 preceding and this Section 32.43 are met.

(2) When converting an IDSR purchased under Section 26.1 preceding to a DSR purchased under this Option 42, and such DSR is a higher optical carrier rate than the IDSR being replaced (i.e., an upgrade to a higher optical carrier rate), the customer has the option to order the conversion with the transitional billing option as described in (G)(5) following.

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32. Contract Tariffs (Cont'd)

32.43 Contract Tariff Option 42 (Cont'd)

(C) Serving Area

(1) The serving area of Option 42 consists of the Metropolitan Statistical Areas (**MSAs**) set forth in (C)(1)(a) and (b) following.

(a) In the following MSAs, the Option 42 discounted monthly rates will be applied to all of the eligible rate elements for the service as specified in (E) following. (T)

Albany-Schenectady-Troy	MSA #44
Bangor ME	MSA #224
Binghamton NY	MSA #122
Boston MA-NH	MSA #6
Buffalo-Niagara Falls NY	MSA #25
Manchester NH	MSA #133
New York NY	MSA #1
Portland ME	MSA #152
Providence-Warwick RI	MSA #38
Springfield MA	MSA #63
Stamford-Norwalk CT	MSA #42
Syracuse NY	MSA #53
Utica-Rome NY	MSA #115
Worcester MA-CT	MSA #55

(b) In the following MSAs, the Option 42 discounted monthly rates will be applied to all eligible rate elements for the service as specified in (E) following, with the exception of nodes located at an End User designated premises. (T)

Burlington VT	MSA #248
Dutchess County NY	MSA #151
Elmira NY	MSA #284
Portsmouth NH-Rochester ME	MSA #156

(2) Any additions of, or changes to, the wire centers within an MSA that occur during the Service Period of a DSR subscribed to under this Option 42 will apply beginning on the effective date of such change and continue through the end of the commitment period. When such change results in an increase or decrease to the rates applicable to the DSR under this Option 42, no retroactive billing or adjustment will be made for the portion of the Service Period that has elapsed prior to the effective date of the change.

(D) Service Period

The Service Periods for DSR that is subscribed to this Option 42 are as follows:

(1) The **Service Period for a new DSR or a renewal of DSR** that is subscribed to this Option 42 is sixty (60) months. The Service Period for a new DSR or a renewal of DSR may be extended under (D)(8) following.

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32. Contract Tariffs (Cont'd)

32.43 Contract Tariff Option 42 (Cont'd) (N)

(D) Service Period (Cont'd)

(2) The **Service Period for an upgrade of DSR or a conversion to DSR** that is subscribed to this Option 42 is sixty (60) months. The customer may elect the transitional billing option set forth in (G)(5) following for an upgrade of DSR or for a conversion to DSR (when such conversion is to a higher capacity DSR than the IDSR being replaced), in which case the Service Period is extended to sixty-two (62) months. The Service Period for an upgrade of DSR or a conversion to DSR may be extended under (D)(8) following.

(3) The applicable Service Period set forth in (D)(1) or (D)(2) preceding is applicable to the enhanced nodes, partial ring high speed (pass-through) interfaces, and mileage of each DSR that is subscribed to under this Option 42. The Service Period is that period of time during which the rates set forth in (H) following apply, and is in lieu of the 5-year commitment period specified in Section 34.1 following.

(4) The Service Period for a new DSR under (D)(1) preceding, the replacing DSR for an upgrade of DSR under (D)(2) preceding, or the replacing DSR for a conversion to a DSR under (D)(2) preceding commences with the date that billing for the new or replacing DSR begins and ends sixty (60) months later unless otherwise extended due to the addition of a node under (D)(8) following or by the customer's election of transitional billing option under (G)(5) following.

(5) The Service Period for a renewal of DSR under (D)(1) preceding whose commitment period expired prior to May 13, 2006 commences with the date of subscription to this Option 42 and continues for sixty (60) months unless otherwise extended due to the addition of a node under (D)(8) following or by the customer's election of the transitional billing option under (G)(5) following.

(6) The Service Period for a renewal of DSR under (D)(1) preceding whose commitment period expires during the subscription period specified in (B)(1) preceding commences on the later of the first day following the expiration date of the commitment period for the expiring term plan or the date the customer elects to renew the DSR under Option 42 and ends sixty (60) months later unless otherwise extended due to the addition of a node under (D)(8) following. For example, the Service Period for a DSR that is due to expire May 27, 2006 and is renewed in accordance with this Option 42 prior to May 27, 2006 shall commence on May 28, 2006. (N)

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32. Contract Tariffs (Cont'd)

32.43 Contract Tariff Option 42 (Cont'd) (N)

(D) Service Period (Cont'd)

(7) During the applicable Service Period, the customer is subject to termination liability under (G)(6) following if service under this Option 42 is discontinued prior to the end of the Service Period or a port purchased under Section 34.1 following is discontinued prior to the end of the Service Period for the associated DSR.

(8) Node Additions

(a) General

An additional node(s) may be added to a DSR that is subscribed to this Option 42 at any time prior to the end of the Service Period as determined in (D)(1) or (D)(2) preceding.

(b) Nodes Ordered During Subscription Period

Additional nodes ordered after the initial installation or establishment of DSR under this Option 42 and during the subscription period specified in (B)(1) preceding will have an expiration date that is coterminous with the expiration date of the applicable Service Period for the initial nodes ordered. The rates and charges for such additional nodes are the rates and charges set forth in (H) following. Such additional node(s) are also subject to termination liability under (G)(6) following when disconnected prior to the end of the Service Period.

(c) Nodes Added After the Subscription Period and Prior to Month 36 or Month 38 of the Service Period

Nodes added after the subscription period and prior to completion of the first thirty-sixth (36) months of the Service Period (or thirty-eight (38) months of the Service Period for DSRs ordered with the transitional billing option) will have an expiration date that is coterminous with the expiration date of the applicable Service Period for the initial nodes ordered. Such added nodes will be subject to the rates and charges set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding) and are not eligible for the rates and charges specified in (H) following. The rates for the remaining nodes (i.e., nodes ordered with the initial installation of service or at any time prior to the end of the subscription period) and other eligible rate elements will be the rates specified in (H) following during the Extended Service Period. (N)

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32. Contract Tariffs (Cont'd)

32.43 Contract Tariff Option 42 (Cont'd) (N)

(D) Service Period (Cont'd)

(8) Node Additions (Cont'd)

(d) Nodes Added After Month 36 or Month 38 of the Service Period

Nodes added after the first 36 months of the Service Period (or after the first 38 months of the Service Period for DSR ordered with the transitional billing option) require that the applicable Service Period for the entire DSR be extended by twenty-four (24) months thereby making the expiration date for the additional node(s) coterminous with the expiration date for the remainder of the service (**Extended Service Period**). The additional node(s) will be subject to the rates and charges set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding) and to termination liability under (G)(6) following for early discontinuance of service. Such nodes are not eligible for the rates and charges specified in (H) following. The rates for the remaining nodes (i.e., nodes ordered with the initial installation of service or at any time prior to the end of the subscription period) and other eligible rate elements will be the rates specified in (H) following during the Extended Service Period.

(E) The following DSR rate elements and service configurations are eligible for the rates and charges specified in (H) following.

(1) DSR rate elements that are eligible for the rates and charges specified in (H) following are:

- Enhanced nodes (OC12, OC48, OC192), including subtending nodes
- Mileage (OC12, OC48, OC192)
- Pass Through Interface, Per Interface (OC12, OC48, OC192)

(2) Both full ring and partial ring service configurations may be subscribed to this Option 42.

(F) Application of Rates and Charges

(1) The rates and charges for this Option 42 as set forth in (H) following apply for the eligible rate elements set forth in (E)(1) preceding during the applicable Service Period or Extended Service Period for DSRs subscribed to this Option 42.

(2) When DSR service under this Option 42 is provided within the New York and New Jersey Corridor, billing for the rates and charges under this Option 42 are further subject to the requirements set forth in Section 2.4.7 preceding. (N)

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32. Contract Tariffs (Cont'd)

32.43 Contract Tariff Option 42 (Cont'd) (N)

(G) Terms and Conditions

Unless superseded by the terms and conditions set forth herein, all terms and conditions, including termination liability and minimum periods, as stated in Section 34.1 following or, with respect to conversions, Sections 7.4.10(C)(1) and 26.1 preceding, apply to the DSR services subscribed to under this Option 42.

(1) The Option 42 rates set forth in (H) following will apply only for the duration of the Service Period set forth in (D)(1) or (D)(2) preceding or the Extended Service Period set forth in (D)(8)(d) preceding. If the customer renews or extends the commitment period for such DSR in accordance with Section 34.1 following, or if the customer does not take any action after expiration of the applicable Service Period, then in each case, the rates and charges set forth in (H) following shall not apply during such period following expiration of the applicable Service Period.

(2) For nodes added prior to the end of the subscription period (i.e., nodes ordered in accordance with Section (D)(8)(b) preceding), the rates set forth in (H) following will be used to calculate termination liability charges (as set forth in (G)(6) following) as they apply under this Option 42 and other sections of this tariff. For all other nodes, the rates set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding) are used.

(3) Work Activity Ordered on DSR Subscribed to Option 42

(a) With the exception of adding a node under (D)(8) preceding, removing a node of a DSR service subscribed to under this Option 42, or adding or removing ports under (G)(3)(b) following, any replacements, rearrangements, or other physical change to the service subscribed to Option 42 will result in cancellation of the customer's subscription to this Option 42 for that service, in which case the rates and charges set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding) will apply for the balance of the Service Period for the affected DSR. If the addition or removal of a node results in an increase or decrease in the total number of miles around the circumference of the ring, the rates set forth in (H) following will continue to apply to such increase or decrease in the mileage rate element.

(b) At any time during the Service Period or Extended Service Period, as applicable, the customer may add or remove ports to the DSR service subscribed to under this Option 42 in accordance with Section 34.1 following, except that such ports will be subject to termination liability under (G)(6) following. (N)

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32. Contract Tariffs (Cont'd)

32.43 Contract Tariff Option 42 (Cont'd)

(G) Terms and Conditions (Cont'd)

(4) Subscription to Other Contract Tariff Options

(a) A customer subscribing to DSR services under this Option 42 may concurrently 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 either currently or 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 those same services.

(b) Notwithstanding (G)(4)(a) preceding, the customer may not concurrently subscribe any DSR rate element that receives the Option 42 discounted monthly rates to any other contract tariff, unless subscription of such DSR is explicitly allowed under that contact tariff option. Upon subscription to another contract tariff option, the rates set forth in (H) following will cease, unless explicitly allowed to continue under the other contract tariff option. (T)

(5) Transitional Billing

(a) At the time of ordering an upgrade of DSR under (B)(3)(b) preceding or a conversion to DSR with a greater optical carrier rate under (B)(3)(c) preceding, a customer requesting the transitional billing option must specify such option in its order for service. In doing so, the Service Period under this Option 42 is extended to 62 months and the customer will receive two (2) months of transitional billing credit for an upgrade of DSR or for a conversion from IDSR to DSR with a higher capacity rate. Transitional billing credit is described in (G)(5)(b) following and will be applied when the requirements set forth herein are met.

(b) Transitional billing credit is applied for two (2) months at fifty percent (50%) of the monthly recurring charges for the node, SONET Distribution Channel, partial ring high speed (pass-through) interface, and mileage rate elements on each existing DSR or IDSR service, as applicable, and 50% of the monthly recurring charges for the enhanced node, partial ring high speed (pass-through) interface, and mileage rate elements on each replacing DSR (the DSR that is subscribed to this Option 42) for which the customer orders the transitional billing option. Transitional billing credit is not applicable to ports, conversions from IDSR to DSR with the same optical carrier rate, or to any other rate element associated with the existing DSR, the existing IDSR, or the replacing DSR. (N) (N)

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32. Contract Tariffs (Cont'd)

32.43 Contract Tariff Option 42 (Cont'd) (N)

(G) Terms and Conditions (Cont'd)

(6) Termination Liability

(a) Termination liability will not apply to termination of an existing DSR commitment period when such DSR is upgraded under (B)(3)(b) and Section 34.1 following or converted under (B)(3)(c) and Section 26.1 preceding.

(b) Termination liability will apply if the DSR subscribed to this Option 42, a portion of the DSR subscribed to this Option 42, or a port purchased under Section 34.1 following is terminated prior to the end of the applicable Service Period or Extended Service Period specified in (D) preceding as follows.

(1) Where the Service Period is sixty (60) months and the DSR, a portion of the DSR, or port is cancelled within the first thirty-six (36) months of the Service Period, termination liability applies at 100% of the monthly recurring charge for the affected node, partial ring high speed (pass-through) interface, and port rate elements only beginning with the date of disconnection and continuing through the end of the first thirty-six (36) months of the 60 month Service Period.

(2) Where the Service Period is sixty-two (62) months and the DSR, a portion of the DSR, or port is cancelled within the first thirty-eight (38) months of the Service Period, termination liability applies at 100% of the monthly recurring charge for the affected node, partial ring high speed (pass-through) interface, and port rate elements only beginning with the date of disconnection and continuing through the end of the first thirty-eight (38) months of the 62 month Service Period.

(3) When calculating termination liability under (G)(6)(b)(1) or (2) preceding for the node or high speed (pass-through) interface rate elements, the rates set forth in (H) following are used in the calculation. When calculating the termination liability charge on ports, the rates set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding) are used in the calculation.

(c) Termination liability does not apply if the DSR subscribed to this Option 42, a portion of the DSR subscribed to this Option 42, or a port purchased under Section 34.1 following is cancelled after the first 36 months of a 60 month Service Period, or after the first 38 months of a 62 month Service Period. (N)

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32. Contract Tariffs (Cont'd)

32.43 Contract Tariff Option 42 (Cont'd) (N)

(G) Terms and Conditions (Cont'd)

(7) Shared Use as set forth in Section 5.2.7 preceding is allowed under this Option 42; however, only the Special Access portion of such DSR is eligible for the rates set forth in (H) following.

(8) Expiration of Service Period

Upon completion of the Service Period or Extended Service Period for this Option 42, as applicable, the customer subscription to this Option 42 is terminated and the customer must choose one of the following options:

(a) discontinue service without termination liability; or

(b) select any then offered term plan or contract tariff option for which the customer is eligible; or

(c) continue subscription to the DSR service on a monthly basis at the 5-year term plan rates and charges set forth in Section 30.34.1 preceding for price band rates and charges and Section 31.34.1 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding).

(d) In the event that the customer does not make an election of (G)(8)(a) through (c) preceding, the customer's subscription to the new, upgraded, or conversion DSR will continue in accordance with (G)(8)(c) preceding. (N)

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32. Contract Tariffs (Cont'd)

32.43 Contract Tariff Option 42 (Cont'd) (N)

(H) Rates and Charges

The following rates will apply for the DSR rate elements specified in (E) preceding when that DSR is subscribed to this Option 42. Such rates will continue through the end of the Service Period set forth in (D)(1) preceding or the Extended Service Period set forth in (D)(8)(d) preceding. The rates and charges that apply to such DSR rate elements after the end of the Service Period or Extended Service and for any other rate not shown, whether for the DSR or for a service connected to such DSR, are the rates and charges set forth in other sections of this tariff.

	Monthly Rates	Nonrecurring Charges
(1) **Enhanced Nodes**, per node		
OC12 Enhanced Node	$2,160.00	None
OC48 Enhanced Node	3,683.20	None
OC192 Enhanced Node	5,980.00	None
(2) **Partial Ring High Speed (Pass-through) Interfaces**, per interface		
OC12 Interface	$2,160.00	None
OC48 Interface	3,683.20	None
OC192 Interface	5,980.00	None

	Monthly Rates
(3) Ring **Mileage**, per mile	
OC12	$287.20
OC48	450.00
OC192	831.35 (N)

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32. Contract Tariffs (Cont'd)

32.44 Contract Tariff Option 43 (N)

(A) Scope

Contract Tariff Option 43 (**Option 43**) is offered for a service period of three (3) years and provides a customer with billing credits when the customer maintains a Minimum Annual Revenue Commitment (**MARC**), as determined in (F)(1) following for the Qualifying Services set forth in (E)(1) following (**MARC for Qualifying Services**). Calculation of the MARC for Qualifying Services and the billing credits shall be in accordance with the terms of this Option 43.

(B) Eligibility

The customer must meet all of the following criteria in order to be eligible for subscription to Option 43 and to receive the billing credits set forth in (G) following.

(1) A customer subscribes to Option 43 by submitting a written authorization in a manner designated by the Telephone Company during the thirty (30) day period which begins on May 20, 2006 and ends on June 18, 2006 (**Subscription Period**).

(2) During the twelve (12) month period prior to the commencement of the Service Period set forth in (C) following, the customer must have achieved a minimum of one hundred thirty-six million $136,000,000 (**$136M**) in billed monthly recurring revenue (**MRC**)for the Qualifying Services (as defined in (E)(1) following).

(3) During the Service Period, in order to receive any Billing Credits, the customer must:

(a) Meet or exceed the MARC, as described in (F) following, for Qualifying Services; and

(b) Must satisfy the Network Grooms Restriction described in (J)(1) following.

(4) The MARC for Qualifying Services shall be calculated using the criteria and mechanism set forth in (F) following. Billing Credits shall vary depending on the MARC for Qualifying Services achieved by the customer during the Service Period, and such Billing Credits shall be calculated in accordance with (G)(1) and (G)(2) following. (N)

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32. Contract Tariffs (Cont'd)

32.44 Contract Tariff Option 43 (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**). (x)

(C) Service Period

The Service Period of this Option 43 shall be for a period of three (3) years from the date of subscription to Option 43.

(D) Service Area

The Service Area for this Option 43 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 (x)
Companies Tariff F.C.C. No. 1 (**FCC 1**), FCC 14, and the Verizon (x)
Telephone Companies Tariff F.C.C. No. 20 (**FCC 20**). Wire centers for (x)
the Phase II MSAs in this tariff are listed in Section 15.3 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. (x)
No. 16 (**FCC 16**), but the calculation of the MARC for the Qualifying (x)
Services will include all Qualifying Services specified in (E)(1)(a) following which are purchased by the customer under FCC 16. (N)(x)

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32. Contract Tariffs (Cont'd)

32.44 Contract Tariff Option 43 (Cont'd) (N)

(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 FCC 1, Sections 6, 7, 26 and 34 of this tariff, 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 FCC 1 and Section 24 preceding of this tariff, (collectively, **SONET/Optical Services**); (x)

(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 (x) (x)

(c) FMS Services as set forth in FCC 1 (Sections 6.8.26 and 7.2.13) and in this tariff (Sections 6.2.12 and 7.2.16). (x)

(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 43. (N)

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32. Contract Tariffs (Cont'd)

32.44 Contract Tariff Option 43 (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. (N)

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32. Contract Tariffs (Cont'd)

32.44 Contract Tariff Option 43 (Cont'd)

(F) Minimum Annual Revenue Commitment (MARC) (Cont'd)

(1) General (Cont'd)

(d) Unless otherwise mutually agreed to by the customer and the Telephone Company, in the event 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.

(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 the MARC for Qualifying Services.

(2) The customer may continue subscribing to this Option 43 for the duration of the Service Period based on its business with the Telephone Company as of the date of subscription to this Option 43, without adding the revenues attributable to expansion of the customer's purchase of Services from the Telephone Company though merger, transfer, assignment, or acquisition.

(3) The Telephone Company reserves right to terminate the customer's subscription to this Option 43 if the customer does not adhere to the provisions of this Section (F)(1)(d).

(e) If an Issuing Carrier of this tariff is acquired by an unaffiliated third party (**Acquired VZ Telco**), or all or part of the assets of such Issuing Carrier are acquired by an unaffiliated third party (Acquired VZ Telco), then the MARC for Qualifying Services shall be proportionately reduced by the applicable Acquisition Reduction Amount (defined in (F)(1)(e)(1) following).

(1) An Acquisition Reduction Amount shall be calculated for the Qualifying Services as follows:

(a) calculate the amount of Qualifying Services purchased by the customer from the Acquired VZ Telco during the twelve (12) months prior to the time that the Acquired VZ Telco ceases to provide the Qualifying Services; then (T) (T)

(b) calculate the average monthly amount purchased by the customer from the Acquired VZ Telco for Qualifying Services by dividing the number calculated in (a) preceding by 12; and

(c) multiply the average monthly amount for Qualifying Services calculated in (b) preceding by the number of months remaining in the year in which the acquisition occurs. (C)

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32. Contract Tariffs (Cont'd)

32.44 Contract Tariff Option 43 (Cont'd)

(F) Minimum Annual Revenue Commitment (MARC) (Cont'd)

(1) General (Cont'd)

(e) (Cont'd)

(2) As an illustrative example:

(a) Assume that Verizon New York Inc. was acquired by an unaffiliated third party and ceased to operate in month 15 of the Service Period.

(b) Assume that the customer purchased $12M of Qualifying Services from Verizon New York Inc. during the 12 months prior to the time that Verizon New York Inc. ceased to provide the Qualifying Services under this Option 43.

(c) Assume that at the end of the first year of the Service Period, the customer's MARC for Qualifying Services is $140M.

(d) Then the Acquisition Reduction Amount would be $9M ($12M divided by 12 months, then multiplied by 9, the remaining months of the second year of the Service Period).

(e) The new MARC for year two of the Service Period would be $131M ($140M minus Acquisition Reduction Amount of $9M). (C)

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32. Contract Tariffs (Cont'd)

32.44 Contract Tariff Option 43 (Cont'd)

(F) Minimum Annual Revenue Commitment (MARC) (Cont'd)

(1) General (Cont'd)

(g) When the Telephone Company (i) ceases to offer one or more of the Qualifying Services specified in (E)(1) preceding under this tariff, or (ii) the customer replaces a Qualifying Service specified in (E)(1) preceding with a non-tariffed service offered by the Telephone Company (**Replacement Service**), (collectively, **Affected Qualifying Services**), then the MARC for Qualifying Services shall be proportionately reduced by the Tariff Reduction Amount (defined in (F)(1)(g)(1) following). (T) (N) (N) (N) (N)

(1) The **Tariff Reduction Amount** shall be calculated as follows:

(a) calculate the amount of the Affected Qualifying Services purchased by the customer from the Telephone Company during the twelve (12) months prior to (i) the date that the Affected Qualifying Services are no longer offered under this tariff, or (ii) the date the Telephone Company has provided the Replacement Service to the customer, whichever occurs first; (T) (T) (N) (N) (N)

(b) calculate the average monthly amount of the Affected Qualifying Services purchased by the customer by dividing the number calculated in (a) preceding by 12: and (T)

(c) multiply the average monthly amount of the Affected Qualifying Services calculated in (b) preceding by the number of months remaining in the plan year for the Qualifying Services that (i) are no longer offered under this tariff, or (ii) are replaced with Replacement Services, as applicable. (T) (T) (N)

(2) As an illustrative example:

(a) Assume that the Telephone Company ceases to offer certain Qualifying Services on November 20, 2006.

(b) Assume also that the customer purchased twelve million ($12M) of such Qualifying Services during the twelve (12) months prior to the date that the Telephone Company ceased offering such Qualifying Services.

(c) Assume also that the customer's MARC is one hundred thirty-six million ($136M) during the first year of the Service Period.

(d) Then the Tariff Reduction Amount would be six million ($6M) ($12M divided by 12 months, then multiplied by 6, the remaining months of the first year of the Service Period).

(e) The new MARC for the first year of the Service Period would be one hundred thirty million ($130M) ($136M minus the Tariff Reduction Amount of $6M). (C)

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32. Contract Tariffs (Cont'd)

32.44 Contract Tariff Option 43 (Cont'd) (N)

(F) Minimum Annual Revenue Commitment (MARC) (Cont'd)

(2) Calculation of the MARC

(a) The customer's MARC for the first year of the Service Period shall be $136M. Beginning twelve (12) months after the date of subscription to Option 43, and every year thereafter, the Telephone Company will recalculate the customer's MARC as follows.

(1) The Telephone Company will determine the amount of the customer's MRCs for Qualifying Services during the three (3) month period prior to the end of each year of the Service Period.

(2) The Telephone Company will then multiply the amount determined in (1) preceding by four (4). If the resulting amount is less than the previous year's MARC, then the previous year's MARC will continue to apply, except as noted in (F)(2)(b) following. If the resulting amount is equal to or greater than the previous year's MARC, then that amount will become the customer's new MARC for the next year of the Service Period, unless the Telephone Company and the customer mutually agree that the new MARC should be adjusted due to billing errors by the Telephone Company during that three (3) month period set forth in (F)(2)(a)(1) preceding.

As an illustrative example:

(a) Assume that the customer's MARC for the first year of the Service Period is $136M; and

(b) Assume that in the 3 months prior to the end of the first year of the Service Period, the customer's MRCs were $34.85M ($11.2M, $11.7M and $11.95M, for the 3 prior months).

(c) Based on these assumptions, the MARC for year 2 of the Service Period would be $139.4M ($34.85M x 4). Since the resulting MARC for year 2 of the Service Period is greater than the MARC for the first year of the Service Period, the MARC for year 2 of the Service Period would be $139.4M. (N)

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32. Contract Tariffs (Cont'd)

32.44 Contract Tariff Option 43 (Cont'd) (N)

(F) Minimum Annual Revenue Commitment (MARC) (Cont'd)

(2) Calculation of the MARC (Cont'd)

(b) The MARC may be decreased by the Telephone Company only in the following four (4) circumstances.

(1) If the customer changes to a longer commitment period on one of its existing discount plan(s), and such change results in a reduction to the MRCs for the embedded base of Qualifying Services (e.g., a change in FMS Service from a 5-Year term plan to a 7-Year term plan), the MARC will be reduced to reflect the decrease in MRCs and the Telephone Company will adjust the discount percentages used to determine the Billing Credits proportionally. Discount percentages for the MARC are specified in (L) following.

As an illustrative example:

(a) Assume the current MARC for the customer is $136M; and

(b) Assume that the customer subscribes to FMS Service under a 5-Year term plan; and

(c) Assume that during the first year of the Service Period the customer cancels the 5-Year term plan and subscribes to a new 7-Year term plan for its FMS Services; and

(d) Assume that the difference in the tariff rates between the 5-Year term plan rates for FMS Service mileage and the 7-Year term plan rates for FMS Service mileage is a twenty percent (20%) reduction.

(e) Finally, assume that seventy percent (70%) of the current MARC is attributable to revenue for FMS Service mileage.

Calculate the reduction to the MARC as follows:

Step 1: First multiply the current MARC by 70% to determine the portion of the MARC attributable to MRCs for FMS Service mileage at the current 5-Year term plan rates ($136M x .7 = $95.2M)

Step 2: Then reduce the MRCs for FMS Service mileage determined in Step 1 by the 20% difference in the tariff rates for the 5-Year term plan and the 7-Year term plan rates ($95.2M x .8 = $76.16M) (N)

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32. Contract Tariffs (Cont'd)

32.44 Contract Tariff Option 43 (Cont'd) (N)

(F) Minimum Annual Revenue Commitment (MARC) (Cont'd)

(2) Calculation of the MARC (Cont'd)

(b) (Cont'd)

(1) (Cont'd)

Step 3: Then determine the portion of the current MARC attributable to the remaining Qualifying Services by subtracting the MRCs for FMS Service mileage at the 5-Year term plan rates determined in Step 1 from the current MARC ($136M - $95.2M = $40.8M)

Step 4: Calculate the reduced MARC by summing the reduced portion of the current MARC attributable to FMS Service mileage at the 7-Year term plan rates as determined in Step 2 plus the portion of the current MARC attributable to the remaining Qualifying Services as determined in Step 3 ($76.16M + 40.8M = $116.96M)

Step 5: Adjust the discount percentages set forth in (L) following to reflect the reduction to the MARC as follows:

- Determine the weighted impact of the reduction in MRCs for the MARC by multiplying 70% (the assumed portion of the current MARC attributable to FMS Service mileage revenues) by the additional discount between the 5-Year term plan rates and the 7-Year term plan rates for FMS Service mileage rates (70% x 20% = a 14% reduction or 86% of the current MARC)

- Determine the adjusted Basic MARC discount percentage by multiplying the current discount percentage for the Basic MARC by the weighted impact of the reduction in FMS Service mileage. The adjusted Basic MARC discount percentage would be 1.72% (2% x 86%) (N)

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32. Contract Tariffs (Cont'd)

32.44 Contract Tariff Option 43 (Cont'd)

(F) Minimum Annual Revenue Commitment (MARC) (Cont'd)

(2) Calculation of the MARC (Cont'd)

(b) (Cont'd)

(1) (Cont'd)

Step 5 (Cont'd)

- Determine the adjusted FMS Mileage in Top 10 LATAs percentage discount by multiplying the current discount percentage for the FMS Mileage in Top 10 LATAs percentage discount by the weighted impact of the reduction in FMS Service mileage. The adjusted FMS Mileage in Top 10 LATAs MARC discount percentage would be 12.51% (14.55% x 86%)

- Determine the adjusted FMS Mileage in Wild Card LATAs percentage discount by multiplying the current discount percentage for the FMS Mileage in Wild Card LATAs percentage discount by the weighted impact of the reduction in FMS Service mileage. The adjusted FMS Mileage in Wild Card LATAs discount percentage would be 10.43% (12.13% x 86%)

(2) During the Service Period, if the Telephone Company reduces its MRCs for Qualifying Services by a cumulative 10% but less than 25% from May 20, 2006, then the MARC will be reduced by the same percentage.

As an illustrative example, assume that the customer's MARC is $136M and the cumulative reduction in MRCs since the start of the Service Period is eleven percent (11%). The MARC would be reduced to $121.04M ($136M x .89).

(3) If an Issuing Carrier of this tariff that participates in this Option 43, or the assets of such Issuing Carrier, is acquired by an unaffiliated third party as described in (F)(1)(e) preceding.

(4) If the Telephone Company ceases to offer any Qualifying Service(s) or the Telephone Company provides a Replacement Service as described in (F)(1)(g) preceding to the customer. (N) (N)

(c) If the Telephone Company reduces its rates for Qualifying Services by a cumulative twenty-five percent (25%) or more from May 20, 2006, the customer has the option to request that the Telephone Company reduce the MARC by the same percentage using the same method of reduction specified in (F)(2)(b)(2) preceding, or may terminate its subscription to this Option 43 upon sixty (60) days written notice. In such event, no Termination Charges under (I) following will apply.

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32. Contract Tariffs (Cont'd)

32.44 Contract Tariff Option 43 (Cont'd) (N)

(G) Billing Credits

(1) Quarterly Billing Credit Calculation

(a) At the end of each three (3) month period during the Service Period, the Telephone Company shall calculate the MRCs achieved by the customer during such three month period for Qualifying Services in accordance with the terms and condition set forth in this Option 43 (**Achieved Quarterly Revenue**). The Telephone Company will also develop a quarterly MARC by dividing the annual MARC by four (**Prorated Quarterly MARC**). The Telephone Company will then compare the Achieved Quarterly Revenue to the Prorated Quarterly MARC and also determine whether the customer has complied with the Grooms Restriction set forth in (J) following.

(1) If the Achieved Quarterly Revenue during the three month period is less than the Prorated Quarterly MARC, or if the customer has not complied with the Grooms Restriction, then the customer will not receive a Billing Credit for that particular three month period.

(2) If the customer has complied with the Grooms Restriction and the Achieved Quarterly Revenue during the three (3) month period is equal to or greater than the Prorated Quarterly MARC, then the customer will be eligible to receive a Quarterly Billing Credit for that three month period (**Quarterly Billing Credit**).

(b) In order to determine the amount of the Quarterly Billing Credit, the Telephone Company will perform the following calculation.

(1) Determine the Achieved Quarterly Revenue during the prior three (3) month period in according with (G)(1)(a) preceding for all of the Qualifying Services set forth in (E)(1)(a) through (c) preceding (**Basic MARC**). Then determine the MRC portion of the Basic MARC attributable to mileage for FMS Services in the Top 10 LATAs as defined in (G)(1)(b)(4) following, the MRC portion of the Basic MARC attributable to mileage for FMS in the five Wild Card LATAs as defined in (G)(1)(b)(4) following, and the MRC portion of the Basic MARC attributable to the mileage rate elements for the Banded Optical Transport Services as specified in (E)(1)(a) preceding. The Telephone Company will then apply such achieved amounts to the Discount Table specified in (L) following and apply the corresponding discount for each category, the results of which are the individual billing credits for the quarter for each category.

(2) To determine the Quarterly Billing Credit due to the customer, total the individual billing credits for each category determined in (b)(1) preceding and reduce such total by three percent (3%) to account for the customer's claims and disputes. (N)

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32. Contract Tariffs (Cont'd)

32.44 Contract Tariff Option 43 (Cont'd) (N)

(G) Billing Credits (Cont'd)

(1) Quarterly Billing Credit Calculation (Cont'd)

(b) (Cont'd)

(3) As an illustrative example:

(a) Assume that the Groom Restriction set forth in (J) following has been met and that the customer's MARC is $136M; and

(b) Assume that the customer's actual revenue for the prior 3 months is greater than the Prorated Quarterly MARC.

Calculate the Quarterly Billing Credit as follows:

Step 1: Develop the prorated Quarterly MARC by dividing the MARC (assume to be $136M) by 4 ($136M ÷ 4) resulting in a prorated Quarterly MARC of $34M.

Step 2: Determine the Billing Credit for the Basic MARC by multiplying the achieved MRCs for the prior three (3) months (assume to be $37.5M) by the discount percentage specified in (L) following ($37,500,000 x .02) resulting in a Billing Credit for the Basic MARC of $750,000.

Step 3: Determine the Billing Credit for FMS Mileage in the Top 10 LATA by multiplying the achieved MRCs for the prior three (3) months for FMS Mileage in the Top 10 LATAs (assume to be $13,046,355) by the discount percentage specified in (L) following ($13,046,355 x 14.55%) resulting in a Billing Credit for FMS Mileage in Top 10 LATAs of $1,898,245.

Step 4: Determine the Billing Credit for FMS Mileage in the Wild Card LATAs by multiplying achieved MRCs for the prior three (3) months for FMS Mileage in the Wild Card LATAs (assume to be $3,007,694) by the discount percentage specified in (L) following ($13,046,355 x 12.13%) resulting in a Billing Credit for FMS Mileage in Wild Card LATAs of $364,833. (N)

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32. Contract Tariffs (Cont'd)

32.44 Contract Tariff Option 43 (Cont'd) (N)

(G) Billing Credits (Cont'd)

(1) Quarterly Billing Credit Calculation (Cont'd)

(b) (Cont'd)

(3) (Cont'd)

Step 5: Determine the Billing Credit for Banded Optical Transport for the prior three (3) months (assume to be $2,768,561) by multiplying the achieved MRCs for Banded Optical Transport by the discount percentage specified in (L) following ($2,768,561 x 14.00%) resulting in a Billing Credit for Banded Optical Transport of $387,599.

Step 6: Determine the sum of all Billing Credits determined in Steps 2 though 5 ($750,000 + $1,898,249 +$364,883 + 387,599) resulting in a sum of all Billing Credits of $3,400,681.

Step 7: Calculate the amount for the Claims Adjustment Factor by multiplying the sum of all Billing Credits determined in Step 6 by the 3% ($3,400,681 x .03) resulting in a Claims Adjustment of $102,020.

Step 8: To determine the final Quarterly Billing Credit for the prior 3 months, subtract the Claims Adjustment determined in Step 7 from the sum of all Billing Credits determined in Step 6. The resulting final Billing Credit would be $3,298,661 ($3,400,681 - $102,020).

(4) For purposes of this Option 43, the **Top 10 LATAs** are those LATAs where the customer purchases FMS Services and has the highest quantity of DS0-equivalent circuits. **Wild Card LATAs** are any other five (5) Wild Card LATAs designated by the customer at the time of subscription to this Option 43 where the customer purchases FMS Service. Upon thirty (30) days' prior written notice, the customer may change the five Wild Card LATAs at the end of each year during the Service Period. On an annual basis, the Telephone Company will review whether any changes are necessary to the Top 10 LATAs. Any changes to the Top 10 LATAs must be mutually agreed to by the Telephone Company and the customer. (N)

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32. Contract Tariffs (Cont'd)

32.44 Contract Tariff Option 43 (Cont'd) (N)

(G) Billing Credits (Cont'd)

(2) Annual True-Up Credit Calculation

(a) Within forty-five (45) days after the end of each plan year, the Telephone Company will perform an annual true-up calculation to determine whether any additional Billing Credits are due the customer (**Annual True-up Credit**).

(b) In order to be eligible for the Annual True-up Credit, the customer must have complied with the following **Annual Grooms Restriction.**

(1) The Telephone Company will groom no more than three hundred (300) Special Access and/or Switched Access circuits per year for the Qualifying Services; and

(2) no more than twenty-four (24) of such 300 circuits may be DS3 or greater bandwidth.

(c) If the customer has not complied with the Annual Grooms Restriction set forth in (G)(2)(b) preceding, then the customer will not be eligible for an Annual True-up Credit for that twelve (12) month period.

(d) If the customer has complied with the Annual Grooms Restriction set forth in (G)(2)(b) preceding, then the customer may be eligible to receive an additional billing credit (Annual True-up Credit) as described below. In order to determine whether an Annual True-up Credit is due to the customer, the Telephone Company will first determine the total amount of MRC billed to the customer for the Qualifying Services set forth in (E)(1) preceding.

(1) If the total amount of MRC billed to the customer during the 12 month period is less than ninety-five percent (95%) of the MARC, a Shortfall Penalty as described in (H) following will apply and the customer will not receive an Annual True-up Credit.

(2) If the total amount of MRC billed to the customer during the 12 month period is greater than 95% but less than one hundred percent (100%) of the MARC, then the customer shall pay back to the Telephone Company any Quarterly Billing Credits that it received during the twelve (12) month period and the customer will not receive an Annual True-up Credit. However, the customer shall not be subject to any Shortfall Penalty under (H) following.

(3) If the total amount of MRC billed to the customer during the 12 month period is equal to or greater than the MARC, the Telephone Company shall determine the amount of Annual True-up Credit that would be due the customer by applying the discount percentages shown in the Discount Table in (L) following to the total amount of MRC billed to the customer during the 12 month period. (N)

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32. Contract Tariffs (Cont'd)

32.44 Contract Tariff Option 43 (Cont'd) (N)

(G) Billing Credits (Cont'd)

(2) Annual True-Up Credit Calculation (Cont'd)

(e) The Annual True-up will be calculated as follows.

(1) The Telephone Company will first determine whether the customer has complied with the Annual Grooms Restriction specified in (G)(2)(b) preceding.

(2) In accordance with the terms and condition set forth in this Option 43, the Telephone Company shall determine the total revenue achieved by the customer for the Qualifying Services specified in (E)(1) preceding by adding the billed MRCs for all such Qualifying Services over the twelve (12) month period for the Annual True-up (**Achieved Annual Revenue**).

(3) The Telephone Company will then determine the total MRC for mileage for FMS Services that was billed in the Top 10 LATAs during the twelve (12) month period of the Annual True-up, the total MRC for mileage for FMS Services that was billed in the five (5) Wild Card LATAs during the twelve (12) month period of the Annual True-up, and the amount of billed MRC for mileage for Banded Optical Transport that was billed during the prior twelve months.

(4) The Telephone Company will then determine the Maximum Billing Credit available to the customer by first applying the discount percentage shown in the Discount Table in (L) following to the billed MRCs determined in (G)(2)(e)(2) and (G)(2)(e)(3) preceding, and then summing all such discounts.

(5) Finally, the Telephone Company will deduct the total of all Quarterly Billing Credits received by the customer during the twelve (12) month period of the Annual True-up and the amount of any outstanding disputed claims from the Maximum Billing Credit. Subject to (G)(2)(g) following, the difference, if any, will be the Annual True-up Credit due the customer. (N)

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32. Contract Tariffs (Cont'd)

32.44 Contract Tariff Option 43 (Cont'd) (N)

(G) Billing Credits (Cont'd)

(2) Annual True-Up Credit Calculation (Cont'd)

(f) As an illustrative example of the Annual True-up Calculation:

(1) Assume that the Groom Restriction has been met and that the customer's MARC is $140M.

(2) Assume that the customer's Achieved Annual Revenue for the 12 months of the Annual True-up is $150M, the MRCs for mileage for FMS in the Top 10 LATAs for FMS mileage in the top 10 LATAs for the 12 months of the Annual True-up is $51.45M, the MRCs for mileage for FMS mileage in the Wild Card LATAs for the 12 months of the Annual True-up is $11.4M and the billed MRCs mileage for Banded Optical Transport for the 12 months of the Annual True-up is $12.75M.

(3) Assume that during the 12 months of the Annual True-up the customer received $13.24M in Quarterly Billing Credits.

(4) Assume that the customer had $.07M in outstanding claims for Qualifying Services at the time of the Annual True-up.

Calculate the Annual True-up Credit as follows:

Step 1: Develop the Maximum Billing Credit that the customer can attain for the 12 months of the Annual True-up by first multiplying the MRCs determined in (f)(2) preceding by the corresponding discount percentages specified in the Discount Table in (L) following, and then summing all such credit amounts. The Maximum Billing Credit in this example would be $3.0M ($150M x 2%) for the Achieved Annual Revenue, plus $7.49M ($51.45 x 14.55%) for revenue for FMS mileage in the top 10 LATAs, plus $1.38M ($11.4M x 12.13%) for MRCs for FMS in the Wild Card LATAs, plus $1.79M ($12.75M x 14.00%) for revenue for Banded Optical Transport resulting in a possible Maximum Billing Credit of $13.66M.

Step 2: Determine the Maximum Billing Credit still available to the customer by subtracting the actual Billing Credits the customer received during the prior 12 months from the Maximum Billing Credit determined in Step 1 $13.66M - $13.24M (as set forth in (3) preceding) resulting in $0.42M of outstanding Billing Credit that the customer can attain.

Step 3: Determine the Annual True-up Credit by subtracting the outstanding claims amount from the outstanding Billing Credit determined in Step 2 ($.42M - $.07M) resulting in an Annual True-up Credit of $.35M. (N)

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32. Contract Tariffs (Cont'd)

32.44 Contract Tariff Option 43 (Cont'd) (N)

(G) Billing Credits (Cont'd)

(2) Annual True-Up Credit Calculation (Cont'd)

(g) The Billing Credit will be applied only to the Qualifying Services which are located in MSAs that have achieved Phase I or Phase 2 pricing flexibility. The Billing Credit shall apply after all other discounts, adjustments, and credits to the customer's billed MRCs for the Qualifying Services have been calculated and applied. For instance, if the customer subscribes to CDP, then the customer would be billed CDP discounted rates on a monthly basis. These discounted revenues would be included in the Customer's MARC for the Qualifying Services calculation as set forth above. In accordance with (F)(1)(a) preceding, any credits or adjustments resulting from an Annual True-up as required by the CDP plan would not be included in the MARC for the Qualifying Services.

(h) Timing of Quarterly Billing Credits

(1) If the customer is eligible to receive a Quarterly Billing Credit, that credit will be applied to the customer's account within sixty (60) days after the end of the applicable three month period, subject to the terms set forth herein.

(2) The Telephone Company's provision of the Quarterly Billing Credit is contingent on payment in full by the customer of all undisputed billed amounts for Qualifying Services no later than the forty-fifth (45th) day after the end of each three month period.

(i) Timing of Annual Payments and True-up Credit

(1) If the customer is eligible to receive an Annual True-up Credit, that credit will be credited to the customer's account within sixty (60) days after the end of each year during the Service Period, subject to the terms set forth herein.

(2) The Telephone Company's provision of the Annual True-up Credit is contingent on payment in full by the customer of all undisputed billed amounts for Qualifying Services no later than the forty-fifth (45th) day after the end of each year of the Service Period. (N)

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32. Contract Tariffs (Cont'd)

32.44 Contract Tariff Option 43 (Cont'd) (N)

(G) Billing Credits (Cont'd)

(2) Annual True-Up Credit Calculation (Cont'd)

(i) Timing of Annual Payments and True-up Credit (Cont'd)

(3) Within one hundred eighty (180) days after the end of each year of the Service Period, the customer must file any disputes with regard to monthly recurring charges for the Qualifying Services billed by the Telephone Company during that year in order to be included in the calculation of the MARC for Qualifying Services and the Annual True-up Credit. The Telephone Company will respond to the dispute within forty-five (45) days thereafter. If it is determined by The Telephone Company that the customer's dispute is without merit and that the customer owes the Telephone Company additional amounts, and if such amounts are paid by the customer within 45 days after the date of the Telephone Company's response, then the Telephone Company shall recalculate the MARC for Qualifying Services and the corresponding Billing Credits that may result from the resolution of all such disputes in accordance with the terms set forth herein.

(4) Beyond 180 days and up to two (2) years after the end of each term year during the Service Period, the customer may submit claims to the Telephone Company with regard to monthly recurring charges for the Qualifying Services billed by the Telephone Company during each year of the Service Period. These claims will not be included in the calculation of the MARC and corresponding Billing Credit, but will follow their normal course of evaluation for final resolution.

(5) With respect to any dispute for Qualifying Services, the customer must provide sufficient claim detail to enable the Telephone Company to appropriately assess the dispute, including but not limited to, the Billing Account Number (BAN), circuit ID, USOC detail, amount in dispute, appropriate tariff references, and a full explanation regarding why the customer believes it was billed in error. The customer's disputes with respect to Qualifying Services shall reduce the amount of the Achieved Annual Revenue for Qualifying Services as calculated in (G)(2)(3) preceding. For example, if the customer's Achieved Annual Revenue for Qualifying Services is $140M and the customer has disputed $5M in charges for Qualifying Services, then the Achieved Annual Revenue for Qualifying Services shall be reduced to $135M.

(6) The amount of the Billing Credits shall not be subject to any interest penalty. (N)

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32. Contract Tariffs (Cont'd)

32.44 Contract Tariff Option 43 (Cont'd) (N)

(H) Shortfall Penalty

(1) If the total MRC billed to the customer during any year of the Service Period is less than ninety-five percent (95%) of the MARC for that year, the customer can either: (1) pay a Shortfall Penalty which will be the difference between the MARC for that year and the actual amounts billed to the customer for that year; or (2) terminate this Option 43, subject to the payment of Termination Charges as set forth below in (I)(1) following. Payment of the Shortfall Penalty shall be due and payable no later than forty-five (45) days after notification by the Telephone Company that a Shortfall Penalty is due. In addition, and even upon payment of the Shortfall Penalty Payment as set forth in this Section (H), the customer will not be eligible to receive the applicable Annual True-up Credit for that year.

(2) As an illustrative example of the calculation of Shortfall Penalty:

(a) Assume that the customer has a MARC for Qualifying Services of $140,000,000 ($140M) during the second year of the Service Period and has actual billing of $130,000,000 ($130M) during the second year of the Service Period.

(b) Assume that no adjustment under (F)(1)(e) preceding occurred, then the customer shall pay to the Telephone Company an amount equal to $10,000,000 ($10M) (which is equal to the $140M MARC less the $130M in actual billing).

(c) Then the customer will not be eligible to receive the Annual True-up Credit for that year.

(I) Termination Charges

(1) The customer may terminate its subscription to this Option 43 at any time upon 60 days prior written notice. Except as allowed under (K) following, if the customer cancels or terminates its subscription to this Option 43 prior to the expiration of the Service Period, the customer will be liable for the following termination charges.

(a) One hundred percent (100%) of all Billing Credits that the customer received during the two prior quarters from the date of termination and

(b) Five percent (5%) of the MARC per year calculated from the date of termination through the end of the Service Period. (N)

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32. Contract Tariffs (Cont'd)

32.44 Contract Tariff Option 43 (Cont'd) (N)

(J) Network Grooms Restriction

(1) The customer will not be eligible for any Quarterly Billing Credits if the Telephone Company grooms, on a monthly basis, more than twenty-five (25) Special and Switched Access circuits that are used for the provisioning of Qualifying Services, of which number no more than two (2) circuits may be equal to DS3 or greater bandwidth (**Maximum Monthly Grooms**). For the purposes of this Option 43, a Groom shall mean the retermination of a Special or Switched Access circuit from its original installation location to another location in the same Telephone Company Central Office or in another Telephone Company Central Office. Notwithstanding the foregoing, the customer will be eligible for Quarterly Billing Credits so long as during the three month period for calculating the Quarterly Billing Credit:

(a) the Maximum Monthly Grooms restriction is met on a rolling two (2) month average basis, and

(b) the total number of Special and Switched access circuit grooms completed during the three month period is not greater than seventy-five (75), of which no more than six (6) circuits may be equal to DS3 or greater bandwidth.

As an illustrative example:

(1) Assume that in the prior 3 months, the customer groomed 30 circuits in two of those months and 20 circuits in the remaining month for a total of 80 circuits that were groomed.

(2) In this example, the customer would not be eligible for Billing Credits since the customer exceeded the Maximum Monthly Groom allowance of 75 circuits (25 circuits per month for 3 months).

As another illustrative example:

(1) Assume that in the prior 3 months, the customer groomed 30 circuits in the first month, 30 circuits in the second month and 15 circuits in the third month for a total of 75 circuits that were groomed.

(2) In this example, the customer would not be eligible for Billing Credits since the customer's rolling 2 month average for the first 2 months exceeded 25 circuits per month. (N)

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32. Contract Tariffs (Cont'd)

32.44 Contract Tariff Option 43 (Cont'd) (N)

(J) Network Grooms Restriction (Cont'd)

(1) (Cont'd)

As an illustrative example:

(1) Assume that in the prior 3 months, the customer groomed 30 circuits in the first month, 20 circuits in the second month and 25 circuits in the third month for a total of 75 circuits that were groomed. Further assume that the customer did not groom more than 6 circuits at DS3 or greater bandwidth.

(2) In this example, the customer would be eligible for Billing Credits since the customer's rolling 2 month average did not exceed 25 circuits per month and the total grooms during the prior 3 months was within the Maximum Monthly Grooms limitation.

(2) The Network Grooms Restriction only applies to Grooms performed in the following LATAs only during the Service Period: LATAs 120, 122, 124, 126, 130, 134, 136, 138, 140, 220, 222, 226, 230, 232, 234, 238, 240, 242, 244, 246, 250 and 952. The Network Grooms Restriction does not apply in the remaining LATAs where the customer has Qualifying Services. (N)

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32. Contract Tariffs (Cont'd)

32.44 Contract Tariff Option 43 (Cont'd) (N)

(J) Network Grooms Restriction (Cont'd)

(3) The following types of Network Grooms shall not be included in the Maximum Monthly Grooms and shall be performed by the Telephone Company in accordance with its normal business practices. In addition, the customer shall remain responsible for all other one time charges associated with such moves or terminations:

(a) Optimization Grooms: Grooms that are initiated and completed solely on the Telephone Company network to enhance efficient utilization of existing the Telephone Company entrance facilities.

(b) Maintenance Grooms: Grooms on circuits that are identified by the customer and accepted by the Telephone Company as circuits that are experiencing service failures as a result of equipment problems and grooming will correct such problems. All Maintenance Grooms shall be subject to review and acceptance by the Telephone Company and the Telephone Company's final decision shall be binding as to whether a specific groom is a Maintenance Groom, or whether such groom is to be included in the Maximum Monthly Grooms.

(c) Point of Presence (POP) Closure Grooms: In the event that the customer seeks to close, consolidate any of its POPs, or to migrate circuits as a result of a POP closure, then the customer may request that the Telephone Company perform grooms in addition to the Maximum Monthly Grooms.

(d) Verizon Initiated Grooms: Any groom initiated by the Telephone Company shall not be included in the number of Maximum Monthly Grooms.

(e) Force Majeure Grooms: Grooms that are necessitated by any Force Majeure condition (e.g., act of God; fire; flood; shortages or unavailability of facilities, equipment, software, or other materials; lack of or delay in transportation; laws, rules, regulations or restrictions; war, acts of terrorism, civil disorder, strikes, or other labor disputes). (N)

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32. Contract Tariffs (Cont'd)

32.44 Contract Tariff Option 43 (Cont'd) (N)

(J) Network Grooms Restriction (Cont'd)

(3) (Cont'd)

(f) Alternate Access Vendor (AAV)/Long Haul Facility Grooms: Grooms on circuits that are identified by the customer and accepted by the Telephone Company which meet the following criteria:

(1) The customer is changing the underlying AAV/Long Haul Facility provider; and

(2) the total month recurring charges billed by the Telephone Company for such groomed circuit prior to the groom being performed is equal to or greater than the total monthly recurring charges billed by the Telephone Company for the original circuit.

(g) Any other grooms for which the Telephone Company and the customer mutually agree to not include in the count of Maximum Monthly Grooms. (N)

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32. Contract Tariffs (Cont'd)

32.44 Contract Tariff Option 43 (Cont'd)

(K) Subscription to New Contract Tariff Option

(1) The customer may terminate its subscription to this Option 43 in order to subscribe to a new contract tariff option in this Section 21 provided all of the following conditions are met.

(a) The new contract tariff option must have the same MARC level or a greater MARC level than the MARC for this Option 43; and

(b) The customer must satisfy the eligibility criteria for subscription to the new contract tariff option; and

(c) The customer must provide the Telephone Company with written notice of its election to terminate subscription to this Option 43 and of its desire to subscribe (or that it has already subscribed) to the new contract tariff option; and

(d) Unless otherwise provided in the new contract tariff option, the customer will be eligible for Billing Credits earned, if any, following a final true up under this Option 43.

(2) When the conditions set forth in (K)(1)(a) through (K)(1)(c) preceding are met, no termination charges under (I) preceding will apply. (T)

(L) Discount Table

percentage discounts specified below are applied to the total MRC for Qualifying Services for each corresponding category shown.

Category	Term Period Year 1	Year 2	Year 3
Basic MARC*	2.00%	2.00%	2.00%
FMS in Top 10 LATAs	14.55%	17.55%	20.55%
FMS in Wild Card LATAs	12.13%	15.13%	18.13%
Banded Optical Transport	14.00%	16.00%	18.00%

* Includes all Qualifying Services specified in (E)(1)(a) preceding.

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32. CONTRACT TARIFFS (Cont'd)

32.45 Contract Tariff Option 44 (N)

(A) Scope

(1) Contract Tariff Option 44 (**Option 44**) is an offering exclusively for:

- a new installation of Optical Carrier 3 (OC3) Special Access Verizon Dedicated SONET Ring service (**DSR**) as described in Section 34.1 following when such DSR utilizes OC3 enhanced nodes and is ordered under a 5-year term plan (**new DSR**); or; or
- a renewal to a 5-year commitment period for an existing DSR at OC3 when such existing DSR (i) utilizes enhanced nodes; (ii) is still in-service under a 3-year or a 5-year term plan that has already expired and the customer did not select a new plan under Section 34.1(D)(2) following or extend the expiring commitment period under Section 34.1(I) following; or (iii) is still in-service under a 3-year or a 5-year term plan that will expire during the subscription period described in (B)(1) following (collectively, **renewal of DSR**); or
- a conversion of an existing OC3 IntelliLight® Dedicated SONET Ring service as described in Section 26.1 preceding (**IDSR**) to an OC3 DSR as described in Section 34.1 following when such replacing OC3 DSR is ordered under a 5-year term plan (**conversion to DSR**).

(2) Option 44 provides discounted monthly rates for a new DSR, a renewal of DSR, or a conversion to DSR when ordered in accordance with the terms of this Option 44. Switched Access DSR rate elements as set forth in Section 34.1 following are not eligible for the Option 44 rates and charges set forth in (H) following.

(B) Eligibility Requirements

All of the following requirements must be met in order to be eligible for subscription to Option 44.

(1) A customer must subscribe to Option 44 by submitting a written authorization in a manner designated by the Telephone Company during the twelve (12) month period that begins on August 24, 2006 and ends on May 12, 2007 (**Subscription Period**).

(2) The customer must accept service on the original service date. If the customer does not accept service on the original service date, the customer's acceptance of the service on a later date will make the service ineligible for the Option 44 rates and charges set forth in (H) following, unless the later service date is designated by the Telephone Company. (N)

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32. CONTRACT TARIFFS (Cont'd)

32.45 Contract Tariff Option 44 (Cont'd) (N)

(B) Eligibility Requirements (Cont'd)

(3) A customer must order a new DSR, a renewal of DSR, or a conversion to DSR, as applicable, in accordance with this Option 44 and during the Subscription Period specified in (B)(1) preceding.

(a) A new DSR does not include a DSR service that was subscribed to under another contract tariff option in this Section 32 or that was disconnected from its current location and installed as new at that same location.

(b) Conversions

Conversions of IDSR purchased under Section 26.1 preceding to DSR purchased under this Option 44 are eligible for the Option 44 rates and charges set forth in (H) following, provided that the replacing DSR has at least one (1) customer premises node location and one (1) CO node location in common with the IDSR being replaced, and all terms and conditions for a conversion as set forth in Section 7.4.10(C)(1) preceding, Section 26.1 preceding and this Section 32.45 are met. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 44 (Cont'd) (N)

(C) Serving Area

(1) The serving area of Option 44 consists of the Metropolitan Statistical Areas (**MSAs**) set forth in (C)(1)(a) and (b) following.

(a) In the following MSAs, the Option 44 discounted monthly rates will be applied to all of the eligible rate elements for the service as specified in (E) following.

Albany-Schenectady-Troy	MSA #44
Bangor ME	MSA #224
Binghamton NY	MSA #122
Boston MA-NH	MSA #6
Buffalo-Niagara Falls NY	MSA #25
Manchester NH	MSA #133
New York NY	MSA #1
Portland ME	MSA #152
Providence-Warwick RI	MSA #38
Springfield MA	MSA #63
Stamford-Norwalk CT	MSA #42
Syracuse NY	MSA #53
Utica-Rome NY	MSA #115
Worcester MA-CT	MSA #55

(b) In the following MSAs, the Option 44 discounted monthly rates will be applied to all eligible rate elements for the service as specified in (E) following, with the exception of nodes located at an End User designated premises.

Burlington VT	MSA #248
Dutchess County NY	MSA #151
Elmira NY	MSA #284
Portsmouth NH-Rochester ME	MSA #156

(2) Any additions of, or changes to, the wire centers within an MSA that occur during the Service Period of a DSR subscribed to under this Option 44 will apply beginning on the effective date of such change and continue through the end of the commitment period. When such change results in an increase or decrease to the rates applicable to the DSR under this Option 44, no retroactive billing or adjustment will be made for the portion of the Service Period that has elapsed prior to the effective date of the change. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 44 (Cont'd) (N)

(D) Service Period

(1) The **Service Period for a new DSR** that is subscribed to this Option 44 is sixty (60) consecutive months.

(a) The Service Period for a new DSR may be extended under (D)(4) following.

(b) The Service Period is applicable to the enhanced nodes and mileage of each DSR that is subscribed to under this Option 44. The Service Period is that period of time during which the rates set forth in (H) following apply, and is in lieu of the 5-year commitment period specified in Section 34.1 following.

(c) The Service Period for a new DSR commences with the date that billing begins for the new DSR and continues for sixty (60) consecutive months unless otherwise extended due to the addition of a node under (D)(5) following.

(2) The **Service Period for a renewal of DSR** that is subscribed to this Option 44 is sixty (60) months.

(a) The Service Period for a renewal of DSR may be extended under (D)(5) following.

(b) The Service Period is applicable to the enhanced nodes and mileage of each DSR that is subscribed to under this Option 44. The Service Period is that period of time during which the rates set forth in (H) following apply, and is in lieu of the 5-year commitment period specified in Section 34.1 following.

(c) The Service Period for a renewal of DSR whose commitment period expired prior to August 24, 2006 commences with the date of subscription to this Option 44 and continues for sixty (60) months unless otherwise extended due to the addition of a node under (D)(5) following.

(d) The Service Period for a renewal of DSR whose commitment period expires during the subscription period specified in (B)(1) preceding commences on the later of the first day following the expiration date of the commitment period for the expiring term plan or the date the customer elects to renew the DSR under Option 44 and ends sixty (60) months later unless otherwise extended due to the addition of a node under (D)(5) following. For example, the Service Period for a DSR that is due to expire September 27, 2006 and is renewed in accordance with this Option 44 prior to September 27, 2006 shall commence on September 28, 2006. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 44 (Cont'd) (N)

(D) Service Period (Cont'd)

(3) The **Service Period for a conversion to DSR** that is subscribed to this Option 44 is sixty (60) months.

(a) The Service Period for a conversion to DSR may be extended under (D)(5) following.

(b) The Service Period is applicable to the enhanced nodes and mileage of each DSR that is subscribed to under this Option 44. The Service Period is that period of time during which the rates set forth in (H) following apply, and is in lieu of the 5-year commitment period specified in Section 34.1 following.

(c) The Service Period for a conversion to DSR commences with the date that billing begins for the new DSR and continues for sixty (60) consecutive months unless otherwise extended due to the addition of a node under (D)(5) following.

(4) During the applicable Service Period, the customer is subject to termination liability under (G)(5) following if service under this Option 44 is discontinued prior to the end of the Service Period or a port purchased under Section 34.1 following is discontinued prior to the end of the Service Period for the associated DSR.

(5) Node Additions

(a) General

An additional node(s) may be added to a DSR that is subscribed to this Option 44 at any time prior to the end of the Service Period as determined in (D)(1) through (D)(3) preceding.

(b) Nodes Ordered During Subscription Period

Additional nodes ordered after the initial installation or establishment of DSR under this Option 44 and during the subscription period specified in (B)(1) preceding will have an expiration date that is coterminous with the expiration date of the applicable Service Period for the initial nodes ordered. The rates and charges for such additional nodes are the rates and charges set forth in (H) following. Such additional node(s) are also subject to termination liability under (G)(5) following when disconnected prior to the end of the Service Period. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 44 (Cont'd) (N)

(D) Service Period (Cont'd)

(5) Node Additions (Cont'd)

(c) Nodes Added After the Subscription Period and Prior to Month 36 of the Service Period

Nodes added after the subscription period and prior to completion of the first thirty-six (36) months of the Service Period will have an expiration date that is coterminous with the expiration date of the applicable Service Period for the initial nodes ordered. Such added nodes will be subject to the rates and charges set forth in Section 34.1 following (as determined in accordance with Section 15.3 preceding) and to termination liability under Section 34.1(E) following for early discontinuance of service and are not eligible for the rates and charges specified in (H) following. The rates for the remaining nodes (i.e., nodes ordered with the initial installation of service or at any time prior to the end of the subscription period) and other eligible rate elements will be the rates specified in (H) following.

(d) Nodes Added After Month 36 of the Service Period

Nodes added after the first 36 months of the Service Period require that the applicable Service Period for the entire DSR be extended by twenty-four (24) months thereby making the expiration date for the additional node(s) coterminous with the expiration date for the remainder of the service (**Extended Service Period**). The additional node(s) will be subject to the rates and charges set forth in Section 34.1 following (as determined in accordance with Section 15.3 preceding) and to termination liability under Section 34.1(E) following for early discontinuance of service. Such nodes are not eligible for the rates and charges specified in (H) following. The rates for the remaining nodes (i.e., nodes ordered with the initial installation of service or at any time prior to the end of the subscription period) and other eligible rate elements will be the rates specified in (H) following during the Extended Service Period.

(E) The following DSR rate elements and service configurations are eligible for the rates and charges specified in (H) following.

(1) DSR rate elements that are eligible for the rates and charges specified in (H) following are:

- Enhanced OC3 nodes, including subtending nodes
- OC3 Mileage

(2) Only full ring service configurations may be subscribed to this Option 44. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 44 (Cont'd) (N)

(F) Application of Rates and Charges

(1) The rates and charges for this Option 44 as set forth in (H) following apply for the eligible rate elements set forth in (E)(1) preceding during the applicable Service Period or Extended Service Period for DSRs subscribed to this Option 44.

(2) When DSR service under this Option 44 is provided within the New York and New Jersey Corridor, billing for the rates and charges under this Option 44 are further subject to the requirements set forth in Section 2.4.7 preceding.

(G) Terms and Conditions

Unless superseded by the terms and conditions set forth herein, all terms and conditions, including termination liability and minimum periods, as stated in Section 34.1 following, or with respect to conversions, Sections 7.4.10(C)(1) and 26.1 preceding, apply to the DSR services subscribed to under this Option 44.

(1) The Option 44 rates set forth in (H) following will apply only for the duration of the Service Period set forth in (D)(1) through (D)(3) preceding or the Extended Service Period set forth in (D)(5)(d) preceding. If the customer renews or extends the commitment period for such DSR in accordance with Section 34.1 following, or if the customer does not take any action after expiration of the applicable Service Period, then in each case, the rates and charges set forth in (H) following shall not apply during such period following expiration of the applicable Service Period.

(2) For nodes added prior to the end of the subscription period (i.e., nodes ordered in accordance with Section (D)(5)(b) preceding), the rates set forth in (H) following will be used to calculate termination liability charges (as set forth in (G)(5) following) as they apply under this Option 44 and other sections of this tariff. For all other nodes, the rates set forth in Section 34.1(L) following (as determined in accordance with Section 15.3 preceding) are used.

(3) Work Activity Ordered on DSR Subscribed to Option 44

(a) With the exception of adding a node under (D)(5) preceding, removing a node of a DSR service subscribed to under this Option 44, or adding or removing ports under (G)(5)(a)(1) following, any replacements, rearrangements, or other physical change to the service subscribed to Option 44 will result in cancellation of the customer's subscription to this Option 44 for that service, in which case the rates and charges set forth in Section 34.1 following (as determined in accordance with Section 15.3 preceding) will apply for the balance of the Service Period for the affected DSR. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 44 (Cont'd) (N)

(G) Terms and Conditions (Cont'd)

(3) Work Activity Ordered on DSR Subscribed to Option 44 (Cont'd)

(b) If the addition or removal of a node results in an increase or decrease in the total number of miles around the circumference of the ring, the rates set forth in (H) following will continue to apply to such increase or decrease in the mileage rate element.

(c) At any time during the Service Period or Extended Service Period, as applicable, the customer may add or remove ports to the DSR service subscribed to under this Option 44 in accordance with Section 34.1 following, except that such ports will be subject to termination liability under (G)(5) following (when purchased prior to the end of the Subscription Period specified in (B)(1) preceding) or to termination liability under Section 34.1(E) following (when purchased after the end of the Subscription Period specified in (B)(1) preceding).

(4) Subscription to Other Contract Tariff Options

(a) A customer subscribing to DSR services under this Option 44 may concurrently 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 either currently or 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 those same services.

(b) Notwithstanding (G)(4)(a) preceding, the customer may not concurrently subscribe any DSR rate element that receives the Option 44 discounted monthly rates to any other contract tariff, unless subscription of such DSR is explicitly allowed under that contact tariff option. Upon subscription to another contract tariff option, the rates set forth in (H) following will cease, unless explicitly allowed to continue under the other contract tariff option. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 44 (Cont'd) (N)

(G) Terms and Conditions (Cont'd)

(5) Termination Liability

(a) Termination liability will apply if the DSR subscribed to this Option 44, a portion of the DSR subscribed to this Option 44, or a port purchased under Section 34.1 following is terminated prior to the end of the applicable Service Period or Extended Service Period specified in (D) preceding as follows.

(1) Where the DSR, a portion of the DSR, or a port ordered prior to the end of the Subscription Period is cancelled within the first thirty-six (36) months of the Service Period, termination liability applies at 100% of the monthly recurring charge for the affected node and port rate elements beginning with the date of disconnection and continuing through the end of the first thirty-six (36) months of the (60) month Service Period. Where a port ordered after the end of the Subscription Period is cancelled prior to the end of the Service Period or Extended Service Period, as applicable, termination liability applies in accordance with Section 34.1(E) following.

(2) When calculating termination liability under (G)(5)(a)(1) preceding for the node rate element, the rates set forth in (H) following are used in the calculation. When calculating the termination liability charge on ports, the rates set forth in Section 34.1 following (as determined in accordance with Section 15.3 preceding) are used in the calculation.

(b) Termination liability does not apply if the DSR subscribed to this Option 44, a portion of the DSR subscribed to this Option 44, or a port ordered prior to the end the Subscription Period is cancelled after the first 36 months of a 60 month Service Period.

(c) Termination liability does not apply if a DSR subscribed to this Option 44 is upgraded to a DSR of a higher optical carrier rate (e.g., from OC3 to OC12), when such higher optical carrier rate DSR is purchased under Section 34.1 following and satisfies the requirements for an upgrade set forth in Section 34.1. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 44 (Cont'd) (N)

(G) Terms and Conditions (Cont'd)

(6) Shared Use as set forth in Section 5.2.7 preceding is allowed under this Option 44; however, only the Special Access portion of such DSR is eligible for the rates set forth in (H) following.

(7) Expiration of Service Period

Upon completion of the Service Period or Extended Service Period for this Option 44, as applicable, the customer subscription to this Option 44 is terminated and the customer must choose one of the following options:

(a) discontinue service without termination liability; or

(b) select any then offered term plan or contract tariff option for which the customer is eligible; or

(c) continue subscription to the DSR service on a monthly basis at the 5-year term plan rates and charges set forth in Section 30.34 preceding for price band rates and charges and Section 31.34 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding).

(d) In the event that the customer does not make an election of (G)(7)(a) through (c) preceding, the customer's subscription to the new, upgraded or converted DSR will continue in accordance with (G)(7)(c) preceding. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 44 (Cont'd) (N)

(H) Rates and Charges

The following rates and charges will apply for the DSR rate elements specified in (E) preceding when that DSR is subscribed to this Option 44. Such rates will continue through the end of the Service Period set forth in (D) preceding or the Extended Service Period set forth in (D)(5)(d) preceding. The rates and charges that apply to such DSR rate elements after the end of the Service Period or Extended Service Period and for any other rate not shown, whether for the DSR or for a service connected to such DSR, are the rates and charges set forth in other sections of this tariff.

	Monthly Rates	Nonrecurring Charges
(1) **OC3 Enhanced Nodes**, per node	$1,096.50	None

	Monthly Rates
(2) **OC3 Ring Mileage**, per mile	$199.75 (N)

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32. Contract Tariffs (Cont'd)

32.46 Contract Tariff Option 45 (N)

(A) Scope

(1) Contract Tariff Option 45 (**Option 45**) is an offering exclusively for customers who convert Eligible UNEs, as defined in (A)(2) following, that were previously purchased from the Telephone Company to the Eligible Special Access Services listed in (A)(3) following.

(2) Eligible High Capacity Unbundled Network Elements (collectively **Eligible UNEs**) are comprised of the following elements (whether converted under this Option 45 or previously converted in accordance with (A)(3) following).

(a) 1.544 Mbps and 44.736 Mbps Unbundled Network Element loops (sometimes referred to as DS1 Loops or DS1 Links and DS3 Loops or DS3 Links, respectively), collectively **UNE Loops.**

(b) 1.544 Mbps and 44.736 Mbps Unbundled Network Element Interoffice Facilities (sometimes referred to as DS1 Dedicated Transport and DS3 Dedicated Transport, respectively) and any associated central office multiplexing, collectively **UNE IOF.**

(c) High Capacity DS1 and DS3 Unbundled Network Element Entrance Facilities (sometimes formerly referred to as DS1 CLEC Dedicated Transport and DS3 CLEC Dedicated Transport, respectively), collectively **UNE Entrance Facilities.**

(d) 1.544 Mbps and 44.736 Mbps Unbundled Network Element Expanded Extended Links (sometimes referred to as Enhanced Extended Links) comprised of combinations of UNE Loops, UNE IOF and/or UNE Entrance Facilities, and any central office multiplexing used as part of any such combination, collectively **UNE EELs.** (N)

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32. Contract Tariffs (Cont'd)

32.46 Contract Tariff Option 45 (Cont'd)

(A) Scope (Cont'd)

(3) Eligible Special Access Services

The Special Access Services that may be subscribed to under this Option 45 are those Eligible UNEs that (i) were previously converted from an Eligible UNE specified in (A)(2) preceding to the corresponding Special Access Service specified in (a) or (b) following between the period beginning September 1, 2005 and ending October 20, 2006 (**Previously Converted Eligible UNEs**), and (ii) are converted from an Eligible UNE specified in (A)(2) preceding to the corresponding Special Access Service specified in (a) or (b) following after subscription to this Option 45 (**Newly Converted Eligible UNEs**). Previously Converted Eligible UNEs and Newly Converted Eligible UNEs are collectively referred to as **Eligible Special Access Services.**

(a) A DS1 Eligible UNE was (or will be) converted to a Special Access 1.544 Mbps High Capacity Service (**HiCap DS1**). Where the DS1 Eligible UNE was multiplexed, the HiCap DS1 was (or will be) provided with central office multiplexing.

(b) A DS3 Eligible UNE was (or will be) converted to a Special Access 44.736 Mbps High Capacity Service (**HiCap DS3**). Where the DS3 Eligible UNE was multiplexed, the HiCap DS3 was (or will be) provided with central office multiplexing.

(4) Customers who convert (or have converted) their Eligible UNEs to Eligible Special Access Services in accordance with the requirements set forth in this Option 45 will receive discounted monthly recurring rates (as set forth in (I) following) for certain rate elements of those Eligible Special Access Services, and certain other benefits set forth in this Option 45.

(5) Customers who subscribe to this Option 45 on or before January 20, 2007 are also eligible to receive an Early Commitment Signing Bonus Credit as described in (G) following. (C) (C)

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32. Contract Tariffs (Cont'd)

32.46 Contract Tariff Option 45 (Cont'd)

(B) Eligibility

The customer must meet all of the criteria set forth following in order to be eligible to receive the discounted monthly recurring rates and other benefits of this Option 45.

(1) A customer subscribes to Option 45 by submitting a written authorization, in a manner designated by the Telephone Company, during the ninety (90) day period beginning on October 21, 2006 and ending January 20, 2007 (**Subscription Period**). A customer who subscribes to this Option 45 no later than January 20, 2007 is also eligible for an Early Commitment Signing Bonus Credit as described in (G) following. (C)

(2) The customer must purchase one or more of the Eligible UNEs specified in (A)(2) preceding from the Telephone Company in at least three (3) Qualified MSAs. A **Qualified MSA** is a Metropolitan Statistical Area (MSA) where the customer purchases one (1) or more of the Eligible UNEs specified in (A)(2) preceding from the Telephone Company. The customer must meet the requirement to purchase Eligible UNEs in at least three (3) Qualified MSAs in one (1) of the following ways: (a) the customer purchases Eligible UNEs in at least three (3) MSAs which are entirely within the operating territories of this tariff; or (b) the customer purchases Eligible UNEs in at least three (3) MSAs which are within the operating territories of this tariff and of Tariff F.C.C. No. 1 as measured on a combined basis across this tariff and Tariff F.C.C. No. 1.

As an illustrative example, assume that the customer purchases Eligible UNEs in two (2) MSAs within the operating territories of this tariff, and four (4) MSAs within the operating territories of Tariff F.C.C. No. 1. The customer is eligible to participate in this Option 45 because it purchases Eligible UNEs in a total of six (6) MSAs, as measured on a combined basis across this tariff and Tariff F.C.C. No. 1, which meets the requirement to purchase Eligible UNEs in at least three (3) Qualified MSAs as set forth above.

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32. Contract Tariffs (Cont'd)

32.46 Contract Tariff Option 45 (Cont'd) (N)

(B) Eligibility (Cont'd)

(3) At the time of subscription to this Option 45, the customer must elect to include all (one hundred percent (**100%**)) of its Eligible UNEs in either one hundred percent (**100%**) of its Qualified MSAs or eighty percent (**80%**) of its Qualified MSAs.

(a) Where the customer has Qualified MSAs only under this tariff, then the customer must elect to include all (one hundred percent (**100%**)) of its Eligible UNEs in either one hundred percent (**100%**) of its Qualified MSAs or eighty percent (**80%**) of its Qualified MSAs of this tariff.

(b) Where the customer has Qualified MSAs under this tariff and under Tariff F.C.C. No. 1, then the customer must elect to include all (one hundred percent (**100%**)) of its Eligible UNEs in either one hundred percent (**100%**) of its Qualified MSAs or eighty percent (**80%**) of its Qualified MSAs under both this tariff and of Tariff F.C.C. No. 1, as measured on a combined basis across this tariff and Tariff F.C.C. No. 1. (x) (x) (x)

(c) Where the customer elects to include eighty percent (**80%**) of its Qualified MSAs, and the customer has Eligible UNEs in one (1) or more of the following MSAs, then the customer must include all (one hundred percent (**100%**)) of its Eligible UNEs in all of such MSA(s) in the list of Qualified MSAs, even if the inclusion of such Qualified MSAs results in a one hundred percent (100%) commitment.

- New York NY (MSA #1) of Tariff F.C.C. No. 1 (see Note) (x)
- New York NY (MSA #1) of this tariff (see Note)
- Philadelphia PA-NJ (MSA #4) of Tariff F.C.C. No. 1 (x)
- Boston MA-NH (MSA #6) of this tariff
- Washington DC-MD-VA (MSA #8) of Tariff F.C.C. No. 1 (x)
- Baltimore MD (MSA #14) of Tariff F.C.C. No. 1 (x)

Note: To determine the actual number of Qualified MSAs required for an election of eighty percent (**80%**), count the New York NY (MSA #1) of this tariff and of Tariff F.C.C. No. 1 as one (1) Qualified MSA. (x) (N)

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32. Contract Tariffs (Cont'd)

32.46 Contract Tariff Option 45 (Cont'd) (N)

(B) Eligibility (Cont'd)

(3) (Cont'd)

(c) (Cont'd)

As an illustrative example, assume that a customer has Eligible UNEs that can be converted to Eligible Special Access Services in the following six (6) MSAs:

- New York NY
- Philadelphia PA-NJ MSA
- Pittsburg PA MSA
- Richmond VA MSA
- Providence-Warwick RI MSA
- Worcester MA-CT MSA

Further assume that the customer elects to convert all (one hundred percent (**100%**)) of its Eligible UNEs in eighty percent (**80%**) of its Qualified MSAs under this Option 45 and Option 44 of (x)
Tariff F.C.C. No. 1 for a total of five (5) Qualified MSAs (6 (x)
MSAs x 80% = 4.8 MSAs rounded up to 5 MSAs). In this case, the five (5) Qualified MSAs that are converted must include the New York NY MSA and the Philadelphia PA-NJ MSA.

(d) Where the customer elects to include all (one hundred percent (**100%**)) of its Eligible UNEs in eighty percent (**80%**) of its Qualified MSAs, the number of Qualified MSAs that must be included is determined by multiplying the total number of Qualified MSAs by eighty percent (80%) and then rounding up to the next whole MSA.

As an illustrative example, assume the customer has Eligible UNEs in nine (9) Qualified MSAs on a combined basis across this tariff and Tariff F.C.C. No. 1. In this case, the customer would need to (x)
include eight (8) of its Qualified MSAs (9 Qualified MSAs x .80 = 7.2 Qualified MSAs and rounded up to 8 Qualified MSAs on a combined basis across this tariff and Tariff F.C.C. No. 1). (x)

As a second illustrative example, assume the customer has eligible UNEs in four (4) Qualified MSAs under this tariff. In this case the customer would need to include all four (4) of its Qualified MSAs in this Option 45 (4 Qualified MSAs x .80 = 3.2 Qualified MSAs rounded up to 4 Qualified MSAs). Since the customer must include all four (4) (i.e., one hundred percent (**100%**))of its Qualified MSAs, the customer's election shall be changed from eighty percent (**80%**) to one hundred percent (**100%**) for the purpose of applying the monthly recurring rates, terms and conditions of this Option 45. (N)

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32. Contract Tariffs (Cont'd)

32.46 Contract Tariff Option 45 (Cont'd) (N)

(B) Eligibility (Cont'd)

(3) (Cont'd)

(e) The Telephone Company will project manage (in a manner designated by the Telephone Company) conversion of each DS1 Eligible UNE and each DS3 Eligible UNE within a Qualifying MSA to a DS1 Eligible Special Access Service and a DS3 Eligible Special Access Service, respectively.

(4) Eligible Special Access Services that can be subscribed to under this Option 45 include only those Eligible Special Access Services that are (a) replacing Eligible UNEs within a Qualified MSA as committed to by the customer at the time of subscription to this Option 45, and (b) those Eligible Special Access Services specified in (A)(3) preceding that were Previously Converted Eligible UNEs.

(C) Service Period

(1) Option 45 Service Period

(a) The Service Period for this Option 45 is that period of time during which the monthly recurring rates (as set forth in (I) following) and the other applicable benefits of this Option 45 apply to the Eligible Special Access Services that are subscribed to under this Option 45 (**Service Period**).

(b) The Service Period for Option 45 commences with the date that the customer subscribes to Option 45 and continues until there are no longer any Eligible Special Access Services remaining under a Service Discount Plan (**SDP**) or a Commitment Discount Plan (**CDP**). (N)

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32. Contract Tariffs (Cont'd)

32.46 Contract Tariff Option 45 (Cont'd) (N)

(C) Service Period (Cont'd)

(2) Service Period for Eligible Special Access Service Ordered Under an SDP

(a) The Service Period for each Eligible Special Access Service specified in (A)(3) preceding that is ordered under a circuit-specific SDP as described herein and in Section 7.4.10 preceding is the SDP commitment period for that individual Eligible Special Access Service.

(b) The SDP commitment period commences with the date of subscription to this Option 45 (**SDP Subscription Date**) and continues for the selected commitment period unless otherwise extended or renewed in accordance with Section 7.4.10 preceding, in which case subscription to this Option 45 continues for the extended or renewed SDP commitment period.

(c) Each Eligible Special Access Service that is subscribed to under this Option 45 must be under an SDP with a commitment period of 3-years, 5-years or 7-years, or under a CDP as specified in (C)(3) following.

(3) Service Period for Eligible Special Access Service Ordered Under a CDP

(a) The Service Period for each Eligible Special Access Service specified in (A)(3) preceding that is ordered under a CDP as described herein and in Section 25.1 following is (1) the selected CDP commitment period if a new CDP is established in conjunction with subscription to this Option 45; or (2) the balance of the CDP commitment period for the applicable service type involved unless otherwise renewed or extended, in which case subscription to this Option 45 continues for the extended or renewed CDP commitment period.

(b) The CDP commitment period commences with the date of subscription (**CDP Subscription Date**) and continues to the common expiration date for the applicable service type under the CDP. For example, assume that the customer establishes a new 5-year CDP for its DS1 Eligible Special Access Services upon subscription to this Option 45 on October 30, 2006, and that the common expiration date for all DS1 services under the CDP is October 30, 2011. In this case, all DS1 Eligible Special Access Services that are subscribed to under this Option 45 will have a common expiration date of October 30, 2011. (N)

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32. Contract Tariffs (Cont'd)

32.46 Contract Tariff Option 45 (Cont'd) (N)

(C) Service Period (Cont'd)

(3) Service Period for Eligible Special Access Service Ordered Under a CDP (Cont'd)

(c) In accordance with the terms and conditions for a CDP set forth in Section 25.1 following, a customer who already subscribes to a CDP at the time of subscription will have the Eligible Special Access Services that are subscribed to under this Option 45 automatically added to their existing CDP for the purposes specified herein.

(d) Each Eligible Special Access Service that is subscribed to under this Option 45 must be under a CDP with a commitment period of 3-years, 5-years or 7-years, or under an SDP as specified in (C)(2) preceding.

(D) Serving Area

(1) The serving area for this Option 45 includes all Phase I MSAs, all Phase II MSAs, and all other MSAs of this tariff and of Tariff F.C.C. No. 1 (**collectively, all MSAs**). Wire centers for the Phase II MSAs in this tariff are set forth in Section 15.3 preceding. (x) (x)

(2) Any additions of, or changes to, the wire centers within an MSA that occur during the Service Period of this Option 45 will apply beginning on the effective date of such change and continuing through the end of the Service Period. (N)

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32. Contract Tariffs (Cont'd)

32.46 Contract Tariff Option 45 (Cont'd) (N)

(E) Obligations of the Customer

(1) Acceptance of UNE Circuit Identification Numbers

(a) No later than thirty (30) calendar days following subscription to Option 45, the Telephone Company will provide the customer with a list of circuit identification numbers for the Newly Converted Eligible UNEs (as defined in (A)(3) preceding) and the Previously Converted Eligible UNEs (as defined in (A)(3) preceding). Each circuit identification number on the list will count as one (1) Eligible UNE that is converted to an Eligible Special Access Service for the purpose of administering the terms and conditions of this Option 45.

(b) No later than fifteen (15) calendar days following the Telephone Company's provision of the foregoing list of circuit identification numbers in accordance with (E)(1)(a) preceding, the customer must accept in writing the list of circuit identification numbers that identifies the Newly Converted Eligible UNEs and the Previously Converted Eligible UNEs provided by the Telephone Company.

(c) In the event that the customer does not so accept one (1) or more circuit identification numbers on the list provided to the customer in accordance with (E)(1)(a) preceding, the Telephone Company will verify that the Eligible UNE exists in its records for the customer and shall have the final decision on whether or not such circuit identification number(s) will be included as an Eligible Special Access Service(s) in this Option 45.

(2) The customer must work cooperatively with the Telephone Company, including by following all procedures that the Telephone Company employs to convert the Eligible UNEs within each Qualified MSA to Eligible Special Access Service that are subscribed to under this Option 45. (N)

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32. Contract Tariffs (Cont'd)

32.46 Contract Tariff Option 45 (Cont'd) (N)

(F) Application of Monthly Recurring Rates and Nonrecurring Charges

Except as expressly provided in this Section 32.46, the rates and regulations set forth herein do not apply to an Eligible Special Access Service that is subscribed to under this Option 45, where such Eligible Special Access Service is served by a wire center that is not within a Phase I or Phase II MSA, or where the End User channel termination of an Eligible Special Access Service is served by a non-qualified wire center as described in Section 15.3 preceding.

(1) Subject to (F)(2) following, the monthly recurring rates set forth in (I) following apply to each Eligible Special Access Service that is subscribed to under this Option 45, as follows. Monthly recurring rates are arranged in two (2) tiers depending on the percentage of Qualified MSAs that the customer elects to convert at the time of subscription to this Option 45.

(a) Tier 1 Monthly Recurring Rates

Where an Eligible Special Access Service is served by a wire center that is within a Phase I or Phase II Qualified MSA of this tariff, and where the customer elected to convert all (one hundred percent (100%)) of its Eligible UNEs within one hundred percent (100%) of its Qualified MSAs to the Eligible Special Access Services as specified in (A)(3) preceding, Tier 1 monthly recurring rates set forth in (I)(1) following apply in accordance with Section 15.3 preceding. In this case, Tier 1 monthly recurring rates apply in lieu of the monthly recurring rates set forth in Section 30 preceding for price band rates and charges and Section 31 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding).

(b) Tier 2 Monthly Recurring Rates

Where an Eligible Special Access Service is served by a wire center that is within a Phase I or Phase II Qualified MSA of this tariff, and where the customer elected to convert all (one hundred percent (100%)) of its Eligible UNEs within eighty percent (80%) of its Qualified MSAs to the Eligible Special Access Services as specified in (A)(3) preceding, Tier 2 monthly recurring rates set forth in (I)(2) following apply in accordance with Section 14.7 preceding. In this case, Tier 2 monthly recurring rates apply in lieu of the monthly recurring rates set forth in Section 30 preceding for price band rates and charges and Section 31 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding).

(2) Where the End User channel termination of an Eligible Special Access Service that is subscribed to under this Option 45 is served by a non-qualified wire center (as described in Section 15.3 preceding), the monthly recurring rates and nonrecurring charges as set forth in other sections of this tariff apply in accordance with Section 15.3 preceding. (N)

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32. Contract Tariffs (Cont'd)

32.46 Contract Tariff Option 45 (Cont'd) (N)

(F) Application of Monthly Recurring Rates and Nonrecurring Charges (Cont'd)

(3) Where an Eligible Special Access Service within a Qualified MSA is provided within an operating territory of Tariff F.C.C. No. 1, the monthly recurring rates set forth in Option 44 of Tariff F.C.C. No. 1 apply in accordance with the terms and conditions of Option 44 of Tariff F.C.C. No. 1. (x) (x)

(4) The Tier 1 or Tier 2 monthly recurring rates as described in (F)(1)(a) through (F)(1)(c) preceding, apply to each Eligible Special Access Service beginning with the date of subscription and ending when the Eligible Special Access Service is no longer subscribed to under this Option 45 for one of the following reasons:

(a) The Eligible Special Access Service is disconnected; or

(b) The Eligible Special Access Service is no longer under an initial term, an extended term or a renewed term of an SDP or CDP, as applicable; or

(c) The Eligible Special Access Service is disconnected, moved or physically modified in any way whatsoever, except that such Eligible Special Access Service may be groomed for the purpose of changing the amount of channel mileage applicable to such service; or

(d) The Eligible Special Access Service is converted back to a UNE.

(5) Where the customer's subscription of an Eligible Special Access Service is terminated under (F)(4)(b) or (F)(4)(c) preceding, the monthly recurring rates set forth in (I) following will no longer apply to the affected Eligible Special Access Service and, where the affected Eligible Special Access Service continues, it will continue at the monthly recurring rates set forth in Section 30 preceding for price band rates and charges and Section 31 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding).

(6) Where the customer's subscription of an Eligible Special Access Service is terminated under (F)(4)(d) preceding, the monthly recurring rates set forth in (I) following will no longer apply to the affected Eligible Special Access Service. Additionally, the Eligible Special Access Services that remain subscribed to under this Option 45 will be subject to the terms and conditions set forth in (H)(4) following. (N)

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32. Contract Tariffs (Cont'd)

32.46 Contract Tariff Option 45 (Cont'd) (N)

(F) Application of Monthly Recurring Rates and Nonrecurring Charges (Cont'd)

(7) Nonrecurring charges do not apply under this Option 45 to convert a DS1 Eligible UNE to a DS1 Eligible Special Access Service or to convert a DS3 Eligible UNE to a DS3 Eligible Special Access Service.

(8) Subsequent Physical Work Orders

(a) After (but not simultaneous with) the conversion of a DS1 Eligible UNE to a DS1 Eligible Special Access Service under this Option 45, or after (but not simultaneous with) the conversion of a DS3 Eligible UNE to a DS3 Eligible Special Access Service under this Option 45, the customer may order to have the DS1 or DS3 Eligible Special Access Service groomed for the purpose of increasing or decreasing the number of miles applicable to such DS1 or DS3 Eligible Special Access Service. Under this Option 45, grooming is defined as work activity involving a change in the wire center where the DS1 Eligible Special Access Service or DS3 Eligible Special Access Service is multiplexed on to a facility of a higher bit rate. Such grooming of the DS1 or DS3 Eligible Special Access Service will not result in cancellation of the customer's subscription of the affected DS1 or DS3 Special Access Service to this Option 45. Nonrecurring charges for such grooming orders apply in accordance with Section 7 preceding.

(b) Except as allowed under (F)(8)(a) preceding, all other physical work orders (e.g., upgrades or moves) will result in cancellation of the customer's subscription of the affected DS1 or DS3 Eligible Special Access Service to this Option 45. In this case, nonrecurring charges as set forth in other sections of this tariff may apply. (N)

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32. Contract Tariffs (Cont'd)

32.46 Contract Tariff Option 45 (Cont'd)

(G) Early Commitment Signing Bonus Credit

(1) Eligibility for Early Commitment Signing Bonus Credit

A customer who subscribes to this Option 45 and, when applicable, Option 44 of Tariff F.C.C. No. 1 (which subscriptions must be submitted to the Telephone Company on the same date), between the period beginning October 21, 2006 and ending January 20, 2007 (the date of subscription by the customer being the **Early Subscription Date**) is eligible for an Early Commitment Signing Bonus (**ECSB**) Credit when all of the following conditions are met: (C)

(a) The customer, via such subscription(s), elected to convert all (one hundred percent (100%)) of its Eligible UNEs to Eligible Special Access Services within all (one hundred percent (100%)) of its Qualified MSAs of this tariff and all (100%) of its Qualified MSAs of Tariff F.C.C. No. 1; and

(b) The Eligible Special Access Services are under an SDP or CDP with a commitment period of five (5) years or seven (7) years under this tariff and, where applicable, under a Term Pricing Plan (TPP) or CDP with a commitment period of five (5) years or seven (7) years under Tariff F.C.C. No. 1; and

(c) At the end of the first twelve (12) months following the Early Subscription Date, the customer has in-service at least seventy-five percent (75%) of the Eligible Special Access Services, as measured in this (G), that were initially subscribed to on the Early Subscription Date under this Option 45 and, when applicable, under Option 44 of Tariff F.C.C. No. 1, on a combined basis under such Options 45 and 44, respectively.

The ECSB Credit is a one-time credit that will be determined by the Telephone Company following the passage of the first twelve (12) months after the Early Subscription Date. The Telephone Company will apply the ECSB Credit, if any, to the customer's bill within ninety (90) days after the passage of the first twelve (12) months after the Early Subscription Date. The Telephone Company's determination of the ECSB Credit amount shall be final and binding, absent arithmetical errors, and shall not be subject to dispute by customer.

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32. Contract Tariffs (Cont'd)

32.46 Contract Tariff Option 45 (Cont'd) (N)

(G) Early Commitment Signing Bonus Credit (Cont'd)

(2) Determination of ECSB Credit Amount, if any

The customer's ECSB Credit amount, if any, shall be an amount that is:

(a) no greater than twenty-six percent (26%) of the total monthly recurring charges (Total MRCs) for a single month (as determined in (G)(3) following) that would have been assessed if (i) all (one hundred percent (100%)) of the customer's Eligible UNEs had already been converted to Eligible Special Access Services no later than the close of the bill period in the month immediately prior to the Early Subscription Date, and (ii) the customer subscribed to the Eligible Special Access Services under an SDP, TPP or CDP with a 5-year commitment period, and (iii) the Eligible Special Access Services were billed at the 5-year monthly recurring rates set forth in (I)(1) following, or

(b) no greater than twenty-nine percent (29%) of the total monthly recurring charges (Total MRCs) for a single month (as determined in (G)(3) following) that would have been assessed if (i) all (one hundred percent (100%)) of the customer's Eligible UNEs had already been converted to Eligible Special Access Services no later than the close of the bill period in the month immediately prior to the Early Subscription Date, and (ii) the customer subscribed to the Eligible Special Access Services under an SDP, TPP or CDP with a 7-year commitment period, and (iii) the Eligible Special Access Services were billed at the 7-year monthly recurring rates set forth in (I)(1) following. (N)

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32. Contract Tariffs (Cont'd)

32.46 Contract Tariff Option 45 (Cont'd) (N)

(G) Early Commitment Signing Bonus Credit (Cont'd)

(3) The total monthly recurring charges that would have been assessed at the close of the bill period in the month immediately prior to the Early Subscription Date if all (one hundred percent (100%)) of the customer's Eligible UNEs (both Newly Converted Eligible UNEs and Previously Converted Eligible UNEs) had already been converted to Eligible Special Access Services (**Total MRCs**) are determined as follows:

(a) Using the monthly recurring rates set forth in Section 30 preceding for price band rates and charges and Section 31 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding) of this tariff and, when applicable, Section 7 of Tariff F.C.C. No. 1 (as determined in accordance with Section 14.7 of Tariff F.C.C. No. 1), the Telephone Company will recalculate the total monthly recurring charges that would have been assessed to the customer if all (one hundred percent (100%)) of the customer's Eligible UNEs had already been converted to Eligible Special Access Services by the close of the bill date in the month immediately prior to the Early Subscription Date; and (x) (x)

(b) where the customer's Eligible UNEs include Previously Converted Eligible UNEs for which the customer selects a different SDP, TPP or CDP commitment period upon subscription to this Option 45 and Option 44 of Tariff F.C.C. No. 1, the Telephone Company will recalculate the monthly recurring charges that would have been assessed to the customer based on the selected commitment period and using the same methodology set forth in (G)(3)(a) preceding. (x)

The Total MRCs determined above are for the purpose of determining the ECSB Credit amount and are not meant to mean that the service is repriced.

(4) In no case shall the ECSB Credit amount exceed 26% or 29%, as applicable, of the Total MRCs as determined in (G)(3) preceding.

(5) The ECSB Credit may be reduced in accordance with the table in Step 5 of (G)(7) following based on the total number of Eligible Special Access Services that are still in-service on the date that is twelve (12) months after the Early Subscription Date.

(6) Where the customer has Qualified MSAs that are within this tariff and Tariff F.C.C. No. 1, the customer's ECSB Credit amount, if any, will be calculated across this tariff and Tariff F.C.C. No. 1 on a combined basis, the ECSB Credit, if any, will be provided under Tariff F.C.C. No. 1, and the customer is not entitled to a separate ECSB Credit under this Option 45. (x) (N) (x)

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32. Contract Tariffs (Cont'd)

32.46 Contract Tariff Option 45 (Cont'd) (N)

(G) Early Commitment Signing Bonus Credit (Cont'd)

(7) The amount, if any, of ECSB Credit is determined as follows:

Step 1 Determine the total number of DS1 Eligible UNEs that the customer converts to DS1 Eligible Special Access Services by first summing the following two numbers: (i) the total number of DS1 Newly Converted Eligible UNEs that are in-service at the close of the last bill period prior to the Early Subscription Date and (ii) the total number of DS1 Previously Converted Eligible UNEs that are in-service at the close of the last bill period prior to the Early Subscription Date.

Separately determine the total number of DS3 Eligible UNEs (both DS3 Newly Converted Eligible UNEs and DS3 Previously Converted Eligible UNEs) using the same methodology specified above for DS1 Eligible UNEs.

Step 2 Calculate the Total MRCs that would have been assessed for all DS1s (as determined in Step 1) to the customer at the close of the last bill period prior to the Early Subscription Date using the methodology set forth in (G)(3) preceding.

Separately calculate the Total MRCs that would have been assessed for all DS3s (as determined in Step 1) in the same manner specified above for DS1s.

Step 3 Calculate the maximum DS1 ECSB Credit that the customer can obtain by multiplying 26% or 29% (as determined in (G)(2) preceding) to the DS1 Total MRCs (as determined in Step 2).

Separately calculate the maximum DS3 ECSB Credit in the same manner specified above for the DS1 ECSB Credit. (N)

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32. Contract Tariffs (Cont'd)

32.46 Contract Tariff Option 45 (Cont'd) (N)

(G) Early Commitment Signing Bonus Credit (Cont'd)

(7) (Cont'd)

Step 4 Determine the total number of DS1s that were retained and are still in-service on the date that is twelve (12) months after the Early Subscription Date, and develop a percentage of **DS1s Retained** by dividing the number of DS1s retained by the total number of DS1 Eligible UNEs determined in Step 1. Always round the percentage of DS1s Retained down to the next whole percentage before continuing to Step 5. For example, a percentage of 74.9% would be rounded down to 74%.

Separately develop a percentage of **DS3s Retained** in the same manner as the percentage of DS1s Retained was determined above.

Step 5 Using the table set forth following, determine the Maximum Percentage Payout for the DS1 ECSB Credit by applying the percentage of DS1s Retained (as determined in Step 4) to Column A of the table. The corresponding percentage in Column B is the Maximum Percentage Payout for DS1s.

Percentage DS1 or DS3 Retained Column A	Maximum Percentage Payout of DS1 or DS3 ECSB Credit Column B
86% - 100%	100%
85%	85%
84%	84%
83%	83%
82%	82%
81%	81%
80%	80%
79%	79%
78%	78%
77%	77%
76%	76%
75%	75%
0-74%	Not Eligible for ECSB Credit

Separately determine the Maximum Percentage Payout for the DS3 ECSB Credit in the same manner as the Maximum Percentage Payout for DS1s was determined above. (N)

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32. Contract Tariffs (Cont'd)

32.46 Contract Tariff Option 45 (Cont'd) (N)

(G) Early Commitment Signing Bonus Credit (Cont'd)

(7) (Cont'd)

Step 6 Calculate the actual DS1 ECSB Credit obtained, if any, by multiplying the Total MRCs for DS1s (as determined in Step 2) by the Maximum Percentage Payout for DS1s Retained (as determined in Step 5).

Separately calculate the actual DS3 ECSB Credit obtained in the same manner as the actual DS1 ECSB Credit was determined above.

Step 7 The actual ECSB Credit that is due to the customer is the determined by summing the actual DS1 ECSB Credit (as determined in Step 6) and the actual DS3 ECSB Credit (as determined in Step 6).

(8) The following example illustrates the calculations used to determine the ECSB Credit.

For this illustrative example, assume the following:

- The customer's Early Subscription Date is October 23, 2006.
- At the time of Early Subscription, the customer had 8,500 DS1 Newly Converted Eligible UNEs and 1,500 DS1 Previously Converted Eligible UNEs for a total of 10,000 DS1 Eligible UNEs. Further assume that the DS1 Previously Converted Eligible UNEs had been converted to Special Access Services under a CDP with a 5-year commitment period.
- At the time of Early Subscription, the customer has 180 DS3 Newly Converted Eligible UNEs and 20 DS3 Previously Converted Eligible UNEs for a total of 200 DS3 Eligible UNEs. Further assume that the DS3 Previously Converted Eligible UNEs had been converted to Special Access Services under a CDP with a 5-year commitment period.
- On the Early Subscription Date, the customer selected a 7-year commitment period for its DS1 Eligible Special Access Services that are under a CDP (i.e., an increase in the CDP commitment period for DS1 services from 5-years to 7-years) and a 5-year commitment period for its DS3 Eligible Special Access Services that are under a CDP (i.e., no change in the CDP commitment period for DS3 services).
- On the date that is twelve (12) months after the Early Subscription Date, the customer retained 8,500 DS1 Eligible Special Access Services and 189 DS3 Eligible Special Access Services.

Step 1 Determine the total number of DS1 and DS3 Eligible UNEs. From the above assumptions, the customer has a total of 10,000 DS1 Eligible UNEs and 200 DS3 Eligible UNEs. (N)

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32. Contract Tariffs (Cont'd)

32.46 Contract Tariff Option 45 (Cont'd) (N)

(G) Early Commitment Signing Bonus Credit (Cont'd)

(8) (Cont'd)

Step 2 Calculate the DS1 Eligible Special Access Services Total MRCs for DS1 Newly Converted Eligible UNEs and DS1 Previously Converted Eligible UNEs using the 7-year CDP rates. For purposes of this illustrative example, assume that the DS1 Eligible Special Access Services Total MRCs for DS1s is $1,865,384.

Calculate the DS3 Eligible Special Access Services Total MRCs for DS3 Newly Converted Eligible UNEs and DS3 Previously Converted Eligible UNEs using the 5-year CDP rates. For purposes of this illustrative example, assume that the Total MRCs for DS3s is $230,769.

Step 3 Calculate the DS1 Maximum ECSB Credit by multiplying the DS1 Total MRCs calculated in Step 2 by 29% for the 7-year CDP commitment period ($1,865,384 x 29% = $540,961.36).

Calculate the DS3 Maximum ECSB credit using the same methodology used to calculate the DS1 Maximum ECSB Credit above ($230,769 x 26% for a 5-year CDP commitment period = $59,999.94).

Step 4 Calculate the percentage of DS1s Retained. Using the assumed number of DS1s Retained as stated above, divide the number of DS1s Retained by the total number of DS1 Eligible UNEs determined in Step 1 (8,500 DS1s Retained / 10,000 DS1 Eligible UNEs = .85 or 85 percent (85%) DS1s retained).

Calculate the percentage of DS3s Retained using the same methodology used to calculate the percentage of DS1s Retained above (189 DS3s Retained/ 200 DS3 Eligible UNEs = .945 and round down to the next whole percentage or to 94% DS3s retained for this example).

Step 5 Apply the percentage of DS1s Retained to Column A of the table set forth in (G)(7) preceding and determine the corresponding percentage payout for DS1 ECSB Credit (85% DS1s Retained equals an 85% payout for DS1 ECSB Credit).

Apply the same methodology to determine the percentage payout for DS3 ECSB Credit (94% DS3s Retained equals a 100% payout for DS3 ECSB Credit). (N)

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32. Contract Tariffs (Cont'd)

32.46 Contract Tariff Option 45 (Cont'd) (N)

(G) Early Commitment Signing Bonus Credit (Cont'd)

(8) (Cont'd)

Step 6 Calculate the actual DS1 ECSB Credit by multiplying the maximum DS1 ECSB Credit determined in Step 3 by the percentage DS1s Retained determined in Step 5 ($540,961.36 x 85% = $459,817.16).

Calculate the actual DS3 ECSB Credit using the same methodology used to calculate the actual DS1 ECSB Credit above ($59,999.94 x 100% = $59,999.94)

Step 7 Determine the actual ECSB Credit due to the customer ($459,817.16 + $59,999.94 = $519,817.10).

(H) Terms and Conditions

(1) Subscription to Other Contract Tariff Options

(a) A customer subscribing to Eligible Special Access Services under this Option 45 may concurrently subscribe to any other tariff arrangement, contract tariff option, specialized service or arrangement, or Individual Case Basis (**ICB**) arrangement offered by the Telephone Company and available to the customer either currently or at any time during the Service Period, which other tariff arrangement, contract tariff option, specialized service or 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 those same services, unless such other tariff arrangement, contract tariff option, specialized service or arrangement, or ICB restricts such subscription to this Option 45.

(b) The customer may concurrently subscribe to Option 44 of Tariff F.C.C. No. 1. (x) (x)

(c) Notwithstanding (H)(1)(a) and (H)(1)(b) preceding, the customer may not concurrently subscribe any Eligible Special Access Service as specified in (A)(3) preceding to any other contract tariff option, unless subscription of the Eligible Special Access Service is explicitly allowed under such other contact tariff option. Upon subscription to another contract tariff option, the monthly recurring rates set forth in (I) following will cease and the customer will be subject to early termination under (H) following, unless explicitly allowed to continue under such other contract tariff option. (N)

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32. Contract Tariffs (Cont'd)

32.46 Contract Tariff Option 45 (Cont'd) (N)

(H) Terms and Conditions (Cont'd)

(2) For customers whose DS1 and DS3 Eligible Special Access Services are already under a CDP as of the date of subscription to this Option 45 and, when applicable, to Option 44 of Tariff F.C.C. No. 1 (**Existing CDP**), the following applies. (x) (x)

(a) For each Eligible UNE converted to an Eligible Special Access Service, the Eligible Special Access Service will automatically be added to the customer's DS1 Existing CDP for DS1 services or DS3 Existing CDP for DS3 services, as applicable.

(b) For each DS1 or DS3 channel termination of the Eligible Special Access Services that are added to the customer's Existing CDP(s), the CDP count of in-service channel terminations will increase by one (1) DS1 or DS3 channel termination, as applicable.

(c) For each CDP true-up following the date of subscription, the increased CDP count of in-service channel terminations will be used in determining if the customer has met its minimum commitment under the Existing CDP as follows.

(1) During the time that an Eligible Special Access Service is subscribed to under this Option 45 and, when applicable, under Option 44 of Tariff F.C.C. No. 1, each DS1 or DS3 channel termination that is served by a wire center that is within a Phase I or Phase II Qualified MSA will be included in the CDP count of in-service channel terminations for use in each subsequent CDP true-up following the date of subscription. Provided that the Eligible Special Access Service of such channel termination remains subscribed to under this Option 45 or, when applicable, under Option 44 of Tariff F.C.C. No. 1, the resulting increase to the CDP count of in-service channel terminations will not result in an increase in the CDP minimum commitment under Section 25.1.7 preceding. (x) (x)

(2) During the time that an Eligible Special Access Service is subscribed to under this Option 45 and, when applicable, under Option 44 of Tariff F.C.C. No. 1, each DS1 or DS3 channel termination that is not served by a wire center that is within a Phase I or Phase II Qualified MSA and each DS1 or DS3 End User channel termination that is served by a non-Qualified wire center will be included in the CDP count of in-service channel terminations for use in each subsequent CDP true-up following the date of subscription. The resulting increase to the CDP count of in-service channel terminations may result in an increase in the CDP minimum commitment under Section 25.1.7 preceding. (x)

(d) Termination Liability Reduction Credit as described in (H)(3) following will not be applied to the Eligible Special Access Services specified in (A)(3) preceding that are added to a CDP. (N)

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32. Contract Tariffs (Cont'd)

32.46 Contract Tariff Option 45 (Cont'd) (N)

(H) Terms and Conditions (Cont'd)

(3) Termination Liability Reduction Credit

(a) For customers who subscribe to an Eligible Special Access Service specified in (A)(3) preceding under an SDP, the customer is eligible for a Termination Liability Reduction Credit (**TLRC**). The Telephone Company will apply TLRC to the end of the SDP commitment period thereby reducing the number of months for which termination liability charges are applicable.

(b) The customer's TLRC is determined in accordance with the following table and is based on the SDP commitment period selected by the customer for the Eligible Special Access Service.

Selected SDP Commitment Period	TLRC Granted
36 Months	24 Months
60 Months	36 Months
84 Months	48 Months

(c) TLRC will not be granted unless specifically requested in writing by the customer at the time that disconnection of the service under the SDP is requested.

(d) As an illustrative example, assume that the customer selects a commitment period of sixty (60) months upon subscription to this Option 45. For the 60 months commitment period selected, the TLCR is thirty-six (36) months. In this example, the customer is not subject to termination liability charges after the twenty-fourth (24th) month of the 60 month commitment period.

(e) TLRC will not be granted when ordering disconnection of service under an SDP for the purpose of converting the Eligible Special Access Service back to a UNE. (N)

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32. Contract Tariffs (Cont'd)

32.46 Contract Tariff Option 45 (Cont'd) (N)

(H) Terms and Conditions (Cont'd)

(4) Conversion of an Eligible Special Access Service Back to a UNE

(a) When the customer orders to reconvert an Eligible Special Access Service back to a UNE, all of the following apply to the Eligible Special Access Service being reconverted.

(1) A DS1 or DS3 Eligible Special Access Service that is under an SDP and reconverted back to a UNE will no longer be subscribed to under this Option 45 and will no longer be subject to the monthly recurring rates set forth in (I) following. Additionally, such DS1 or DS3 Eligible Special Access Service that is reconverted to a UNE is subject to any outstanding minimum period and/or termination liability obligations as set forth in Section 7.4.10 preceding that remain on the applicable DS1 or DS3 Eligible Special Access Service.

(2) A DS1 or DS3 Eligible Special Access Service that is under a CDP and reconverted back to a UNE will no longer be subscribed under to this Option 45 and will no longer be subject to the monthly recurring rates set forth in (I) following. Additionally, such DS1 or DS3 Eligible Special Access Service that is reconverted to a UNE is subject to any outstanding minimum period obligations under Section 25.1 following and/or termination liability obligations as set forth in (H)(6) following that remain on the applicable DS1 or DS3 Eligible Special Access Service.

(3) TLRC (as set forth in (H)(3) preceding) will not be applied to termination liability applicable under (H)(4)(a)(1) preceding, if any. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(H) Terms and Conditions (Cont'd)

(4) Conversion of an Eligible Special Access Service Back to a UNE (Cont'd)

(b) When the customer orders to reconvert an Eligible Special Access Service back to a UNE, all of the following apply to the Eligible Special Access Services that remain subscribed to under this Option 45 and Option 44 of Tariff F.C.C. No. 1, as applicable. (x)

(1) All DS1 or DS3 Eligible Special Access Services that remain subscribed to under this Option 45 and, when applicable, under Option 44 of Tariff F.C.C. No. 1, shall continue to be subject to (x)
the monthly recurring rates set forth in (I) following of this Option 45 or to the monthly recurring rates set forth in (I) of Option 44 of Tariff F.C.C. No. 1, as applicable. (x)

(2) Any channel termination included in the CDP count of in-service channel terminations under (H)(2)(c)(1) preceding will remain in the CDP count of in-service channel terminations and will now be used in determining changes to the CDP minimum commitment (i.e., with respect to any and all CDP true-ups that occurred on or after the customer's subscription to this Option 45 and with respect to any and all CDP true-ups that occur after conversion of an Eligible Special Access Service Back to a UNE). The addition of these in-service channel terminations may increase the CDP minimum commitment in accordance with Section 25.1.7 preceding..

(3) The TLRC as set forth in (H)(3) preceding will no longer be applicable to any remaining Eligible Special Access Services that are subscribed to under this Option 45 or under Option 44 of (x)
Tariff F.C.C. No. 1. (x)

(4) If the customer was eligible for ECSB Credit under (G) preceding, and the customer converts one or more Eligible Special Access Services subscribed to under this Option 45 or under Option 44 of (x)
Tariff F.C.C. No. 1 back to a UNE prior to the end of month (x)
twelve (12) of the Service Period, the ECSB Credit will not be due and, thus, will not be applied. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(H) Terms and Conditions (Cont'd)

(5) Termination Liability For Disconnection of Service Not Involving Re-conversion Back to a UNE

(a) In the event that the customer disconnects, for purposes other than re-conversion back to a UNE, a DS1 or DS3 Eligible Special Access Service that is subscribed to under this Option 45 and is provided under an SDP prior to the end of the SDP commitment period, termination liability applies in accordance with Section 7.4.10(C) preceding. The number of months in which the customer is subject to termination liability charges may be reduced if the customer is eligible for TLRC as described in (H)(3) preceding. When calculating the termination liability charge, the monthly recurring rates set forth in Section 30 preceding for price band rates and charges and Section 31 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding) are used in lieu of the monthly recurring rates set forth in (I) following.

(b) In the event that the customer disconnects, for purposes other than re-conversion back to a UNE, a DS1 or DS3 Eligible Special Access Service, that is subscribed to under this Option 45 and is provided under a CDP, prior to the end of the CDP commitment period, or terminates the CDP in full, the terms set forth in Section 25.1.11 following apply.

(c) In addition to termination liability as set forth in (H)(5)(a) preceding, the customer also remains responsible for satisfying any outstanding minimum period obligation for the Eligible Special Access Service. Minimum periods for Eligible Special Access Services are set forth in Section 7.4.4 for service provided under an SDP. When calculating the minimum period charge, the monthly recurring rates set forth in Section 30 preceding for price band rates and charges and Section 31 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding) are used in the calculation of minimum period charges in lieu of the monthly recurring rates set forth in (I) following. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(H) Terms and Conditions (Cont'd)

(6) Termination Liability For Disconnection of Service Involving Re-conversion Back to a UNE

(a) Where the customer orders conversion of an Eligible Special Access Service (where such service is under a CDP and subscribed to under this Option 45) back to a UNE prior to the end of the CDP commitment period, termination liability applies to that Eligible Special Access Service at fifty percent (50%) of the monthly recurring rates set forth in Section 30 preceding for price band rates and charges and Section 31 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding)for the balance of the CDP commitment period. None of the forgoing shall affect what happens if the CDP is discontinued in its entirety, in which case termination liability as set forth in Section 25.1.11 following applies.

(b) Where the customer orders conversion of an Eligible Special Access Service (where such service is under an SDP and subscribed to under this Option 45) back to a UNE prior to the end of the SDP commitment period, termination liability applies in accordance with Section 7.4.10(C) preceding to that Eligible Special Access Service. When calculating the termination liability charge, the monthly recurring rates set forth in Section 30 preceding for price band rates and charges and Section 31 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding) are used in lieu of the monthly recurring rates set forth in (I) following

(c) In addition to termination liability as set forth in (H)(6)(a) and (H)(6)(b) preceding, the customer also remains responsible for satisfying any outstanding minimum period obligation for the Eligible Special Access Service. Minimum periods for Eligible Special Access Services are set forth in Section 25.1 following for service provided under a CDP or Section 7.4.4 preceding for service provided under an SDP. When calculating the minimum period charge, the monthly recurring rates set forth in Section 30 preceding for price band rates and charges and Section 31 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding)are used in the calculation of minimum period charges in lieu of the monthly recurring rates set forth in (I) following. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(H) Terms and Conditions (Cont'd)

(7) Increasing the Commitment Period for a CDP

(a) If customer meets all of the following conditions, the customer may extend the commitment period for its CDP (the **Existing Commitment Period**) to a longer term (the **Longer Commitment Period**).

(1) The time remaining in the Existing Commitment Period for the customer's CDP is twenty-four (24) months or longer.

(2) The customer selects a Longer Commitment Period for its CDP from those offered under Section 25.1.10(D) thereby extending the period of time that the DS1 or DS3 Eligible Special Access Services, as applicable, are subscribed to under this Option 45 (x)
(and Option 44 of Tariff F.C.C. No. 1, when applicable). (x)

For example, a CDP with a 60 month Existing Commitment Period may be extended to a CDP with an 84 month term thereby extending the commitment period to 84 months.

(3) The customer included all (one hundred percent (100%)) of its Qualified MSAs for conversion from Eligible UNEs to Eligible Special Access Services.

(b) Where the conditions set forth in (H)(7)(a)(1) through (3) preceding are met, the following applies.

(1) The increased discount for the Longer Commitment Period shall commence with the first bill date following the orders to increase the commitment period as allowed under this (H)(7). No retroactive billing or adjustment will be made for the portion of the CDP commitment period that has elapsed prior to the effective date of the increased discount; and

(2) The beginning date for the Longer Commitment Period will be the date that the Existing Commitment Period originally began. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(H) Terms and Conditions (Cont'd)

(7) Increasing the Commitment Period for a CDP (Cont'd)

(b) (Cont'd)

(3) The expiration date for the Longer Commitment Period will be based on the Longer Commitment Period and is determined by adding the number of months for the increase to the expiration date that would have applied for the Existing Commitment Period.

As an illustrative example, assume (i) that the customer subscribes to a CDP with a 36 month commitment period that is due to expire November 28, 2009. Further assume that the customer is extending to a term of 84 months. In this example, the expiration date for the Longer Commitment Period would be 48 months later than the expiration date would have been for the Existing Commitment Period (84 months less 36 months equals 48 months). Hence the new expiration date would be November 28, 2013).

(c) CDP Renewal Option

Where the customer increases its CDP commitment period to a Longer Commitment Period under this (H)(7), such Longer Commitment Period shall be used for the purpose of qualifying for, and satisfying the requirements to complete the increased commitment period, and is considered to be completion of the full commitment period for the purpose of qualifying for and administering the CDP Renewal Option set forth in Section 25.1(G)(3)(a) following. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(H) Terms and Conditions (Cont'd)

(7) Increasing the Commitment Period for a CDP (Cont'd)

(d) For a customer that already purchases service under a CDP that includes time-in-service credit (TISC) previously granted in accordance with Section 25.1.10(F) preceding, the following applies.

(1) If, at the time of subscription to this Option 45, the customer extends the commitment period for its CDP to a Longer Commitment Period, the TISC for the customer's CDP for that service type (including all existing services that are in the CDP and eligible to receive TISC, any new services added to the CDP, and all Eligible Special Access Services that are added to the CDP at the time of subscription to this Option 45) will be subject to the TISC applicable to the Longer Commitment Period under Section 25.1.10(F) preceding; and

(2) The customer must independently meet the requirements of Section 25.1.10(F) following.

(3) As an illustrative example, assume that the customer's CDP is receiving 12 months of TISC. Further assume that when subscribing to this Option 45, the customer extends the commitment period for its CDP to 7-years. In this case, TISC will be extended to eighteen (18) months to reflect the increased commitment period.

(4) The Telephone Company will assume that the customer would have qualified for the TISC applicable to the Longer Commitment Period and the TISC will be increased accordingly. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd)

(N)

(I) Monthly Recurring Rates

The following monthly recurring rates for DS1 service and the following monthly recurring base rates for DS3 service apply as of the date of subscription to Option 45, and the discount percentage for the selected commitment period of the SDP or CDP for such service will be applied to such monthly recurring rates or monthly recurring base rates, as applicable, during the time the service is subscribed to under this Option 45, unless otherwise restricted under this Section 32.45.

(1) Tier 1 Rates – 100% Commitment

(a) Standard Channel Termination, per point of termination:

(1) **1.544 Mbps**

	USOC	3-Year/5-Year Rates	7-Year Rates
New York/Connecticut			
Pricing Zone 1	TMECS#	$159.41	$168.26
Pricing Zone 2	TMECS#	196.34	207.25
Pricing Zone 3	TMECS#	208.34	219.92
Price Band 4	TMECS#	203.07	214.35
Price Band 5	TMECS#	255.20	269.37
Price Band 6	TMECS#	263.75	278.41
Massachusetts			
Pricing Zone 1	TMECS#	137.90	137.90
Pricing Zone 2	TMECS#	152.71	152.71
Pricing Zone 3	TMECS#	162.04	162.04
Price Band 4	TMECS#	157.94	157.94
Price Band 5	TMECS#	198.49	198.49
Price Band 6	TMECS#	205.14	205.14
Maine, New Hampshire, Rhode Island, Vermont			
Pricing Zone 1	TMECS#	185.19	196.77
Pricing Zone 2	TMECS#	185.19	196.77
Pricing Zone 3	TMECS#	185.19	196.77
Price Band 4	TMECS#	234.45	249.10
Price Band 5	TMECS#	234.45	249.10
Price Band 6	TMECS#	234.45	249.10

(N)

(N)

Substitute USOC TZGHX for USOC TMECS when the 1.544 Mbps Service is connected to NYNEX Enterprise Service, Enterprise SONET Service or provides access to Frame Relay Service.

(N)

(N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd) per point of termination:

(2) **44.736 Mbps - Massachusetts and New York/Connecticut Pricing Zone 1**

# DS3 CTs Counted	USOC	3-Year/5-Year Monthly Rate, Per CT	7-Year Monthly Rate, Per CT
1	TYFMX*	$1,848.00	$1,963.50
2	TYFMX*	1,680.00	1,785.00
3	TYFMX*	1,320.00	1,402.50
4	TYFMX*	1,240.00	1,317.50
5	TYFMX*	1,200.00	1,275.00
6	TYFMX*	1,160.00	1,232.50
7	TYFMX*	1,120.00	1,190.00
8	TYFMX*	1,080.00	1,147.50
9	TYFMX*	1,060.00	1,126.25
10	TYFMX*	1,040.00	1,105.00
11	TYFMX*	1,020.00	1,083.75
12	TYFMX*	1,000.00	1,062.50
13	TYFMX*	996.00	1,058.25
14	TYFMX*	992.00	1,054.00
15	TYFMX*	984.00	1,045.50
16	TYFMX*	976.00	1,037.00
17	TYFMX*	960.00	1,020.00
18	TYFMX*	952.00	1,011.50
19	TYFMX*	940.00	998.75
20	TYFMX*	920.00	977.50
21	TYFMX*	912.00	969.00
22	TYFMX*	896.00	952.00
23	TYFMX*	884.00	939.25
24	TYFMX*	880.80	935.85
25 and Over	TYFMX*	748.00	794.75
Per DS3 CT at each Secondary Premises	TYFMS*	1,360.77	1,445.82 (N)

* Substitute USOC TYFVX for USOC TYFLX and USOC TYFVS for USOC TYFLS when the 44.736 Mbps Service is connected to Enterprise SONET Service. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd)
per point of termination:

(2) **44.736 Mbps - Massachusetts and New York/Connecticut (Cont'd)**
Pricing Zone 2

# DS3 CTs Counted	USOC	3-Year/5-Year Monthly Rate, Per CT	7-Year Monthly Rate, Per CT	
1	TYFMX*	$1,940.40	$2,061.68	
2	TYFMX*	1,764.00	1,874.25	
3	TYFMX*	1,386.00	1,472.63	
4	TYFMX*	1,302.00	1,383.38	
5	TYFMX*	1,260.00	1,338.75	
6	TYFMX*	1,218.00	1,294.13	
7	TYFMX*	1,176.00	1,249.50	
8	TYFMX*	1,134.00	1,204.88	
9	TYFMX*	1,113.00	1,182.57	
10	TYFMX*	1,092.00	1,160.25	
11	TYFMX*	1,071.00	1,137.93	
12	TYFMX*	1,050.00	1,115.63	
13	TYFMX*	1,045.80	1,111.17	
14	TYFMX*	1,041.60	1,106.70	
15	TYFMX*	1,033.20	1,097.78	
16	TYFMX*	1,024.80	1,088.85	
17	TYFMX*	1,008.00	1,071.00	
18	TYFMX*	999.60	1,062.08	
19	TYFMX*	987.00	1,048.68	
20	TYFMX*	966.00	1,026.38	
21	TYFMX*	957.60	1,017.45	
22	TYFMX*	940.80	999.60	
23	TYFMX*	928.20	986.22	
24	TYFMX*	924.84	982.65	
25 and Over	TYFMX*	785.40	834.48	
Per DS3 CT at each Secondary Premises	TYFMS*	1,428.81	1,518.12	(N)

* Substitute USOC TYFVX for USOC TYFLX and USOC TYFVS for USOC TYFLS when the 44.736 Mbps Service is connected to Enterprise SONET Service. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd) per point of termination:

(2) **44.736 Mbps - Massachusetts and New York/Connecticut (Cont'd) Pricing Zone 3**

# DS3 CTs Counted	USOC	3-Year/5-Year Monthly Rate, Per CT	7-Year Monthly Rate, Per CT	
1	TYFMX*	$2,032.80	$2,159.85	
2	TYFMX*	1,848.00	1,963.50	
3	TYFMX*	1,452.00	1,542.75	
4	TYFMX*	1,364.00	1,449.25	
5	TYFMX*	1,320.00	1,402.50	
6	TYFMX*	1,276.00	1,355.75	
7	TYFMX*	1,232.00	1,309.00	
8	TYFMX*	1,188.00	1,262.25	
9	TYFMX*	1,166.00	1,238.88	
10	TYFMX*	1,144.00	1,215.50	
11	TYFMX*	1,122.00	1,192.13	
12	TYFMX*	1,100.00	1,168.75	
13	TYFMX*	1,095.60	1,164.08	
14	TYFMX*	1,091.20	1,159.40	
15	TYFMX*	1,082.40	1,150.05	
16	TYFMX*	1,073.60	1,140.70	
17	TYFMX*	1,056.00	1,122.00	
18	TYFMX*	1,047.20	1,112.65	
19	TYFMX*	1,034.00	1,098.63	
20	TYFMX*	1,012.00	1,075.25	
21	TYFMX*	1,003.20	1,065.90	
22	TYFMX*	985.60	1,047.20	
23	TYFMX*	972.40	1,033.18	
24	TYFMX*	968.88	1,029.43	
25 and Over	TYFMX*	822.80	874.23	
Per DS3 CT at each Secondary Premises	TYFMS*	1,496.84	1,590.40	(N)

* Substitute USOC TYFVX for USOC TYFLX and USOC TYFVS for USOC TYFLS when the 44.736 Mbps Service is connected to Enterprise SONET Service. (N) (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd)
per point of termination:

(2) **44.736 Mbps - Massachusetts and New York/Connecticut (Cont'd)**
Pricing Band 4

# DS3 CTs Counted	USOC	3-Year/5-Year Monthly Rate, Per CT	7-Year Monthly Rate, Per CT	
1	TYFMX*	$1,848.00	$1,963.50	
2	TYFMX*	1,680.00	1,785.00	
3	TYFMX*	1,320.00	1,402.50	
4	TYFMX*	1,240.00	1,317.50	
5	TYFMX*	1,200.00	1,275.00	
6	TYFMX*	1,160.00	1,232.50	
7	TYFMX*	1,120.00	1,190.00	
8	TYFMX*	1,080.00	1,147.50	
9	TYFMX*	1,040.00	1,105.00	
10	TYFMX*	1,000.00	1,062.50	
11	TYFMX*	960.00	1,020.00	
12	TYFMX*	872.00	926.50	
13	TYFMX*	1,008.00	1,071.00	
14	TYFMX*	992.00	1,054.00	
15	TYFMX*	984.00	1,045.50	
16	TYFMX*	976.00	1,037.00	
17	TYFMX*	960.00	1,020.00	
18	TYFMX*	952.00	1,011.50	
19	TYFMX*	940.00	998.75	
20	TYFMX*	920.00	977.50	
21	TYFMX*	912.00	969.00	
22	TYFMX*	896.00	952.00	
23	TYFMX*	884.00	939.25	
24	TYFMX*	880.80	935.85	
25 and Over	TYFMX*	880.00	935.00	
Per DS3 CT at each Secondary Premises	TYFMS*	1,360.77	1,445.82	(N)

* Substitute USOC TYFVX for USOC TYFLX and USOC TYFVS for USOC TYFLS when the 44.736 Mbps Service is connected to Enterprise SONET Service. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd)
per point of termination:

(2) **44.736 Mbps - Massachusetts and New York/Connecticut (Cont'd)**
Pricing Band 5

# DS3 CTs Counted	USOC	3-Year/5-Year Monthly Rate, Per CT	7-Year Monthly Rate, Per CT	
1	TYFMX*	$1,940.40	$2,061.68	
2	TYFMX*	1,764.00	1,874.25	
3	TYFMX*	1,385.60	1,472.20	
4	TYFMX*	1,301.60	1,382.95	
5	TYFMX*	1,260.00	1,338.75	
6	TYFMX*	1,217.60	1,293.70	
7	TYFMX*	1,176.00	1,249.50	
8	TYFMX*	1,134.00	1,204.88	
9	TYFMX*	1,092.00	1,160.25	
10	TYFMX*	1,050.00	1,115.63	
11	TYFMX*	1,008.00	1,071.00	
12	TYFMX*	915.20	972.40	
13	TYFMX*	1,058.40	1,124.55	
14	TYFMX*	1,041.60	1,106.70	
15	TYFMX*	1,033.20	1,097.78	
16	TYFMX*	1,024.80	1,088.85	
17	TYFMX*	1,008.00	1,071.00	
18	TYFMX*	999.60	1,062.08	
19	TYFMX*	987.00	1,048.68	
20	TYFMX*	966.00	1,026.38	
21	TYFMX*	957.60	1,017.45	
22	TYFMX*	940.80	999.60	
23	TYFMX*	928.20	986.22	
24	TYFMX*	924.84	982.65	
25 and Over	TYFMX*	924.00	981.75	
Per DS3 CT at each Secondary Premises	TYFMS*	1,428.81	1,518.12	(N)

* Substitute USOC TYFVX for USOC TYFLX and USOC TYFVS for USOC TYFLS when the 44.736 Mbps Service is connected to Enterprise SONET Service. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd)
per point of termination:

(2) **44.736 Mbps - Massachusetts and New York/Connecticut (Cont'd)**
Pricing Band 6

# DS3 CTs Counted	USOC	3-Year/5-Year Monthly Rate, Per CT	7-Year Monthly Rate, Per CT	
1	TYFMX*	$2,032.80	2,159.85	
2	TYFMX*	1,848.00	1,963.50	
3	TYFMX*	1,452.00	1,542.75	
4	TYFMX*	1,364.00	1,449.25	
5	TYFMX*	1,320.00	1,402.50	
6	TYFMX*	1,276.00	1,355.75	
7	TYFMX*	1,232.00	1,309.00	
8	TYFMX*	1,188.00	1,262.25	
9	TYFMX*	1,144.00	1,215.50	
10	TYFMX*	1,100.00	1,168.75	
11	TYFMX*	1,056.00	1,122.00	
12	TYFMX*	959.20	1,019.15	
13	TYFMX*	1,108.80	1,178.10	
14	TYFMX*	1,091.20	1,159.40	
15	TYFMX*	1,082.40	1,150.05	
16	TYFMX*	1,073.60	1,140.70	
17	TYFMX*	1,056.00	1,122.00	
18	TYFMX*	1,047.20	1,112.65	
19	TYFMX*	1,034.00	1,098.63	
20	TYFMX*	1,012.00	1,075.25	
21	TYFMX*	1,003.20	1,065.90	
22	TYFMX*	985.60	1,047.20	
23	TYFMX*	972.40	1,033.18	
24	TYFMX*	968.88	1,029.43	
25 and Over	TYFMX*	968.00	1,028.50	
Per DS3 CT at each Secondary Premises	TYFMS*	1,496.84	1,590.40	(N)

* Substitute USOC TYFVX for USOC TYFLX and USOC TYFVS for USOC TYFLS when the 44.736 Mbps Service is connected to Enterprise SONET Service. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd)
per point of termination:

(3) **44.736 Mbps - Maine, New Hampshire, Rhode Island, Vermont Pricing Zone 1**

# DS3 CTs Counted	USOC	3-Year/5-Year Monthly Rate, Per CT	7-Year Monthly Rate, Per CT
1	TYFMX*	$2,032.80	$2,159.85
2	TYFMX*	1,848.00	1,963.50
3	TYFMX*	1,452.00	1,542.75
4	TYFMX*	1,364.00	1,449.25
5	TYFMX*	1,320.00	1,402.50
6	TYFMX*	1,276.00	1,355.75
7	TYFMX*	1,232.00	1,309.00
8	TYFMX*	1,188.00	1,262.25
9	TYFMX*	1,166.00	1,238.88
10	TYFMX*	1,144.00	1,215.50
11	TYFMX*	1,122.00	1,192.13
12	TYFMX*	1,100.00	1,168.75
13	TYFMX*	1,095.60	1,164.08
14	TYFMX*	1,091.20	1,159.40
15	TYFMX*	1,082.40	1,150.05
16	TYFMX*	1,073.60	1,140.70
17	TYFMX*	1,056.00	1,122.00
18	TYFMX*	1,047.20	1,112.65
19	TYFMX*	1,034.00	1,098.63
20	TYFMX*	1,012.00	1,075.25
21	TYFMX*	1,003.20	1,065.90
22	TYFMX*	985.60	1,047.20
23	TYFMX*	972.40	1,033.18
24	TYFMX*	968.88	1,029.43
25 and Over	TYFMX*	822.80	874.23
Per DS3 CT at each Secondary Premises	TYFMS*	1,496.84	1,590.40 (N)

* Substitute USOC TYFVX for USOC TYFLX and USOC TYFVS for USOC TYFLS when the 44.736 Mbps Service is connected to Enterprise SONET Service. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd)
per point of termination:

(3) **44.736 Mbps - Maine, New Hampshire, Rhode Island, Vermont (Cont'd)**
Pricing Zone 2

# DS3 CTs Counted	USOC	3-Year/5-Year Monthly Rate, Per CT	7-Year Monthly Rate, Per CT
1	TYFMX*	$2,032.80	$2,159.85
2	TYFMX*	1,848.00	1,963.50
3	TYFMX*	1,452.00	1,542.75
4	TYFMX*	1,364.00	1,449.25
5	TYFMX*	1,320.00	1,402.50
6	TYFMX*	1,276.00	1,355.75
7	TYFMX*	1,232.00	1,309.00
8	TYFMX*	1,188.00	1,262.25
9	TYFMX*	1,166.00	1,238.88
10	TYFMX*	1,144.00	1,215.50
11	TYFMX*	1,122.00	1,192.13
12	TYFMX*	1,100.00	1,168.75
13	TYFMX*	1,095.60	1,164.08
14	TYFMX*	1,091.20	1,159.40
15	TYFMX*	1,082.40	1,150.05
16	TYFMX*	1,073.60	1,140.70
17	TYFMX*	1,056.00	1,122.00
18	TYFMX*	1,047.20	1,112.65
19	TYFMX*	1,034.00	1,098.63
20	TYFMX*	1,012.00	1,075.25
21	TYFMX*	1,003.20	1,065.90
22	TYFMX*	985.60	1,047.20
23	TYFMX*	972.40	1,033.18
24	TYFMX*	968.88	1,029.43
25 and Over	TYFMX*	822.80	874.23
Per DS3 CT at each Secondary Premises	TYFMS*	1,496.84	1,590.40 (N)

* Substitute USOC TYFVX for USOC TYFLX and USOC TYFVS for USOC TYFLS when the 44.736 Mbps Service is connected to Enterprise SONET Service. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd)
per point of termination:

(3) **44.736 Mbps - Maine, New Hampshire, Rhode Island, Vermont (Cont'd)**
Pricing Zone 3

# DS3 CTs Counted	USOC	3-Year/5-Year Monthly Rate, Per CT	7-Year Monthly Rate, Per CT
1	TYFMX*	$2,032.80	$2,159.85
2	TYFMX*	1,848.00	1,963.50
3	TYFMX*	1,452.00	1,542.75
4	TYFMX*	1,364.00	1,449.25
5	TYFMX*	1,320.00	1,402.50
6	TYFMX*	1,276.00	1,355.75
7	TYFMX*	1,232.00	1,309.00
8	TYFMX*	1,188.00	1,262.25
9	TYFMX*	1,166.00	1,238.88
10	TYFMX*	1,144.00	1,215.50
11	TYFMX*	1,122.00	1,192.13
12	TYFMX*	1,100.00	1,168.75
13	TYFMX*	1,095.60	1,164.08
14	TYFMX*	1,091.20	1,159.40
15	TYFMX*	1,082.40	1,150.05
16	TYFMX*	1,073.60	1,140.70
17	TYFMX*	1,056.00	1,122.00
18	TYFMX*	1,047.20	1,112.65
19	TYFMX*	1,034.00	1,098.63
20	TYFMX*	1,012.00	1,075.25
21	TYFMX*	1,003.20	1,065.90
22	TYFMX*	985.60	1,047.20
23	TYFMX*	972.40	1,033.18
24	TYFMX*	968.88	1,029.43
25 and Over	TYFMX*	822.80	874.23
Per DS3 CT at each Secondary Premises	TYFMS*	1,496.84	1,590.40 (N)

* Substitute USOC TYFVX for USOC TYFLX and USOC TYFVS for USOC TYFLS when the 44.736 Mbps Service is connected to Enterprise SONET Service. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd)
per point of termination:

(3) **44.736 Mbps - Maine, New Hampshire, Rhode Island, Vermont (Cont'd)**
Pricing Band 4

# DS3 CTs Counted	USOC	3-Year/5-Year Monthly Rate, Per CT	7-Year Monthly Rate, Per CT
1	TYFMX*	$2,032.80	2,159.85
2	TYFMX*	1,848.00	1,963.50
3	TYFMX*	1,452.00	1,542.75
4	TYFMX*	1,364.00	1,449.25
5	TYFMX*	1,320.00	1,402.50
6	TYFMX*	1,276.00	1,355.75
7	TYFMX*	1,232.00	1,309.00
8	TYFMX*	1,188.00	1,262.25
9	TYFMX*	1,144.00	1,215.50
10	TYFMX*	1,100.00	1,168.75
11	TYFMX*	1,056.00	1,122.00
12	TYFMX*	959.20	1,019.15
13	TYFMX*	1,108.80	1,178.10
14	TYFMX*	1,091.20	1,159.40
15	TYFMX*	1,082.40	1,150.05
16	TYFMX*	1,073.60	1,140.70
17	TYFMX*	1,056.00	1,122.00
18	TYFMX*	1,047.20	1,112.65
19	TYFMX*	1,034.00	1,098.63
20	TYFMX*	1,012.00	1,075.25
21	TYFMX*	1,003.20	1,065.90
22	TYFMX*	985.60	1,047.20
23	TYFMX*	972.40	1,033.18
24	TYFMX*	968.88	1,029.43
25 and Over	TYFMX*	968.00	1,028.50
Per DS3 CT at each Secondary Premises	TYFMS*	1,496.84	1,590.40 (N)

* Substitute USOC TYFVX for USOC TYFLX and USOC TYFVS for USOC TYFLS when the 44.736 Mbps Service is connected to Enterprise SONET Service. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd)
per point of termination:

(3) **44.736 Mbps - Maine, New Hampshire, Rhode Island, Vermont (Cont'd)**
Pricing Band 5

# DS3 CTs Counted	USOC	3-Year/5-Year Monthly Rate, Per CT	7-Year Monthly Rate, Per CT
1	TYFMX*	$2,032.80	2,159.85
2	TYFMX*	1,848.00	1,963.50
3	TYFMX*	1,452.00	1,542.75
4	TYFMX*	1,364.00	1,449.25
5	TYFMX*	1,320.00	1,402.50
6	TYFMX*	1,276.00	1,355.75
7	TYFMX*	1,232.00	1,309.00
8	TYFMX*	1,188.00	1,262.25
9	TYFMX*	1,144.00	1,215.50
10	TYFMX*	1,100.00	1,168.75
11	TYFMX*	1,056.00	1,122.00
12	TYFMX*	959.20	1,019.15
13	TYFMX*	1,108.80	1,178.10
14	TYFMX*	1,091.20	1,159.40
15	TYFMX*	1,082.40	1,150.05
16	TYFMX*	1,073.60	1,140.70
17	TYFMX*	1,056.00	1,122.00
18	TYFMX*	1,047.20	1,112.65
19	TYFMX*	1,034.00	1,098.63
20	TYFMX*	1,012.00	1,075.25
21	TYFMX*	1,003.20	1,065.90
22	TYFMX*	985.60	1,047.20
23	TYFMX*	972.40	1,033.18
24	TYFMX*	968.88	1,029.43
25 and Over	TYFMX*	968.00	1,028.50
Per DS3 CT at each Secondary Premises	TYFMS*	1,496.84	1,590.40 (N)

* Substitute USOC TYFVX for USOC TYFLX and USOC TYFVS for USOC TYFLS when the 44.736 Mbps Service is connected to Enterprise SONET Service. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd)
per point of termination:

(3) **44.736 Mbps - Maine, New Hampshire, Rhode Island, Vermont (Cont'd)**
Pricing Band 6

# DS3 CTs Counted	USOC	3-Year/5-Year Monthly Rate, Per CT	7-Year Monthly Rate, Per CT
1	TYFMX*	$2,032.80	2,159.85
2	TYFMX*	1,848.00	1,963.50
3	TYFMX*	1,452.00	1,542.75
4	TYFMX*	1,364.00	1,449.25
5	TYFMX*	1,320.00	1,402.50
6	TYFMX*	1,276.00	1,355.75
7	TYFMX*	1,232.00	1,309.00
8	TYFMX*	1,188.00	1,262.25
9	TYFMX*	1,144.00	1,215.50
10	TYFMX*	1,100.00	1,168.75
11	TYFMX*	1,056.00	1,122.00
12	TYFMX*	959.20	1,019.15
13	TYFMX*	1,108.80	1,178.10
14	TYFMX*	1,091.20	1,159.40
15	TYFMX*	1,082.40	1,150.05
16	TYFMX*	1,073.60	1,140.70
17	TYFMX*	1,056.00	1,122.00
18	TYFMX*	1,047.20	1,112.65
19	TYFMX*	1,034.00	1,098.63
20	TYFMX*	1,012.00	1,075.25
21	TYFMX*	1,003.20	1,065.90
22	TYFMX*	985.60	1,047.20
23	TYFMX*	972.40	1,033.18
24	TYFMX*	968.88	1,029.43
25 and Over	TYFMX*	968.00	1,028.50
Per DS3 CT at each Secondary Premises	TYFMS*	1,496.84	1,590.40 (N)

* Substitute USOC TYFVX for USOC TYFLX and USOC TYFVS for USOC TYFLS when the 44.736 Mbps Service is connected to Enterprise SONET Service. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(b) Channel Mileage

(1) **1.544 Mbps**

	USOC	Monthly Rates Fixed	Per Mile
New York/Connecticut			
Pricing Zone 1	1L5XX#	$37.70	$ 9.59
Pricing Zone 2	1L5XX#	37.70	9.59
Pricing Zone 3	1L5XX#	37.70	9.59
Price Band 4	1L5XX#	44.00	13.69
Price Band 5	1L5XX#	44.00	13.69
Price Band 6	1L5XX#	44.00	13.69
Massachusetts			
Pricing Zone 1	1L5XX#	37.70	9.59
Pricing Zone 2	1L5XX#	37.70	9.59
Pricing Zone 3	1L5XX#	37.70	9.59
Price Band 4	1L5XX#	44.00	13.69
Price Band 5	1L5XX#	44.00	13.69
Price Band 6	1L5XX#	44.00	13.69
Maine, New Hampshire, Rhode Island, Vermont			
Pricing Zone 1	1L5XX#	37.70	9.59
Pricing Zone 2	1L5XX#	37.70	9.59
Pricing Zone 3	1L5XX#	37.70	9.59
Price Band 4	1L5XX#	44.00	13.69
Price Band 5	1L5XX#	44.00	13.69
Price Band 6	1L5XX#	44.00	13.69 (N)

* Substitute USOC 1A8ZS for USOC 1L5XX when the High Capacity Service provides access to Frame Relay Service. (N) (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(b) Channel Mileage (Cont'd)

(2) **44.736 Mbps**

	USOC	Monthly Rates Fixed	Per Mile
New York/Connecticut			
Pricing Zone 1	1A5LX#	$561.00	$ 65.89
Pricing Zone 2	1A5LX#	561.00	65.89
Pricing Zone 3	1A5LX#	561.00	65.89
Price Band 4	1A5LX#	660.00	77.52
Price Band 5	1A5LX#	660.00	77.52
Price Band 6	1A5LX#	660.00	77.52
Massachusetts			
Pricing Zone 1	1A5LX#	561.00	65.89
Pricing Zone 2	1A5LX#	561.00	65.89
Pricing Zone 3	1A5LX#	561.00	65.89
Price Band 4	1A5LX#	660.00	77.52
Price Band 5	1A5LX#	660.00	77.52
Price Band 6	1A5LX#	660.00	77.52
Maine, New Hampshire, Rhode Island, Vermont			
Pricing Zone 1	1A5LX#	561.00	65.89
Pricing Zone 2	1A5LX#	561.00	65.89
Pricing Zone 3	1A5LX#	561.00	65.89
Price Band 4	1A5LX#	660.00	77.52
Price Band 5	1A5LX#	660.00	77.52
Price Band 6	1A5LX#	660.00	77.52 (N)

* Substitute USOC 1A8ZS for USOC 1L5XX when the High Capacity Service provides access to Frame Relay Service. (N) (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(c) Optional Features and Functions/Basic Service Elements

(1) **Central Office Multiplexing**

(a) DS1 to Voice, per arrangement

	USOC	Monthly Rates 3-Year	5-Year	7-Year
New York/Connecticut				
Pricing Zone 1	MQ1	$197.48	$197.48	$208.45
Pricing Zone 2	MQ1	208.45	208.45	220.03
Pricing Zone 3	MQ1	219.42	219.42	231.61
Price Band 4	MQ1	204.93	204.93	216.32
Price Band 5	MQ1	216.32	216.32	228.33
Price Band 6	MQ1	227.70	227.70	240.35
Massachusetts				
Pricing Zone 1	MQ1	153.59	153.59	153.59
Pricing Zone 2	MQ1	162.13	162.13	162.13
Pricing Zone 3	MQ1	170.66	170.66	170.66
Price Band 4	MQ1	159.39	159.39	159.39
Price Band 5	MQ1	168.25	168.25	168.25
Price Band 6	MQ1	177.10	177.10	177.10
Maine, New Hampshire, Rhode Island, Vermont				
Pricing Zone 1	MQ1	175.54	175.54	186.51
Pricing Zone 2	MQ1	185.29	185.29	196.87
Pricing Zone 3	MQ1	195.04	195.04	207.23
Price Band 4	MQ1	202.40	202.40	215.05
Price Band 5	MQ1	202.40	202.40	215.05
Price Band 6	MQ1	202.40	202.40	215.05 (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(1) Tier 1 Rates – 100% Commitment (Cont'd)

(c) Optional Features and Functions/Basic Service Elements

(1) **Central Office Multiplexing**

(b) DS1 to DS0, per arrangement

	USOC	Monthly Rates 3-Year	5-Year	7-Year
New York/Connecticut				
Pricing Zone 1	QMU	$197.48	$197.48	$208.45
Pricing Zone 2	QMU	208.45	208.45	220.03
Pricing Zone 3	QMU	219.42	219.42	231.61
Price Band 4	QMU	204.93	204.93	216.32
Price Band 5	QMU	216.32	216.32	228.33
Price Band 6	QMU	227.70	227.70	240.35
Massachusetts				
Pricing Zone 1	QMU	153.59	153.59	153.59
Pricing Zone 2	QMU	162.13	162.13	162.13
Pricing Zone 3	QMU	170.66	170.66	170.66
Price Band 4	QMU	159.39	159.39	159.39
Price Band 5	QMU	168.25	168.25	168.25
Price Band 6	QMU	177.10	177.10	177.10
Maine, New Hampshire, Rhode Island, Vermont				
Pricing Zone 1	QMU	175.54	175.54	186.51
Pricing Zone 2	QMU	185.29	185.29	196.87
Pricing Zone 3	QMU	195.04	195.04	207.23
Price Band 4	QMU	202.40	202.40	215.05
Price Band 5	QMU	202.40	202.40	215.05
Price Band 6	QMU	202.40	202.40	215.05

(c) BSE DS3 to DS1

	USOC	Monthly Rates 3-Year	5-Year	7-Year
All Jurisdictions				
Pricing Zone 1	MKM	$460.03	$460.03	$488.78
Pricing Zone 2	MKM	483.04	483.04	513.23
Pricing Zone 3	MKM	506.03	506.03	537.66
Price Band 4	MKM	536.05	536.05	569.55
Price Band 4	MKM	562.85	562.85	598.03
Price Band 4	MKM	589.66	589.66	626.51 (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment

(a) Standard Channel Termination, per point of termination:

(1) **1.544 Mbps**

	USOC	3-Year/5-Year Rates	7-Year Rates
New York/Connecticut			
Pricing Zone 1	TMECS#	$168.26	$177.12
Pricing Zone 2	TMECS#	207.25	218.16
Pricing Zone 3	TMECS#	219.92	231.49
Price Band 4	TMECS#	214.35	225.63
Price Band 5	TMECS#	269.37	283.55
Price Band 6	TMECS#	278.41	293.06
Massachusetts			
Pricing Zone 1	TMECS#	147.75	147.75
Pricing Zone 2	TMECS#	163.62	163.62
Pricing Zone 3	TMECS#	173.62	173.62
Price Band 4	TMECS#	169.22	169.22
Price Band 5	TMECS#	212.66	212.66
Price Band 6	TMECS#	219.80	219.80
Maine, New Hampshire, Rhode Island, Vermont			
Pricing Zone 1	TMECS#	196.77	208.34
Pricing Zone 2	TMECS#	196.77	208.34
Pricing Zone 3	TMECS#	196.77	208.34
Price Band 4	TMECS#	249.10	263.75
Price Band 5	TMECS#	249.10	263.75
Price Band 6	TMECS#	249.10	263.75 (N)

Substitute USOC TZGHX for USOC TMECS when the 1.544 Mbps Service is connected to NYNEX Enterprise Service, Enterprise SONET Service or provides access to Frame Relay Service. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd) per point of termination:

(2) **44.736 Mbps - Massachusetts and New York/Connecticut Pricing Zone 1**

# DS3 CTs Counted	USOC	3-Year/5-Year Monthly Rate, Per CT	7-Year Monthly Rate, Per CT
1	TYFMX*	$1,963.50	$2,079.00
2	TYFMX*	1,785.00	1,890.00
3	TYFMX*	1,402.50	1,485.00
4	TYFMX*	1,317.50	1,395.00
5	TYFMX*	1,275.00	1,350.00
6	TYFMX*	1,232.50	1,305.00
7	TYFMX*	1,190.00	1,260.00
8	TYFMX*	1,147.50	1,215.00
9	TYFMX*	1,126.26	1,192.50
10	TYFMX*	1,105.00	1,170.00
11	TYFMX*	1,083.76	1,147.50
12	TYFMX*	1,062.50	1,125.00
13	TYFMX*	1,058.26	1,120.50
14	TYFMX*	1,054.00	1,116.00
15	TYFMX*	1,045.50	1,107.00
16	TYFMX*	1,037.00	1,098.00
17	TYFMX*	1,020.00	1,080.00
18	TYFMX*	1,011.50	1,071.00
19	TYFMX*	998.76	1,057.50
20	TYFMX*	977.50	1,035.00
21	TYFMX*	969.00	1,026.00
22	TYFMX*	952.00	1,008.00
23	TYFMX*	939.26	994.50
24	TYFMX*	935.86	990.90
25 and Over	TYFMX*	794.76	841.50
Per DS3 CT at each Secondary Premises	TYFMS*	1,445.81	1,530.87 (N)

* Substitute USOC TYFVX for USOC TYFLX and USOC TYFVS for USOC TYFLS when the 44.736 Mbps Service is connected to Enterprise SONET Service. (N)

ACCESS SERVICE

32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd) per point of termination:

(2) **44.736 Mbps - Massachusetts and New York/Connecticut (Cont'd) Pricing Zone 2**

# DS3 CTs Counted	USOC	3-Year/5-Year Monthly Rate, Per CT	7-Year Monthly Rate, Per CT	
1	TYFMX*	$2,061.68	$2,182.95	
2	TYFMX*	1,874.26	1,984.50	
3	TYFMX*	1,472.62	1,559.25	
4	TYFMX*	1,383.38	1,464.75	
5	TYFMX*	1,338.76	1,417.50	
6	TYFMX*	1,294.12	1,370.25	
7	TYFMX*	1,249.50	1,323.00	
8	TYFMX*	1,204.88	1,275.75	
9	TYFMX*	1,182.57	1,252.13	
10	TYFMX*	1,160.26	1,228.50	
11	TYFMX*	1,137.94	1,204.88	
12	TYFMX*	1,115.62	1,181.25	
13	TYFMX*	1,111.17	1,176.53	
14	TYFMX*	1,106.70	1,171.80	
15	TYFMX*	1,097.78	1,162.35	
16	TYFMX*	1,088.86	1,152.90	
17	TYFMX*	1,071.00	1,134.00	
18	TYFMX*	1,062.08	1,124.55	
19	TYFMX*	1,048.69	1,110.38	
20	TYFMX*	1,026.38	1,086.75	
21	TYFMX*	1,017.46	1,077.30	
22	TYFMX*	999.60	1,058.40	
23	TYFMX*	986.22	1,044.23	
24	TYFMX*	982.64	1,040.45	
25 and Over	TYFMX*	834.49	883.58	
Per DS3 CT at each Secondary Premises	TYFMS*	1,518.11	1,607.42	(N)

* Substitute USOC TYFVX for USOC TYFLX and USOC TYFVS for USOC TYFLS when the 44.736 Mbps Service is connected to Enterprise SONET Service. (N) (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd) per point of termination:

(2) **44.736 Mbps - Massachusetts and New York/Connecticut (Cont'd) Pricing Zone 3**

# DS3 CTs Counted	USOC	3-Year/5-Year Monthly Rate, Per CT	7-Year Monthly Rate, Per CT	
1	TYFMX*	$2,159.86	2,286.90	
2	TYFMX*	1,963.50	2,079.00	
3	TYFMX*	1,542.76	1,633.50	
4	TYFMX*	1,449.26	1,534.50	
5	TYFMX*	1,402.50	1,485.00	
6	TYFMX*	1,355.76	1,435.50	
7	TYFMX*	1,309.00	1,386.00	
8	TYFMX*	1,262.26	1,336.50	
9	TYFMX*	1,238.88	1,311.75	
10	TYFMX*	1,215.50	1,287.00	
11	TYFMX*	1,192.12	1,262.25	
12	TYFMX*	1,168.76	1,237.50	
13	TYFMX*	1,164.08	1,232.55	
14	TYFMX*	1,159.40	1,227.60	
15	TYFMX*	1,150.06	1,217.70	
16	TYFMX*	1,140.70	1,207.80	
17	TYFMX*	1,122.00	1,188.00	
18	TYFMX*	1,112.66	1,178.10	
19	TYFMX*	1,098.62	1,163.25	
20	TYFMX*	1,075.26	1,138.50	
21	TYFMX*	1,065.90	1,128.60	
22	TYFMX*	1,047.20	1,108.80	
23	TYFMX*	1,033.18	1,093.95	
24	TYFMX*	1,029.43	1,089.99	
25 and Over	TYFMX*	874.22	925.65	
Per DS3 CT at each Secondary Premises	TYFMS*	1,590.40	1,683.96	(N)

* Substitute USOC TYFVX for USOC TYFLX and USOC TYFVS for USOC TYFLS when the 44.736 Mbps Service is connected to Enterprise SONET Service. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd) per point of termination:

(2) **44.736 Mbps - Massachusetts and New York/Connecticut (Cont'd) Pricing Band 4**

# DS3 CTs Counted	USOC	3-Year/5-Year Monthly Rate, Per CT	7-Year Monthly Rate, Per CT
1	TYFMX*	$1,963.50	$2,079.00
2	TYFMX*	1,785.00	1,890.00
3	TYFMX*	1,402.50	1,485.00
4	TYFMX*	1,317.50	1,395.00
5	TYFMX*	1,275.00	1,350.00
6	TYFMX*	1,232.50	1,305.00
7	TYFMX*	1,190.00	1,260.00
8	TYFMX*	1,147.50	1,215.00
9	TYFMX*	1,105.00	1,170.00
10	TYFMX*	1,062.50	1,125.00
11	TYFMX*	1,020.00	1,080.00
12	TYFMX*	926.50	981.00
13	TYFMX*	1,071.00	1,134.00
14	TYFMX*	1,054.00	1,116.00
15	TYFMX*	1,045.50	1,107.00
16	TYFMX*	1,037.00	1,098.00
17	TYFMX*	1,020.00	1,080.00
18	TYFMX*	1,011.50	1,071.00
19	TYFMX*	998.76	1,057.50
20	TYFMX*	977.50	1,035.00
21	TYFMX*	969.00	1,026.00
22	TYFMX*	952.00	1,008.00
23	TYFMX*	939.26	994.50
24	TYFMX*	935.86	990.90
25 and Over	TYFMX*	935.00	990.00
Per DS3 CT at each Secondary Premises	TYFMS*	1,445.81	1,530.87 (N)

* Substitute USOC TYFVX for USOC TYFLX and USOC TYFVS for USOC TYFLS when the 44.736 Mbps Service is connected to Enterprise SONET Service. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd)
per point of termination:

(2) **44.736 Mbps - Massachusetts and New York/Connecticut (Cont'd)**
Pricing Band 5

# DS3 CTs Counted	USOC	3-Year/5-Year Monthly Rate, Per CT	7-Year Monthly Rate, Per CT	
1	TYFMX*	$2,061.68	$2,182.95	
2	TYFMX*	1,874.26	1,984.50	
3	TYFMX*	1,472.20	1,558.80	
4	TYFMX*	1,382.96	1,464.30	
5	TYFMX*	1,338.76	1,417.50	
6	TYFMX*	1,293.70	1,369.80	
7	TYFMX*	1,249.50	1,323.00	
8	TYFMX*	1,204.88	1,275.75	
9	TYFMX*	1,160.26	1,228.50	
10	TYFMX*	1,115.62	1,181.25	
11	TYFMX*	1,071.00	1,134.00	
12	TYFMX*	972.40	1,029.60	
13	TYFMX*	1,124.56	1,190.70	
14	TYFMX*	1,106.70	1,171.80	
15	TYFMX*	1,097.78	1,162.35	
16	TYFMX*	1,088.86	1,152.90	
17	TYFMX*	1,071.00	1,134.00	
18	TYFMX*	1,062.08	1,124.55	
19	TYFMX*	1,048.69	1,110.38	
20	TYFMX*	1,026.38	1,086.75	
21	TYFMX*	1,017.46	1,077.30	
22	TYFMX*	999.60	1,058.40	
23	TYFMX*	986.22	1,044.23	
24	TYFMX*	982.64	1,040.45	
25 and Over	TYFMX*	981.76	1,039.50	
Per DS3 CT at each Secondary Premises	TYFMS*	1,518.11	1,607.42	(N)

* Substitute USOC TYFVX for USOC TYFLX and USOC TYFVS for USOC TYFLS when the 44.736 Mbps Service is connected to Enterprise SONET Service. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd)
per point of termination:

(2) **44.736 Mbps - Massachusetts and New York/Connecticut (Cont'd)**
Pricing Band 6

# DS3 CTs Counted	USOC	3-Year/5-Year Monthly Rate, Per CT	7-Year Monthly Rate, Per CT	
1	TYFMX*	$2,159.86	$2,286.90	
2	TYFMX*	1,963.50	2,079.00	
3	TYFMX*	1,542.76	1,633.50	
4	TYFMX*	1,449.26	1,534.50	
5	TYFMX*	1,402.50	1,485.00	
6	TYFMX*	1,355.76	1,435.50	
7	TYFMX*	1,309.00	1,386.00	
8	TYFMX*	1,262.26	1,336.50	
9	TYFMX*	1,215.50	1,287.00	
10	TYFMX*	1,168.76	1,237.50	
11	TYFMX*	1,122.00	1,188.00	
12	TYFMX*	1,019.16	1,079.10	
13	TYFMX*	1,178.10	1,247.40	
14	TYFMX*	1,159.40	1,227.60	
15	TYFMX*	1,150.06	1,217.70	
16	TYFMX*	1,140.70	1,207.80	
17	TYFMX*	1,122.00	1,188.00	
18	TYFMX*	1,112.66	1,178.10	
19	TYFMX*	1,098.62	1,163.25	
20	TYFMX*	1,075.26	1,138.50	
21	TYFMX*	1,065.90	1,128.60	
22	TYFMX*	1,047.20	1,108.80	
23	TYFMX*	1,033.18	1,093.95	
24	TYFMX*	1,029.43	1,089.98	
25 and Over	TYFMX*	1,028.50	1,089.00	
Per DS3 CT at each Secondary Premises	TYFMS*	1,590.40	1,683.97	(N)

* Substitute USOC TYFVX for USOC TYFLX and USOC TYFVS for USOC TYFLS when the 44.736 Mbps Service is connected to Enterprise SONET Service. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd)
per point of termination:

(3) **44.736 Mbps - Maine, New Hampshire, Rhode Island, Vermont Pricing Zone 1**

# DS3 CTs Counted	USOC	3-Year/5-Year Monthly Rate, Per CT	7-Year Monthly Rate, Per CT	
1	TYFMX*	$2,159.86	2,286.90	
2	TYFMX*	1,963.50	2,079.00	
3	TYFMX*	1,542.76	1,633.50	
4	TYFMX*	1,449.26	1,534.50	
5	TYFMX*	1,402.50	1,485.00	
6	TYFMX*	1,355.76	1,435.50	
7	TYFMX*	1,309.00	1,386.00	
8	TYFMX*	1,262.26	1,336.50	
9	TYFMX*	1,238.88	1,311.75	
10	TYFMX*	1,215.50	1,287.00	
11	TYFMX*	1,192.12	1,262.25	
12	TYFMX*	1,168.76	1,237.50	
13	TYFMX*	1,164.08	1,232.55	
14	TYFMX*	1,159.40	1,227.60	
15	TYFMX*	1,150.06	1,217.70	
16	TYFMX*	1,140.70	1,207.80	
17	TYFMX*	1,122.00	1,188.00	
18	TYFMX*	1,112.66	1,178.10	
19	TYFMX*	1,098.62	1,163.25	
20	TYFMX*	1,075.26	1,138.50	
21	TYFMX*	1,065.90	1,128.60	
22	TYFMX*	1,047.20	1,108.80	
23	TYFMX*	1,033.18	1,093.95	
24	TYFMX*	1,029.43	1,089.98	
25 and Over	TYFMX*	874.22	925.65	
Per DS3 CT at each Secondary Premises	TYFMS*	1,590.40	1,683.97	(N)

* Substitute USOC TYFVX for USOC TYFLX and USOC TYFVS for USOC TYFLS when the 44.736 Mbps Service is connected to Enterprise SONET Service. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd)
per point of termination:

(3) **44.736 Mbps - Maine, New Hampshire, Rhode Island, Vermont (Cont'd)**
Pricing Zone 2

# DS3 CTs Counted	USOC	3-Year/5-Year Monthly Rate, Per CT	7-Year Monthly Rate, Per CT	
1	TYFMX*	$2,159.86	2,286.90	
2	TYFMX*	1,963.50	2,079.00	
3	TYFMX*	1,542.76	1,633.50	
4	TYFMX*	1,449.26	1,534.50	
5	TYFMX*	1,402.50	1,485.00	
6	TYFMX*	1,355.76	1,435.50	
7	TYFMX*	1,309.00	1,386.00	
8	TYFMX*	1,262.26	1,336.50	
9	TYFMX*	1,238.88	1,311.75	
10	TYFMX*	1,215.50	1,287.00	
11	TYFMX*	1,192.12	1,262.25	
12	TYFMX*	1,168.76	1,237.50	
13	TYFMX*	1,164.08	1,232.55	
14	TYFMX*	1,159.40	1,227.60	
15	TYFMX*	1,150.06	1,217.70	
16	TYFMX*	1,140.70	1,207.80	
17	TYFMX*	1,122.00	1,188.00	
18	TYFMX*	1,112.66	1,178.10	
19	TYFMX*	1,098.62	1,163.25	
20	TYFMX*	1,075.26	1,138.50	
21	TYFMX*	1,065.90	1,128.60	
22	TYFMX*	1,047.20	1,108.80	
23	TYFMX*	1,033.18	1,093.95	
24	TYFMX*	1,029.43	1,089.98	
25 and Over	TYFMX*	874.22	925.65	
Per DS3 CT at each Secondary Premises	TYFMS*	1,590.40	1,683.97	(N)

* Substitute USOC TYFVX for USOC TYFLX and USOC TYFVS for USOC TYFLS when the 44.736 Mbps Service is connected to Enterprise SONET Service. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd)
per point of termination:

(3) **44.736 Mbps - Maine, New Hampshire, Rhode Island, Vermont (Cont'd)**
Pricing Zone 3

# DS3 CTs Counted	USOC	3-Year/5-Year Monthly Rate, Per CT	7-Year Monthly Rate, Per CT
1	TYFMX*	$2,159.86	2,286.90
2	TYFMX*	1,963.50	2,079.00
3	TYFMX*	1,542.76	1,633.50
4	TYFMX*	1,449.26	1,534.50
5	TYFMX*	1,402.50	1,485.00
6	TYFMX*	1,355.76	1,435.50
7	TYFMX*	1,309.00	1,386.00
8	TYFMX*	1,262.26	1,336.50
9	TYFMX*	1,238.88	1,311.75
10	TYFMX*	1,215.50	1,287.00
11	TYFMX*	1,192.12	1,262.25
12	TYFMX*	1,168.76	1,237.50
13	TYFMX*	1,164.08	1,232.55
14	TYFMX*	1,159.40	1,227.60
15	TYFMX*	1,150.06	1,217.70
16	TYFMX*	1,140.70	1,207.80
17	TYFMX*	1,122.00	1,188.00
18	TYFMX*	1,112.66	1,178.10
19	TYFMX*	1,098.62	1,163.25
20	TYFMX*	1,075.26	1,138.50
21	TYFMX*	1,065.90	1,128.60
22	TYFMX*	1,047.20	1,108.80
23	TYFMX*	1,033.18	1,093.95
24	TYFMX*	1,029.43	1,089.98
25 and Over	TYFMX*	874.22	925.65
Per DS3 CT at each Secondary Premises	TYFMS*	1,590.40	1,683.97 (N)

* Substitute USOC TYFVX for USOC TYFLX and USOC TYFVS for USOC TYFLS when the 44.736 Mbps Service is connected to Enterprise SONET Service. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd)
per point of termination:

(3) **44.736 Mbps - Maine, New Hampshire, Rhode Island, Vermont (Cont'd)**
Pricing Band 4

# DS3 CTs Counted	USOC	3-Year/5-Year Monthly Rate, Per CT	7-Year Monthly Rate, Per CT
1	TYFMX*	$2,159.86	$2,286.90
2	TYFMX*	1,963.50	2,079.00
3	TYFMX*	1,542.76	1,633.50
4	TYFMX*	1,449.26	1,534.50
5	TYFMX*	1,402.50	1,485.00
6	TYFMX*	1,355.76	1,435.50
7	TYFMX*	1,309.00	1,386.00
8	TYFMX*	1,262.26	1,336.50
9	TYFMX*	1,215.50	1,287.00
10	TYFMX*	1,168.76	1,237.50
11	TYFMX*	1,122.00	1,188.00
12	TYFMX*	1,019.16	1,079.10
13	TYFMX*	1,178.10	1,247.40
14	TYFMX*	1,159.40	1,227.60
15	TYFMX*	1,150.06	1,217.70
16	TYFMX*	1,140.70	1,207.80
17	TYFMX*	1,122.00	1,188.00
18	TYFMX*	1,112.66	1,178.10
19	TYFMX*	1,098.62	1,163.25
20	TYFMX*	1,075.26	1,138.50
21	TYFMX*	1,065.90	1,128.60
22	TYFMX*	1,047.20	1,108.80
23	TYFMX*	1,033.18	1,093.95
24	TYFMX*	1,029.43	1,089.98
25 and Over	TYFMX*	1,028.50	1,089.00
Per DS3 CT at each Secondary Premises	TYFMS*	1,590.40	1,683.97 (N)

* Substitute USOC TYFVX for USOC TYFLX and USOC TYFVS for USOC TYFLS when the 44.736 Mbps Service is connected to Enterprise SONET Service. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd)
per point of termination:

(3) **44.736 Mbps - Maine, New Hampshire, Rhode Island, Vermont (Cont'd)**
Pricing Band 5

# DS3 CTs Counted	USOC	3-Year/5-Year Monthly Rate, Per CT	7-Year Monthly Rate, Per CT
1	TYFMX*	$2,159.86	$2,286.90
2	TYFMX*	1,963.50	2,079.00
3	TYFMX*	1,542.76	1,633.50
4	TYFMX*	1,449.26	1,534.50
5	TYFMX*	1,402.50	1,485.00
6	TYFMX*	1,355.76	1,435.50
7	TYFMX*	1,309.00	1,386.00
8	TYFMX*	1,262.26	1,336.50
9	TYFMX*	1,215.50	1,287.00
10	TYFMX*	1,168.76	1,237.50
11	TYFMX*	1,122.00	1,188.00
12	TYFMX*	1,019.16	1,079.10
13	TYFMX*	1,178.10	1,247.40
14	TYFMX*	1,159.40	1,227.60
15	TYFMX*	1,150.06	1,217.70
16	TYFMX*	1,140.70	1,207.80
17	TYFMX*	1,122.00	1,188.00
18	TYFMX*	1,112.66	1,178.10
19	TYFMX*	1,098.62	1,163.25
20	TYFMX*	1,075.26	1,138.50
21	TYFMX*	1,065.90	1,128.60
22	TYFMX*	1,047.20	1,108.80
23	TYFMX*	1,033.18	1,093.95
24	TYFMX*	1,029.43	1,089.98
25 and Over	TYFMX*	1,028.50	1,089.00
Per DS3 CT at each Secondary Premises	TYFMS*	1,590.40	1,683.97 (N)

* Substitute USOC TYFVX for USOC TYFLX and USOC TYFVS for USOC TYFLS when the 44.736 Mbps Service is connected to Enterprise SONET Service. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(a) Standard Channel Termination, (Cont'd)
per point of termination:

(3) **44.736 Mbps - Maine, New Hampshire, Rhode Island, Vermont (Cont'd)**
Pricing Band 6

# DS3 CTs Counted	USOC	3-Year/5-Year Monthly Rate, Per CT	7-Year Monthly Rate, Per CT
1	TYFMX*	$2,159.86	$2,286.90
2	TYFMX*	1,963.50	2,079.00
3	TYFMX*	1,542.76	1,633.50
4	TYFMX*	1,449.26	1,534.50
5	TYFMX*	1,402.50	1,485.00
6	TYFMX*	1,355.76	1,435.50
7	TYFMX*	1,309.00	1,386.00
8	TYFMX*	1,262.26	1,336.50
9	TYFMX*	1,215.50	1,287.00
10	TYFMX*	1,168.76	1,237.50
11	TYFMX*	1,122.00	1,188.00
12	TYFMX*	1,019.16	1,079.10
13	TYFMX*	1,178.10	1,247.40
14	TYFMX*	1,159.40	1,227.60
15	TYFMX*	1,150.06	1,217.70
16	TYFMX*	1,140.70	1,207.80
17	TYFMX*	1,122.00	1,188.00
18	TYFMX*	1,112.66	1,178.10
19	TYFMX*	1,098.62	1,163.25
20	TYFMX*	1,075.26	1,138.50
21	TYFMX*	1,065.90	1,128.60
22	TYFMX*	1,047.20	1,108.80
23	TYFMX*	1,033.18	1,093.95
24	TYFMX*	1,029.43	1,089.98
25 and Over	TYFMX*	1,028.50	1,089.00
Per DS3 CT at each Secondary Premises	TYFMS*	1,590.40	1,683.97 (N)

* Substitute USOC TYFVX for USOC TYFLX and USOC TYFVS for USOC TYFLS when the 44.736 Mbps Service is connected to Enterprise SONET Service. (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(b) Channel Mileage

(1) **1.544 Mbps**

	USOC	Monthly Rates Fixed	Per Mile
New York/Connecticut			
Pricing Zone 1	1L5XX#	$42.41	$11.50
Pricing Zone 2	1L5XX#	42.41	11.50
Pricing Zone 3	1L5XX#	42.41	11.50
Price Band 4	1L5XX#	49.50	16.42
Price Band 5	1L5XX#	49.50	16.42
Price Band 6	1L5XX#	49.50	16.42
Massachusetts			
Pricing Zone 1	1L5XX#	42.41	11.50
Pricing Zone 2	1L5XX#	42.41	11.50
Pricing Zone 3	1L5XX#	42.41	11.50
Price Band 4	1L5XX#	49.50	16.42
Price Band 5	1L5XX#	49.50	16.42
Price Band 6	1L5XX#	49.50	16.42
Maine, New Hampshire, Rhode Island, Vermont			
Pricing Zone 1	1L5XX#	42.41	11.50
Pricing Zone 2	1L5XX#	42.41	11.50
Pricing Zone 3	1L5XX#	42.41	11.50
Price Band 4	1L5XX#	49.50	16.42
Price Band 5	1L5XX#	49.50	16.42
Price Band 6	1L5XX#	49.50	16.42 (N)

* Substitute USOC 1A8ZS for USOC 1L5XX when the High Capacity Service provides access to Frame Relay Service. (N) (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(b) Channel Mileage (Cont'd)

(2) **44.736 Mbps**

	USOC	Monthly Rates Fixed	Per Mile
New York/Connecticut			
Pricing Zone 1	1A5LX#	$631.13	$ 79.07
Pricing Zone 2	1A5LX#	631.13	79.07
Pricing Zone 3	1A5LX#	631.13	79.07
Price Band 4	1A5LX#	742.50	93.02
Price Band 5	1A5LX#	742.50	93.02
Price Band 6	1A5LX#	742.50	93.02
Massachusetts			
Pricing Zone 1	1A5LX#	631.13	79.07
Pricing Zone 2	1A5LX#	631.13	79.07
Pricing Zone 3	1A5LX#	631.13	79.07
Price Band 4	1A5LX#	742.50	93.02
Price Band 5	1A5LX#	742.50	93.02
Price Band 6	1A5LX#	742.50	93.02
Maine, New Hampshire, Rhode Island, Vermont			
Pricing Zone 1	1A5LX#	631.13	79.07
Pricing Zone 2	1A5LX#	631.13	79.07
Pricing Zone 3	1A5LX#	631.13	79.07
Price Band 4	1A5LX#	742.50	93.02
Price Band 5	1A5LX#	742.50	93.02
Price Band 6	1A5LX#	742.50	93.02 (N)

* Substitute USOC 1A8ZS for USOC 1L5XX when the High Capacity Service provides access to Frame Relay Service. (N) (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(c) Optional Features and Functions/Basic Service Elements

(1) **Central Office Multiplexing**

(a) DS1 to Voice Mux, per arrangement

	USOC	Monthly Rates 3-Year	5-Year	7-Year
New York/Connecticut				
Pricing Zone 1	QMU	$208.45	$208.45	$219.42
Pricing Zone 2	QMU	220.03	220.03	231.61
Pricing Zone 3	QMU	231.61	231.61	243.80
Price Band 4	QMU	216.32	216.32	227.70
Price Band 5	QMU	228.33	228.33	240.35
Price Band 6	QMU	240.35	240.35	253.00
Massachusetts				
Pricing Zone 1	QMU	164.57	164.57	164.57
Pricing Zone 2	QMU	173.71	173.71	173.71
Pricing Zone 3	QMU	182.85	182.85	182.85
Price Band 4	QMU	170.78	170.78	170.78
Price Band 5	QMU	180.26	180.26	180.26
Price Band 6	QMU	189.75	189.75	189.75
Maine, New Hampshire, Rhode Island, Vermont				
Pricing Zone 1	QMU	186.51	186.51	197.48
Pricing Zone 2	QMU	196.87	196.87	208.45
Pricing Zone 3	QMU	207.23	207.23	219.42
Price Band 4	QMU	215.05	215.05	227.70
Price Band 5	QMU	215.05	215.05	227.70
Price Band 6	QMU	215.05	215.05	227.70 (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(c) Optional Features and Functions/Basic Service Elements

(1) **Multiplexing, per arrangement**

(a) DS1 to DS0, per arrangement

		Monthly Rates		
	USOC	3-Year	5-Year	7-Year
New York/Connecticut				
Pricing Zone 1	MQ1	$208.45	$208.45	$219.42
Pricing Zone 2	MQ1	220.03	220.03	231.61
Pricing Zone 3	MQ1	231.61	231.61	243.80
Price Band 4	MQ1	216.32	216.32	227.70
Price Band 5	MQ1	228.33	228.33	240.35
Price Band 6	MQ1	240.35	240.35	253.00
Massachusetts				
Pricing Zone 1	MQ1	164.57	164.57	164.57
Pricing Zone 2	MQ1	173.71	173.71	173.71
Pricing Zone 3	MQ1	182.85	182.85	182.85
Price Band 4	MQ1	170.78	170.78	170.78
Price Band 5	MQ1	180.26	180.26	180.26
Price Band 6	MQ1	189.75	189.75	189.75
Maine, New Hampshire, Rhode Island, Vermont				
Pricing Zone 1	MQ1	186.51	186.51	197.48
Pricing Zone 2	MQ1	196.87	196.87	208.45
Pricing Zone 3	MQ1	207.23	207.23	219.42
Price Band 4	MQ1	215.05	215.05	227.70
Price Band 5	MQ1	215.05	215.05	227.70
Price Band 6	MQ1	215.05	215.05	227.70 (N)

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32. Contract Tariffs (Cont'd)

32.45 Contract Tariff Option 45 (Cont'd) (N)

(I) Monthly Recurring Rates (Cont'd)

(2) Tier 2 Rates – 80% Commitment (Cont'd)

(c) Optional Features and Functions/Basic Service Elements (Cont'd)

(1) **Multiplexing, per arrangement (Cont'd)**

(b) BSE DS3 to DS1

	USOC	Monthly Rates 3-Year	5-Year	7-Year	
All Jurisdictions					
Pricing Zone 1	MKM	$488.78	488.78	517.54	
Pricing Zone 2	MKM	513.23	513.23	543.42	
Pricing Zone 3	MKM	537.66	537.66	569.29	
Price Band 4	MKM	569.55	569.55	603.05	
Price Band 4	MKM	598.03	598.03	633.20	
Price Band 4	MKM	626.51	626.51	663.36	(N)

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32. Contract Tariffs (Cont'd)

32.47 Contract Tariff Option 46 (N)

(A) Scope

(1) Contract Tariff Option 46 (**Option 46**) is an offering that provides a customer with discounted monthly rates for:

(a) 1.544 Mbps High Capacity Service (**DS1 Service**); and

(b) 44.736 Mbps High Capacity Service (**DS3 Service**); and

(c) 44.736 Mbps Multiplexed High Capacity Service (**Multiplexed DS3 Service**)

(d) Ports that allow DS1 Services, DS3 Services, and Multiplexed DS3 Services to be provided over, or connected to, Telephone Company provided SONET dedicated rings (collectively, **Ports**).

(2) The customer must satisfy the eligibility requirements set forth in (B) following including (i) the customer's purchase of a minimum number of SONET dedicated rings from the Telephone Company (**SDRs**); and (ii) a minimum number of DS1 Services, DS3 Services, and Multiplexed DS3 Services. DS1 Services, DS3 Services, and Multiplexed DS3 Services that are under a Commitment Discount Plan (as set forth in Section 25.1 preceding) are not eligible for subscription to this Option 46.

(3) The regulations, terms, and conditions provided in this Section 32.47 apply to all customers who subscribe to DS1 Service, DS3 Service, Multiplexed DS3 Service, and Ports under this Option 46 in the applicable Metropolitan Statistical Areas (**MSAs**) specified in (C) following and during the specified Subscription Period set forth in (B)(5) following. (N)

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32. Contract Tariffs (Cont'd)

32.47 Contract Tariff Option 46 (N)

(B) Eligibility Requirements

All of the following requirements must be met in order to subscribe to this Option 46 and to be eligible for the rates set forth in (H) following.

(1) During the twelve (12) month period prior to subscription to this Option 46, the customer must have achieved a minimum of sixteen million dollars ($16,000,000.00) in billed monthly recurring revenue for interstate telecommunications services purchased by the customer from the Telephone Company under Tariff F.C.C. No. 1 (**FCC1**), Tariff F.C.C. No. 11 (**FCC11**), Tariff F.C.C. No. 14 (**FCC14**) and Tariff F.C.C. No. 20 (**FCC20**). (x) (x) (x)

(2) For the twelve (12) month period prior to subscription to this Option 46, the customer must have investment grade level credit ratings on a total corporate basis, including all affiliates, of at least "A" as issued by Standard & Poor's, and at least "A2" as issued by Moody's.

(3) The customer must have short term credit ratings of at least "A1" as issued by Standard & Poor's and at least "P1" as issued by Moody's.

(4) For the twelve (12) month period prior to subscription to this Option 46, the customer must have a Quick Ratio (current assets divided by current liabilities), as measured on a total corporate basis, including all affiliates, of at least 0.5. The value of the total cash, cash equivalents, and other short term investments of current assets used in the Quick Ratio calculation must be at least twenty billion dollars ($20,000,000,000.00). (N)

(x) Issued under authority of Special Permission No. 07-001 of the Federal Communications Commission.

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32. Contract Tariffs (Cont'd)

32.47 Contract Tariff Option 46 (N)

(B) Eligibility Requirements (Cont'd)

(5) A minimum of six (6) interstate SDRs must be ordered during the period which begins January 26, 2007 and ends March 27, 2007 (**Subscription Period).** The interstate SDRs must be new SDRs (as defined in (B)(8)(a) following), upgrades to OC192 SDRs (as defined in (B)(8)(b) following), renewals of SDRs (as defined in (B)(8)(c) following, or conversions to SDRs (as defined in (B)(8)(d) following (collectively, **Ordered SDRs**). The Ordered SDRs must meet all of the following requirements.

(a) The Ordered SDRs must be purchased by the customer from the Telephone Company.

(b) At least fifty percent (50%) of the total number of Ordered SDRs that are new SDRs (as defined in (B)(8)(a) following) must have an optical carrier (**OC**) rate of forty-eight (OC48) or one hundred ninety-two (OC192).

(c) At least two (2) of the Ordered SDRs that are new SDRs, upgrades to OC192 SDR, or renewals of SDRs must have an OC rate of 192.

(d) At least one (1) of the Ordered SDRs must be replacing an IntelliLight® Dedicated SONET Ring service that was previously purchased under Section 26.1 preceding (**IDSR**) of this tariff.

(e) At least sixty percent (60%) of the existing SDRs that are an upgrade to OC192 SDR under (B)(8)(b) following or are converted to SDR under (B)(8)(d) following, must have been in service for at least two (2) years prior to the date of subscription to this Option 46.

(f) At least forty percent (40%) of the existing SDRs that are an upgrade to OC192 SDR under (B)(8)(b) following or are converted to SDR under (B)(8)(d) following must be under a term plan that has already expired or that will expire prior to January 26, 2008. (N)

32. Contract Tariffs (Cont'd)

32.47 Contract Tariff Option 46 (Cont'd)

(B) Eligibility Requirements (Cont'd)

(6) A minimum of six (6) of the Ordered SDRs must be turned up and placed into service.

(7) DS1 Services, DS3 Services and Multiplexed DS3 Services

(a) In order to be eligible for the rates set forth in (H) following, the customer must order during the Subscription Period set forth in (B)(5) preceding a minimum of two hundred (200) and up to a maximum of thirteen hundred (1,300) DS1 Services and a minimum of two (2) and up to a maximum of seventy-five (75) DS3 Services (for purposes of this Section 32.47(B)(7)(a), the term DS3 Services shall mean DS3 Services, Multiplexed DS3 Services or a combination of both). The rates set forth in (H) following will continue for the duration of the Service Period (as set forth in (D)(1) following) and, if elected, through January 25, 2012 (as set forth in (D)(4) following) provided that such minimum and maximum quantities of DS1 Services and DS3 Services (as stated above) are maintained. Additionally, the rates set forth in (H) following apply during the period of continuance under (G)(4)(c)(i) following. Only interstate DS1 Services and interstate DS3 Services that originate and terminate at Telephone Company New York serving wire centers that are within the New York NY MSA #1 are eligible for the rates set forth in (H) following. (C) (C) (C) (C) (C)

(b) DS1 Services, DS3 Services, or Multiplexed DS3 Services that are subscribed to under this Option 46 must be a combination of stand alone services (i.e., services that do not connect to Ordered SDRs) and services that connect to Ordered SDRs.

(c) DS3 Services that are subscribed to this Option 46 may be point-to-point services or multiplexed services (as described in Section 7 preceding).

(8) Ordered SDRs

Ordered SDRs must meet all of the requirements set forth below for a new SDR, upgrade to OC192 SDR, renewal of SDR, or conversions, as applicable.

(a) New SDRs

A new SDR is a SONET dedicated ring that is newly ordered in accordance with this Option 46 and does not include the following.

(1) An SDR that was disconnected from its current location and installed under Section 34.1 following as new at that same location.
(2) An SDR that is upgraded to OC192 under (B)(8)(b) following.

(3) An SDR whose Term Pricing Plan (**TPP**) is renewed as an Ordered SDR under (B)(8)(c) following.

(4) An IDSR that is converted to an Ordered SDR under (B)(5)(d) preceding.

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32. Contract Tariffs (Cont'd)

32.47 Contract Tariff Option 46 (Cont'd) (N)

(B) Eligibility Requirements (Cont'd)

(8) Ordered SDRs (Cont'd)

(b) Upgrade to OC192 SDR

(1) An **upgrade to OC192 SDR** is defined as the replacement of two (2) or more existing SDRs, each of which has an OC rate that is less than 192, with a single SDR that has an OC rate of 192, and which satisfies all of the following requirements.

(a) Each existing SDR must have at least one node location (i.e., customer designated premises or Telephone Company central office) in common with the OC192 SDR; and

(b) The upgrade to OC192 SDR is ordered during the Subscription Period set forth in (B)(5) preceding or was ordered prior to the Subscription Period, but, as of the date of subscription, the Telephone Company has not completed the upgrade to an OC192 SDR; and

(c) The customer specifies in its order for service whether or not the transitional billing option as set forth in (G)(3) following will apply to the upgrade to OC192 SDR; and

(d) The Service Period for the upgrade to OC192 SDR commences with the date that billing begins.

(2) The upgrade to OC192 SDR is complete when all services provided over the existing SDRs have been disconnected from the existing SDRs and are installed and operational on the upgraded OC192 SDRs, and the existing SDRs are disconnected.

(3) The following types of changes to an existing SDR are not considered an upgrade to OC192 under this Option 46:

- A change of an existing OC192 SDR to a new OC192 SDR is not an upgrade to OC192 SDR. For example, the addition of one or more node(s) to an existing OC192 SDR is not an upgrade to OC192 SDR.
- The addition of one (1) or more port(s) or node(s) to an existing OC192 SDR is not an upgrade to OC192 SDR.

(4) Except as set forth in this (B)(8)(b), an SDR that is upgraded to any other OC rate shall not be deemed an Ordered SDR under this Option 46. (N)

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32. Contract Tariffs (Cont'd)

32.47 Contract Tariff Option 46 (Cont'd) (N)

(B) Eligibility Requirements (Cont'd)

(8) Ordered SDRs (Cont'd)

(c) Renewal of SDR

Renewal of SDR occurs when the customer renews the TPP of an existing SDR (e.g., a SONET dedicated ring provided under Section 34.1 following) for an equal or longer term period where (i) the commitment period for the existing SDR will expire prior to March 25, 2007, or (ii) the commitment period for the existing SDR has already expired and the customer is continuing with the service at the 3-year or a 5-year TPP rate; and all of the following apply:

- the customer did not select a new plan under Section 34.1(D)(2) following; or
- did not extend the expiring commitment period under Section 34.1(I) following.

(d) Conversions to SDR

(1) The customer may convert a dedicated SONET ring purchased under this tariff to a comparable Ordered SDR as described in (B)(5) preceding and that:

(a) has no change in OC rate (for example, replacement of an OC48 SDR to an OC192 SDR would be a change in optical carrier rate and is not a conversion to SDR); and

(b) has no change in node locations at both the customer designated premises and at Telephone Company central offices; and

(c) does not involve a change in the type of node (e.g., from nodes that are not enhanced to enhanced nodes).

(2) The conversion to SDR is complete when billing, record order changes and other work is completed for the Ordered SDR. (N)

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32. Contract Tariffs (Cont'd)

32.47 Contract Tariff Option 46 (Cont'd) (N)

(C) Serving Area

(1) The serving area of Option 46 for DS1 Services, DS3 Services, and Multiplexed DS3 Services purchased under this tariff is comprised of the Telephone Company New York wire centers that are within the New York NY MSA (**MSA #1**). Telephone Company New York wire centers for MSA #1 are listed in Section 15.3 preceding. DS1 Services, DS3 Services, and Multiplexed DS3 Services must originate and terminate at locations served by Telephone Company New York wire centers that are within MSA #1.

(2) The serving area of Option 46 for Ports and any Ordered SDRs purchased from the Telephone Company under this tariff is comprised of the wire centers that are within the following Telephone Company MSAs.

Albany-Schenectady-Troy NY	MSA#44
Bangor ME	MSA#224
Binghamton NY	MSA#122
Boston MA-NH	MSA#6
Buffalo-Niagara Falls NY	MSA#25
Manchester NH	MSA#133
New York NY	MSA#1
Portland ME	MSA#152
Providence-Warwick RI	MSA#38
Springfield MA	MSA#63
Stamford-Norwalk CT	MSA#42
Syracuse NY	MSA#53
Utica-Rome NY	MSA#115
Worcester MA-CT	MSA#55

(3) The serving area of Option 46 for Ordered SDRs purchased under Section 34.1 following is comprised of the wire centers that are within the Telephone Company MSAs specified in (C)(2) preceding.

(4) Any additions of, or changes to, the wire centers that are within the New York NY MSA #1 as set forth in (C)(1) preceding, or to the wire centers that are within the MSAs specified in (C)(2) preceding that occur during the Service Period of this Option 46 will apply beginning on the effective date of such change and continuing through the end of the commitment period. When such change results in an increase or decrease to the rates applicable under this Option 46, no retroactive billing or adjustment will be made for the portion of the Service Period that has elapsed prior to the effective date of the change. (N)

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32. Contract Tariffs (Cont'd)

32.47 Contract Tariff Option 46 (Cont'd)

(D) Service Period

(1) The Service Period for DS1 Services, DS3 Services, and Multiplexed DS3 Services that are subscribed to under this Option 46 is thirty-six (36) months. For DS1 Services, DS3 Services, and Multiplexed DS3 Services ordered prior to January 26, 2010, the customer has the option to continue with such DS1 Services, DS3 Services, and Multiplexed DS3 Services for twelve (12) months beyond the expiration date of the Service Period in accordance with (G)(4)(c)(i) following or to establish a common expiration date of January 25, 2012 for all of its DS1 Services, DS3 Services, and Multiplexed DS3 Services ordered prior to January 26, 2010 in accordance with (D)(4) following. (N)

(a) For each existing DS1 Service, DS3 Service, or Multiplexed DS3 Service that is already in-service as of January 26, 2007 and subsequently subscribed to under this Option 46, a new Service Period shall commence on January 26, 2007 and continue for thirty-six (36) consecutive months, and thereafter if a common expiration date of January 25, 2012 is established under (D)(4) following. (C)(C)

(b) DS1 Services, DS3 Services, and Multiplexed DS3 Services ordered on or after January 26, 2007 and no later than January 26, 2010 will have a Service Period that begins with the date of installation of the DS1 Service, DS3 Service, or Multiplexed DS3 Service and continues for thirty-six (36) months, unless a common expiration date of January 25, 2012 is established under (D)(4) following. (C)(C)

(c) If the customer elects to establish a common expiration date of the Service Period under (D)(4) following for its DS1 Services, DS3 Services, and Multiplexed DS3 Services with a Service Period that was initially established under (D)(1)(a) and (D)(1)(b) preceding, the customer may order new DS1 Services, DS3 Services, and Multiplexed DS3 Services beginning January 27, 2010 through and including January 26, 2012. Such DS1 Services, DS3 Services, and Multiplexed DS3 Services will not be subject to a common expiration date of January 25, 2012. Each of such DS1 Services, DS3 Services, and Multiplexed DS3 Services will have a Service Period that begins with the date of installation and continues for thirty-six (36) months. Upon expiration of the Service Period for such DS1 Services, DS3 Services, and Multiplexed DS3 Services the customer may continue with such DS1 Services, DS3 Services, and Multiplexed DS3 Services in accordance with (G)(4)(c)(i) following. (N)(N)

(2) The Service Period for Ports that are ordered during the Subscription Period begins with the installation of such Ports and ends on the same day that the term plan for the associated Ordered SDR ends. Ports added after the end of the Subscription Period and during the first thirty-six (36) months of the Service Period will be coterminous with the initial Ports ordered. Ports added after the first thirty-six (36) months of the Service Period will be provided on month-to-month terms at the rates set forth in (H) following.

Certain material formerly appearing on this page now appears on Original Page 32-462.1 and Original Page 462.2.

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32. Contract Tariffs (Cont'd)

32.47 Contract Tariff Option 46 (Cont'd)

(D) Service Period (Cont'd)

(3) Upon completion of the applicable Service Period under (D)(1) preceding, (D)(2) preceding, or (D)(4) following, as applicable, the customer may continue with the Services and Ports that were subscribed to under this Option 46 in accordance with (G)(4)(c)(i) following. (C) (C) (M)

(4) At the customer's option, a common expiration date of January 25, 2012 for the Service Period may be established for each DS1 Service, DS3 Service, and Multiplexed DS3 Service with a Service Period that was initially established under (D)(1)(a) or (D)(1)(b) preceding subject to all of the following: (N)

(a) The annual review process of the customer's eligibility for Option 46 to determine if the customer is within the minimum and maximum number of DS1 Services, DS3 Services, and Multiplexed DS3 Services as specified in (B)(7) preceding shall continue through January 25, 2012.

(b) For each DS1 Service, DS3 Service, and Multiplexed DS3 Service with a common expiration date established under this (D)(4), no termination charge under (G)(2) following applies if such DS1 Service, DS3 Service, or Multiplexed DS3 Service is discontinued after completing month thirty-six (36) of its Service Period, or prior to January 25, 2012, whichever occurs first.

(c) DS1 Service, DS3 Service, and Multiplexed DS3 Service ordered on or after January 27, 2010 under (D)(1)(c) preceding are not eligible for the common expiration date established under this (D)(4).

(d) The customer must notify the Telephone Company in writing no later than December 27, 2009 of its election to establish a common expiration date for its DS1 Services, DS3 Services, and Multiplexed DS3 Services with a Service Period that was initially established under (D)(1)(a) or (D)(1)(b) preceding. (N)

Certain material now appearing on this page formerly appeared on Original Page 32-462.

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32. Contract Tariffs (Cont'd)

32.47 Contract Tariff Option 46 (Cont'd)

(E) Exceptions to General Regulations (M)

(1) Except as set forth in this Section (E), a customer subscribing to this Option 46 is subject to all of the General Regulations as set forth in Section 2 of this tariff preceding.

(2) Definitions

The following definitions apply only to limitations of liability, liability to third parties, and indemnification obligations as set forth in (E)(3), (4), and (5) following.

Affiliate – the term "Affiliate" of a party means any entity that Controls, is Controlled by, or is under common Control with, the party specified, including any entity that conforms to such definition as of the date of subscription to this Option 46 as well as any entity that conforms to the definition anytime thereafter. (M)

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32. Contract Tariffs (Cont'd)

32.47 Contract Tariff Option 46 (Cont'd) (N)

(E) Exceptions to General Regulations (Cont'd)

(2) Definitions (Cont'd)

Control or Controlled – the term "Control" or "Controlled" of/by an entity means that the specified party, directly or indirectly, has the power to direct or cause the direction of the management and policies of that entity through the ownership of voting securities, by contract or otherwise.

Customer – the term "Customer" shall mean customer, its permitted assigns and successors, its Affiliates, and its and their employees, directors, officers, agents, and representatives.

Damages – the term "Damages" shall mean (collectively) all injury, damage, liability, loss, penalty, interest and expense incurred.

Days – the term "Days" shall mean calendar days.

Loss or Losses – the term "Loss" or "Losses" means all losses, liabilities, damages and claims, and all related costs and expenses (including reasonable fees, expenses and disbursements of attorneys, accountants and other experts and professionals, and costs, fees and expenses of investigation, litigation or other proceedings of any claim, default or assessment, settlement, judgment, interest, court costs and penalties) paid or payable to a third party.

Party – the term "Party" shall mean either Customer or the Telephone Company or when used as "Parties" includes both Customer and the Telephone Company.

Subcontractor – the term "Subcontractor" means any independent supplier engaged by the Telephone Company or a Telephone Company Affiliate to perform the Services or any part thereof.

Telephone Company – the term "Telephone Company" shall mean the Telephone Company, its permitted assigns and successors, its Affiliates, and its and their employees, directors, officers, agents, representatives, Subcontractors, and suppliers. (N)

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32. Contract Tariffs (Cont'd)

32.47 Contract Tariff Option 46 (Cont'd) (N)

(E) Exceptions to General Regulations (Cont'd)

(3) Limitations of Liability

(a) Except for (a) a Party's indemnification obligations under this Option 46, (b) a Party's breach of confidentiality obligations to the other Party and (c) a Party's gross negligence and/or willful misconduct with respect to the subject matter of this Option 46 (any intentional wrongful repudiation or intentional wrongful early termination of this Option 46 or the Telephone Company's intentionally wrongful cessation of Services by the Telephone Company under this Option 46 are examples of willful misconduct), neither Party will be liable for any punitive, exemplary, indirect, special, consequential or incidental or similar Damages, including, without limitation, with respect to loss of data or loss of savings, revenues, or profits, or other commercial or economic loss. Coverage limitations for insurance required under this Option 46 shall not be deemed to limit any dollar amounts recoverable by Customer directly from the Telephone Company under this Option 46. Each Party's liability to each other in connection with all claims under this Option 46 shall be limited to the lesser of (i) direct Damages (or, if otherwise stated in this Section, direct and indirect Damages) awarded to the claiming Party in a final non-appealable order of the Federal Communications Commission or a court of competent jurisdiction or (ii) the aggregate amounts paid by Customer to the Telephone Company for interstate Services or products provided by the Telephone Company to Customer under this Option 46 for the six (6) months prior to the accrual of such claim of cause of action for the specific product or Service which forms the basis for such cause of action, to the extent the claim relates to a specific product or Service. If a recovery is made by one Party against the other in a contract year, the 6 month direct damages cap referenced above shall be replenished for the next contract year of Option 46.

(b) The limitations of liability set forth above do not limit amounts due and owing from Customer for products and Services provided by the Telephone Company under this Option 46, including minimum commitment charges, shortfall charges or early termination liability charges or amounts due and owing in the form of credits from the Telephone Company to Customer.

(c) The limitations of liability set forth in this Option 46 shall apply regardless of the form of action, whether in contract or tort, strict liability or otherwise; and whether or not losses or Damages were foreseeable and shall survive failure of any exclusive remedies provided in this Option 46.

(d) The limitations of liability set forth in this Option 46 do not preclude a Party from seeking injunctive relief from a court of competent jurisdiction in the event of a violation by the other party of confidentiality obligations or other situations where there is no adequate remedy at Law and no exclusive remedy is provided under this Option 46. (N)

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32. Contract Tariffs (Cont'd)

32.47 Contract Tariff Option 46 (Cont'd) (N)

(E) Exceptions to General Regulations (Cont'd)

(4) Liability to Third Parties

(a) No subcontract, or other agreement entered into by either Party with any third party in connection with this Option 46 shall provide for any indemnity, guarantee, assumption of liability or other obligation of or by the other Party to this Option 46 with respect to such arrangement except as consented to in writing by such other Party.

(b) This Option 46 does not expressly or implicitly provide any third party (including users and subcontractors) with any remedy, claim, liability, reimbursement, cause of action or other right or privilege. This Option 46 shall not create any right or cause of action in or on behalf of any person or entity other than Customer or the Telephone Company.

(5) Indemnification

(a) Customer Indemnifications

Customer will indemnify, hold harmless and defend the Telephone Company in accordance with the procedures described in Section (E)(5)(d), Indemnification Procedures, hereof, against all Losses arising out of, in connection with, resulting from or based on allegations of, any of the following:

(1) The death or bodily injury of any person (including, any agent, employee, customer, the Telephone Company, business invitee or business visitor of the Telephone Company) to the extent that such Loss was proximately caused by any negligent act or omission or willful misconduct by Customer or Customer's subcontractors in connection with the services set forth in (A)(1)(a) through (A)(1)(d) preceding, collectively **Services**.

(2) The damage, loss or destruction of any real or personal property to the extent that such Loss was proximately caused by any negligent act or omission or willful misconduct by Customer or Customer's subcontractors in connection with the Services.

(3) Customer's use of the Services other than as specified or permitted under this tariff. (N)

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32. Contract Tariffs (Cont'd)

32.47 Contract Tariff Option 46 (Cont'd) (N)

(E) Exceptions to General Regulations (Cont'd)

(5) Indemnification (Cont'd)

(a) Customer Indemnifications (Cont'd)

(4) Any taxes or other similar charges, including interest and penalties, assessed against the Telephone Company which are obligations of Customer.

(5) Customer's obligations with regard to compliance with applicable law.

(6) Customer's obligations with regard to confidential information that arise in connection with provision of Services pursuant to the Option 46.

(b) The Telephone Company Indemnifications

The Telephone Company shall indemnify, hold harmless, and defend Customer in accordance with the procedures described in (E)(5)(d) following, Indemnification Procedures, hereof, against all Losses arising out of, in connection with, resulting from or based on allegations of, any of the following relating to the Telephone Company:

(1) Any duties or obligations of the Telephone Company, its Affiliates or any Subcontractor, or any the Telephone Company Personnel in respect of a third party or any Subcontractor of any tier (i.e., direct Subcontractors, their subcontractors, and so on), including claims and causes of actions based on employer status or on the Telephone Company's payment obligations to Subcontractors.

(2) The death or bodily injury of any person (including any agent, employee, customer, supplier, business invitee or business visitor of Customer) to the extent that such Loss was proximately caused by any negligent act or omission or willful misconduct by the Telephone Company in connection with the Services. (N)

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32. Contract Tariffs (Cont'd)

32.47 Contract Tariff Option 46 (Cont'd) (N)

(E) Exceptions to General Regulations (Cont'd)

(5) Indemnification (Cont'd)

(b) The Telephone Company Indemnifications (Cont'd)

(3) The damage, loss or destruction of any real or personal property to the extent that such Loss was proximately caused by any negligent act or omission or willful misconduct by the Telephone Company in connection with the Services.

(4) Any taxes or other similar charges, including interest and penalties, assessed against Customer which are obligations of the Telephone Company hereunder.

(5) The Telephone Company's willful misconduct or fraud with respect to the Services.

(6) That use of a Service provided by the Telephone Company to Customer under this Option 46 during the applicable Service Period infringes any United States patent, copyright, trade secret, trademark, or service mark; provided that, the obligations hereunder shall not apply to claims of infringement or misappropriation arising from: (a) any use of a Service in combination with services, software, data or systems not supplied by the Telephone Company under this Option 46; (b) modification of a Service by Customer or its contractors or modification by the Telephone Company at the direction of Customer or its contractors, provided that, no infringement would have occurred without such modification; or (c) the content of communications transmitted by or for Customer in the Customer's use of a Service, including libel, slander or invasion of privacy. If Customer is enjoined, or is otherwise prohibited from using the Services as a result of, or in connection with any such claim, suit, action or proceeding, the Telephone Company shall promptly either (i) procure for Customer the right to continue using the affected Services; (ii) modify the affected Services so that they become non-infringing, without a material and adverse change in functionality of the Services; or (iii) replace the affected Services with services that are non-infringing without material and adverse change in functionality as compared to the affected Services; or (iv) if neither (i), (ii) or (iii) above are commercially reasonable, promptly terminate the infringing Services and any Services ordered by Customer that Customer is unable to use due to termination of the infringing Services without such termination constituting a breach of the Option 46. Customer shall not be obliged to pay any termination liability to the Telephone Company for Services so terminated. (N)

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32. Contract Tariffs (Cont'd)

32.47 Contract Tariff Option 46 (Cont'd) (N)

(E) Exceptions to General Regulations (Cont'd)

(5) Indemnification (Cont'd)

(c) For the purposes of Section (E)(5), for Customer, the term "agent" means Customer agents retained by Customer to provide services to Customer that require use of Services provided by the Telephone Company to Customer; and for the Telephone Company, the term "agent" means the Telephone Company agents retained by the Telephone Company to assist the Telephone Company in the provision of the Services.

(d) Indemnification Procedures

If a notice of commencement or threatened commencement of a claim or cause of action is received by a party entitled to indemnification under this Option 46 ("Indemnified Party"), the Indemnified Party shall give written notice thereof ("Indemnification Notice") to the party that is obligated to provide indemnification ("Indemnifying Party") within thirty (30) Days of the Indemnified Party's receipt of the notice of commencement or threatened commencement of the claim or cause of action. The Indemnified Party's Indemnification Notice as provided herein shall not affect the Indemnifying Party's indemnification obligations hereunder except to the extent the Indemnifying Party was materially prejudiced as a result of such failure.

(1) Within fifteen (15) Days after the Indemnifying Party's receipt of an Indemnification Notice, but in no event later than ten (10) Days before the date on which a response to a complaint or summons in connection therewith is due, the Indemnifying Party shall notify the Indemnified Party, in writing, if the Indemnifying Party acknowledges its indemnification obligations and elects to assume control of the defense and settlement of such claim or cause of action ("Election Notice").

(2) If the Indemnifying Party delivers an Election Notice within the required time period, then the Indemnifying Party shall immediately take control of the defense and investigation of such claim or cause of action and select and engage counsel reasonably satisfactory to the Indemnified Party to handle and defend the claim or the cause of action, at the Indemnifying Party's sole cost and expense. (N)

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32. Contract Tariffs (Cont'd)

32.47 Contract Tariff Option 46 (Cont'd) (N)

(E) Exceptions to General Regulations (Cont'd)

(5) Indemnification (Cont'd)

(d) Indemnification Procedures (Cont'd)

(3) If the Indemnifying Party fails to deliver an Election Notice within the required time period, or delivers an Election Notice within the required time period but does not immediately take control of the defense and investigation of such claim or cause of action and select and engage counsel reasonably satisfactory to the Indemnified Party to handle and defend the claim or cause of action, then the Indemnified Party shall have the right to defend the Loss in such manner as it may deem appropriate, at the sole cost and expense of the Indemnifying Party (including payment of any judgment or award and the costs of settlement or compromise of the claim or cause of action), and the Indemnifying Party shall promptly reimburse the Indemnified Party for all such costs and expenses, including payment of any judgment or award and the costs of settlement or compromise of the claim or the cause of action.

(4) The Indemnified Party shall cooperate in all reasonable respects with the Indemnifying Party and its counsel in the investigation, trial and defense of such claim or cause of action and any appeal arising therefrom; provided, however, that the Indemnified Party may, at its own cost and expense, participate, through the Indemnified Party's own counsel or otherwise, in the investigation, trial and defense of such claim or cause of action; and any appeal arising therefrom.

(5) The Indemnifying Party will reimburse the Indemnified Party for the reasonable costs of counsel engaged by the Indemnified Party, as such costs are incurred and upon request therefore, if:

(i) The Indemnified Party engages counsel in connection with its right to defend the Loss as described in Section (E)(5)(d)(3) preceding, or

(ii) Customer and the Telephone Company are parties to an action, proceeding or investigation and the Indemnified Party wishes to pursue additional or different claims and/or defenses unavailable to, or not pursued by, the Indemnifying Party. (N)

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32. Contract Tariffs (Cont'd)

32.47 Contract Tariff Option 46 (Cont'd)

(E) Exceptions to General Regulations (Cont'd)

(5) Indemnification (Cont'd)

(d) Indemnification Procedures (Cont'd)

(6) The Indemnifying Party shall not settle any claim or cause of action of which indemnity may be sought hereunder, whether or not the Indemnified Party is an actual or potential party thereto without the Indemnified Party's express prior written consent. Indemnified Party will not unreasonably withhold its consent to any such proposed settlement provided:

(i) Such proposed settlement does not involve a remedy other than the payment of money by the Indemnifying Party, and

(ii) Indemnifying Party and all plaintiffs or claimants agree to unconditionally release Indemnified Party from any responsibility or liability with respect to the subject matter thereof and any related facts or circumstances.

(F) Application of Rates and Charges

(1) Application of Rates and Charges for DS1 Service, DS3 Service and Multiplexed DS3 Service

(a) The monthly recurring rates for DS1 Service, DS3 Service, and Multiplexed DS3 Service subscribed to this Option 46 are set forth in (H) following and apply during the Service Period set forth in (D)(1) preceding, and when applicable, in (D)(4) preceding. Such rates also apply during the period of continuance under (G)(4)(c)(i) following. (C)

(b) The monthly recurring rate elements for DS1 Services, DS3 Services, and Multiplexed DS3 Service that are subscribed to this Option 46 include the following.

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32. Contract Tariffs (Cont'd)

32.47 Contract Tariff Option 46 (Cont'd) (N)

(F) Application of Rates and Charges (Cont'd)

(1) Application of Rates and Charges for DS1 Service, DS3 Service and Multiplexed DS3 Service (Cont'd)

(b) (Cont'd)

(1) Channel Termination Rate Element

Monthly recurring rates in section (H) following for the DS1 Service, DS3 Service and Multiplexed DS3 Service Channel Termination rate elements apply per point of termination. Included in the Channel Termination rate elements are the transmission facilities that connect the customer's designated premises to its Telephone Company New York serving wire center that is within MSA#1 only. Except as described herein, the Channel Termination rate element is subject to the terms and conditions set forth in Section 7.1.2(A) preceding.

(2) Channel Mileage

(i) Monthly recurring rates in (H) following for the DS1 Service, DS3 Service and Multiplexed DS3 Service Channel Mileage rate elements apply as a fixed rate and a rate per mile and are differentiated by whether or not the service originates and/or terminates at locations that are served by wire centers that are within the five boroughs (Brooklyn, Manhattan, Queens, Staten Island, Bronx) of the New York Metropolitan LATA (**NY Five Boroughs**).

(ii) Channel mileage is calculated in accordance with Section 7.4.6 preceding. (N)

32. Contract Tariffs (Cont'd)

32.47 Contract Tariff Option 46 (Cont'd)

(F) Application of Rates and Charges (Cont'd)

(1) Application of Rates and Charges for DS1 Service, DS3 Service and Multiplexed DS3 Service (Cont'd)

(b) (Cont'd)

(3) DS3/DS1 Central Office Multiplexing

Multiplexed DS3 Services are further subject to monthly recurring rates for the DS3/DS1 Central Office Multiplexing rate element. The DS3/DS1 Central Office Multiplexing rate element set forth in (H) following applies per arrangement where multiplexing is provided from a Telephone Company Hub that is served by a Telephone Company New York wire center that is within the New York NY MSA#1. The DS3/DS1 Central Office Multiplexing optional feature is further described in Section 7.9(D) preceding.

(c) Following the end of the first year of the Service Period and annually thereafter during the remainder of the Service Period and, when applicable, through January 25, 2012 in accordance with (D)(4) preceding, the Telephone Company will review the customer's eligibility for Option 46 to determine if the customer is within the minimum and maximum number of DS1 Services and DS3 Services (for purposes of this Section (F)(1)(c), the term DS3 Services shall mean DS3 Services, Multiplexed DS3 Services or a combination of both) specified in (B)(7) preceding. No annual review will occur after January 25, 2012. (C) (C) (N) (N)

If, as a result of any annual review described above, it is determined by the Telephone Company that the total number of DS1 Services and/or DS3 Services fell below the minimum for such services as specified in (B)(7) preceding, or exceeded the maximum for such services as specified in (B)(7) preceding, as applicable, the rates, terms and conditions of this Option 46 shall no longer apply and the affected DS1 Services, DS3 Services, and Multiplexed DS3 Services will be subject to the terms and conditions set forth in Section 7 preceding, and to the three (3) year SDP rates, beginning with the date that customer failed to satisfy either of the foregoing conditions and ending on the last day of the commitment period. In addition to Customer paying the three (3) year SDP rates on a regular on-going basis through the end of the commitment period once such rates are implemented, the Telephone Company will bill, and Customer shall pay, the aggregate difference between the Option 46 rates and the three (3) year SDP rates, for the period beginning with the date that customer failed to satisfy either of the foregoing conditions until such time as regular on-going billing for the DS1 Services and/or DS3 Services reflects the three (3) year SDP rates. The SDP is subject to the terms and conditions set forth in Section 7.4.10 preceding.

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32. Contract Tariffs (Cont'd)

32.47 Contract Tariff Option 46 (Cont'd) (N)

(F) Application of Rates and Charges (Cont'd)

(1) Application of Rates and Charges for DS1 Service, DS3 Service and Multiplexed DS3 Service (Cont'd)

(b) (Cont'd)

(3) DS3/DS1 Central Office Multiplexing

(d) Except for DS1 Services, DS3 Services, and Multiplexed DS3 Services that are provided within MSA#1 under this Option 46, all other DS1 services, DS3 services, and Multiplexed DS3 services that are ordered by the customer shall be provided by the Telephone Company in accordance with Section 7 preceding, and at the rates and charges set forth in Section 30.7 preceding for price band rates and charges and Section 31.7 preceding for all other rates and charges (as determined in Section 15.3 preceding).

(2) Application of Rates and Charges for Ports

(a) This Option 46 includes monthly recurring rates for Ports that are ordered during the first thirty-six (36) months of the Service Period specified in (D) preceding and that are within the Serving Area as specified in (C) preceding. Such Ports are exclusively for use with Ordered SDRs that are subscribed to under this Option 46.

(b) The monthly recurring rates for Ports as set forth in (H) following apply only to those Ports that are subscribed to under this Option 46 and meet the requirements set forth herein for such Ports.

(c) The monthly recurring rates for Ports are set forth in (H) following and apply per Port.

(d) Ports ordered after the first thirty-six (36) months of the Service Period specified in (D) preceding may only be ordered on a month-to-month basis. Such Ports are subject to the monthly recurring charges set forth in (H) following of this Option 46 and to the nonrecurring charges set forth in Section 30.34 preceding for price band rates and charges and Section 31.34 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding).

(3) Order Modification Charges

Following the customer's initial order for service at the time of subscription to Option 46, for any subsequent order for additional DS1 Services, DS3 Services, Multiplexed DS3 Services, or Ports that is modified within five (5) days of placement of an order for such service by Customer, order modification charges as set forth in Section 5 preceding do not apply. (N)

32. Contract Tariffs (Cont'd)

32.47 Contract Tariff Option 46 (Cont'd)

(G) Terms and Conditions

Unless specifically superseded by the terms and conditions set forth herein, all terms and conditions, including termination liability and minimum periods, as stated in Section 7 preceding for DS1 Service, DS3 Service and Multiplexed DS3 Service, or Section 34.1 following with respect to Ports, apply to the applicable services and Ports that are subscribed to under this Option 46.

(1) Subscription to Other Contract Tariff Options

The customer may not concurrently subscribe any rate element that is subject to the rates set forth in (H) following of this Option 46 to any other contract tariff option or other Telephone Company offering unless subscription of such rate element is explicitly allowed under that contact tariff option or other offering. Upon subscription to another contract tariff option or other offering, the rates set forth in (H) following will cease, unless explicitly allowed to continue under the other contract tariff option or other offering.

(2) Termination Charges

(a) Termination Charges for DS1 Services, a DS3 Services, and Multiplexed DS3 Services

(1) Except as set forth in (D)(4)(b) preceding and subject to (G)(2)(a)(4) following, termination charges apply per DS1 Service, DS3 Service or Multiplexed DS3 Service that is discontinued prior to the end of its thirty-six (36) month Service Period as established under (D)(1)(a) through (D)(1)(c) preceding. (C) (C)

(2) Termination charges for DS1 Service, DS3 Service, and Multiplexed DS3 Service apply at one hundred percent (100%) of the applicable monthly recurring rate set forth in (H) following beginning with the date of disconnection and continuing through the end of the first twelve (12) months of the Service Period, and at twenty percent (20%) of the applicable monthly recurring rate set forth in (H) following for the remainder of the thirty-six (36) month Service Period.

(3) The conversion of DS1 Services, DS3 Services, and Multiplexed DS3 Services that are in-service as of January 26, 2007 and subsequently subscribed to under this Option 46 shall not be regarded as a termination of such services. Following conversion, for DS1 Services, DS3 Services, and Multiplexed DS3 Services subscribed to under this Option 46, termination liability applies in accordance with (G)(2)(a)(1) and (G)(2)(a)(2) preceding.

(4) Termination charges do not apply if a DS1 Service, a DS3 Service, or a Multiplexed DS3 Service subscribed to under this Option 46 is discontinued after completing its thirty-six month Service Period.

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32. Contract Tariffs (Cont'd)

32.47 Contract Tariff Option 46 (Cont'd) (N)

(G) Terms and Conditions (Cont'd)

(2) Termination Charges (Cont'd)

(a) Termination Charges for DS1 Services, a DS3 Services, and Multiplexed DS3 Services (Cont'd)

(5) Termination Charges under this (G)(2)(a) do not apply if the customer's subscription to this Option 46 is terminated due to the customer's failure to maintain the minimum or maximum number of DS1 Services and DS3 Services (point-to-point or multiplexed or a combination of both) set forth (B)(7) preceding. However, such termination will result in the following:

(i) customer's DS1 Services, DS3 Services, and Multiplexed DS3 shall be subject to the 3-year SDP rates set forth in Section 30.34 preceding for price band rates and charges and Section 31.34 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding and Section 7.4.10 preceding) beginning with the date that the total number of DS1 Services and/or DS3 Services fell below the minimum for such services as specified in (B)(7) preceding, or exceeded the maximum for such services as specified in (B)(7) preceding, as applicable, until such time as regular, on-going billing for the DS1 Services and/or DS3 Services reflects the three(3) year SDP rates prospectively; and

(ii) termination liability under Section 7.4.10 preceding if such services are subsequently discontinued prior to the end of the 3-year SDP commitment period; and

(iii) the customer's subscription to Ports under this Option 46 is not affected and shall continue in accordance with this Section 32.47.

(b) Termination Charges for Ports

(1) Termination charges apply if a DS1 Port is discontinued prior to the end of the respective Service Period as set forth in (D) preceding.

(2) Termination charges for Ports apply at one hundred percent (100%) of the applicable monthly recurring rate set forth in (H) following beginning with the date of disconnection and continuing through the end of the first twenty-four (24) months of the Service Period, plus seventy-five percent (75%) for months twenty-five (25) through thirty-six (36) of the Service Period. Termination charges do not apply after month 36 of the applicable Service Period.

(3) Ports that are ordered after the first thirty-six (36) months of the Service Period (i.e., on a month-to-month basis) are not subject to termination charges. (N)

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32. Contract Tariffs (Cont'd)

32.47 Contract Tariff Option 46 (Cont'd)

(G) Terms and Conditions (Cont'd)

(2) Termination Charges (Cont'd)

(b) Termination Charges for Ports

(4) When the TPP for an in-service Port that was previously purchased under Section 34.1 following is cancelled in order subscribe to a Port of the same type under this Option 46 for use with Ordered SDR under this Option 46, such cancellation of the term plan such shall not be regarded as a termination or cancellation of service and will not incur termination liability or cancellation charges. Once such Port(s) are subscribed to under this Option 46, such Port(s) shall be subject to termination liability and/or cancellation charges as set forth in this Option 46.

(3) Transitional Billing

(a) Where the customer orders an upgrade to OC192 SDR during the Subscription Period, and the upgrade meets the eligibility requirements set forth in (B) preceding, the customer may, at the time of ordering the upgrade, request the transitional billing option. In doing so, the customer will receive six (6) months of transitional billing credit when the conditions set forth herein are met. An upgrade to OC192 SDR that is ordered after the subscription period is not eligible for transitional billing credit under this Option 46.

(b) Transitional billing credit applies for six (6) months at fifty percent (50%) of the monthly recurring rates for the node and mileage rate elements on the DSR being replaced. For Ordered OC192 SDRs purchased under Section 34.1 following, transitional billing credit also applies at 50% of the node and mileage rate elements provided that the replacing OC192 SDR has at least one (1) node location (customer designated premises or Telephone Company central office) in common with the DSR being replaced. The monthly recurring rates for DSR are set forth in Section 30.34 preceding for price band rates and charges and Section 31.34 preceding for all other rates and charges (as determined in accordance with Section 15.3 preceding).

(4) Expiration of the Service Period

Upon expiration of the applicable Service Period or common expiration date of the Service Period, as applicable, the customer's subscription to DS1 Services, DS3 Services, Multiplexed DS3 Services and Ports is terminated and the customer must choose one of the following options: (C) (C)

(a) discontinue the service without termination liability; or

(b) select any then offered service discount plan, term plan, contract tariff option or other service offering provided by the Telephone Company for which the customer is eligible; or

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32. Contract Tariffs (Cont'd)

32.47 Contract Tariff Option 46 (Cont'd)

(G) Terms and Conditions (Cont'd)

(4) Expiration of the Service Period (Cont'd)

(c) continue with the service as follows:

(i) For DS1 Services, DS3 Services, and Multiplexed DS3 Services, the customer may continue with the applicable service on a month-to-month basis at the rates set forth in (H) following and subject to the terms and conditions of this Option 46 for a period of up to twelve (12) months from the expiration date or common expiration date of the Service Period, as applicable. If the customer elects to continue with the service beyond such twelve (12) month period, the service will be provided at the three (3) year SDP rates and at the terms and conditions set forth in Section 7 preceding. (C)

(ii) For Ports, the customer may continue with the service on a monthly basis at the sixty (60) month rates set forth in Section 30.34 preceding for price band rates and charges and Section 31.34 preceding for all other rates and charges as determined in accordance with Section 15.3 preceding.

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32. Contract Tariffs (Cont'd)

32.47 Contract Tariff Option 46 (Cont'd)

(H) Monthly Recurring Rates (N)

(1) Channel Terminations

	USOC	Monthly Recurring Rate	Nonrecurring Charge
DS1 Standard Channel Termination, per point of termination provided from a customer's serving wire center that is within the New York NY MSA#1 only	-----	$ 165.00	None
DS3 Standard Channel Termination (for use with DS3 Service or Multiplexed DS3 Service), per point of termination provided from a customer's serving wire center that is within the New York NY MSA#1 only	-----	1,500.00	None

(N)

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32. Contract Tariffs (Cont'd)

32.47 Contract Tariff Option 46 (Cont'd)

(H) Monthly Recurring Rates (Cont'd) (N)

(2) Channel Mileage

	USOC	Monthly Recurring Rate Fixed	Per Mile
DS1 Channel Mileage, per mile between New York serving wire centers that are within the 5 boroughs of the New York Metropolitan LATA	-----	None	None
DS3 Channel Mileage (for use with DS3 Service or Multiplexed DS3 Service), per mile between New York serving wire centers that are within the 5 boroughs of the New York Metropolitan LATA	-----	None	None
DS1 Channel Mileage, per mile between New York wire centers that are outside of the 5 boroughs of the New York Metropolitan LATA or between a borough of the New York Metropolitan LATA and another New York Wire center that is within MSA#1 only	-----	None	$12.00
DS3 Channel Mileage (for use with DS3 Service or Multiplexed DS3 Service), per mile between New York wire centers that are outside of the 5 boroughs of the New York Metropolitan LATA or between a borough of the New York Metropolitan LATA and another New York Wire center that is within MSA#1 only	-----	None	92.00 (N)

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32. Contract Tariffs (Cont'd)

32.47 Contract Tariff Option 46 (Cont'd)

(H) Monthly Recurring Rates (Cont'd) (N)

(3) DS3/DS1 Central Office Multiplexing
(for use with Multiplexed DS3 Service only)

	USOC	Monthly Recurring Rate
- Per arrangement	-----	$500.00
(4) Ports		
DS1 Ports	-----	28.00
DS3 Ports	-----	115.00
DS3 Transmux Ports	-----	400.00

(N)

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32. Contract Tariffs (Cont'd)

32.48 Contract Tariff Option 47 (N)

(A) Scope

Contract Tariff Option 47 (**Option 47**) provides a customer with Billing Credits (as defined below) on certain Facilities Management Service (**FMS**) Channel Mileage rate elements when the customer maintains a minimum number of FMS Transport Miles (as defined below) and satisfies the other criteria as set forth in this Option 47.

(B) Definitions

Unless otherwise defined in this Option 47, the following terms are used in this Option 47.

(1) **Alternative Tariff Arrangement** shall mean collectively any other generally available tariff arrangement, contract tariff option, special service arrangement, or Individual Case Basis (**ICB**) tariff arrangement offered by the Telephone Company and available to the customer pursuant to this tariff with respect to any of the services covered by this Option 47.

(2) **BANs** shall mean Billing Account Numbers of the customer which shall be used to provide the Billing Credits (if any) to the customer.

(3) **Billing Credit** shall mean collectively the amounts (if any) provided to the customer as a credit on its monthly bill at the end of each Quarter during the Service Period based on the applicable Discounts on the specific services (as set forth in (H) following) offered to the customer pursuant to this Option 47. Calculation of the applicable Billing Credits is described in (I) following.

(4) **Discount** shall mean collectively the discounts (if any) on FMS Channel Mileage Rate Elements as provided under the terms of Option 47 of this tariff and Option 46 of the Telephone Company's Tariff F.C.C. No. 1 (FCC 1). Discounts offered on FMS Channel Mileage Rate Elements is described in (H) following. (x) (x) (N)

(x) Issued under authority of Special Permission No. 07-004 of the Federal Communications Commission.

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32. Contract Tariffs (Cont'd)

32.48 Contract Tariff Option 47 (Cont'd) (N)

(B) Definitions (Cont'd)

(5) **FMS Channel Mileage Rate Elements** shall mean the monthly recurring rates for the channel mileage rate elements included within the FMS Plan as follows.

(a) The FMS Channel Mileage Rate Elements for this tariff are described in Section 6.2.12(F)(3) preceding for Switched Access FMS and Section 7.2.16(F)(3) preceding for Special Access FMS.

(b) The monthly recurring rates for FMS Channel Mileage in this tariff are set forth in Sections 30.6.9(A)(2) and (B)(2) preceding for Price Band rates and Section 31.6.9(A)(2) and (B)(2) preceding for all other rates for Switched Access FMS and preceding for Special Access FMS Sections 30.7.18(A)(2) and (B)(2) preceding for Price Band rates and Sections 31.7.18(A)(2) and (B)(2) preceding for all other rates (as determined in accordance with Section 15.3 preceding).

(c) The FMS Channel Mileage Rate Elements for FCC 1 are described in Section 6.8.26(D)(10) for Switched Access FMS and Section 7.2.13(D)(11) for Special Access FMS. (x) (x)

(d) The monthly recurring rates for Switched Access FMS Channel Mileage for FCC 1 are set forth in Section 6.9.10(D) as determined in Section 14.7. The monthly recurring rates for Special Access FMS Channel Mileage for FCC 1 are set forth in Section 7.5.18(C) as determined in Section 14.7. (x) (x)

(6) **FMS Plan** shall mean the Switched Access or Special Access FMS Services provided pursuant to Sections 6.8.26 and 7.2.13 preceding of this tariff and Sections 6.2.12 and 7.2.16 of FCC 1. (x)

(7) **FMS Transport Miles** shall mean the aggregate number of miles billed by the Telephone Company to the customer for FMS Channel Mileage Rate Elements during each month of the Service Period for all FMS Plan Services provided pursuant to this tariff and to FCC 1, and which miles are not subject to dispute by the customer. If the customer disputes the billing of any mileage for the FMS Channel Mileage Rate Elements (e.g., number of miles billed for a circuit is incorrect), then such miles shall not be included in the calculation of FMS Transport Miles. Unless manifest error can be demonstrated by the customer, the Telephone Company's calculation of such aggregate mileage shall be deemed to be accurate, and shall not be subject to dispute by the customer. (x) (N)

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32. Contract Tariffs (Cont'd)

32.48 Contract Tariff Option 47 (Cont'd) (N)

(B) Definitions (Cont'd)

(8) **Grooms** shall mean a change in the connecting facility assignment (**CFA**) or termination point of a Special Access DS1 or DS3 Service, and shall include any of the following types of moves, rearrangements, reterminations, disconnection, and reconnection, or other changes (however characterized) to the Special Access Service: (i) a change in the Customer Designated Premises from one location to another; (ii) a change in the CFA or termination point within a single Telephone Company wire center; or (iii) a change in the CFA or termination point from one Telephone Company wire center to CFA in another Telephone Company wire center (CFA can be associated with a facility provided by either the Telephone Company or provided by a collocator).

(9) **Maximum Monthly Grooms** shall have the meaning set forth in (J) following.

(10) **Minimum FMS Transport Miles** shall have the meaning set forth in (G) following.

(11) **MRC** shall mean monthly recurring rates or charges for the services provided pursuant to Telephone Company tariffs.

(12) **Prior Contract Options** shall mean Contract Tariff Option 40 preceding of this tariff and Contract Tariff Option 37 of FCC 1. (x)

(13) **Quarter** shall mean either of the following periods, as applicable: (i) the period from May 1, 2007 to July 31, 2007; or (ii) August 1, 2007 to October 31, 2007. (N)

(x) Issued under authority of Special Permission No. 07-004 of the Federal Communications Commission.

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32. Contract Tariffs (Cont'd)

32.48 Contract Tariff Option 47 (Cont'd) (N)

(C) Eligibility

The customer must meet all of the following criteria in order to be eligible to receive the rates, terms, and conditions of this Option 47.

(1) The customer must have been subscribed to the Prior Contract Options and not terminated such Prior Contract Options prior to the end of the service period for such Prior Contract Options.

(2) The customer must continue to continuously subscribe to the FMS Plan during the Service Period.

(3) During the three (3) month period prior to May 1, 2007, the customer must have maintained a minimum average of one hundred sixty thousand (160,000) billed FMS Transport Miles per month.

(4) The customer may not concurrently subscribe to an Alternative Tariff Arrangement which meets any of the following criteria at any time during the Service Period: (i) an Alternative Tariff Arrangement which provides a discount, credit, or other reduction in rates or terms, other than a generally available discount plan which allows for aggregation of Special Access Services across all of the Telephone Company's interstate tariffs; and (ii) an Alternative Tariff Arrangement which provides discounts on FMS Channel Mileage Rate Elements or on other rate elements included within the FMS Plan. If the customer wishes to subscribe to such an Alternate Tariff Arrangement, then the customer shall not receive any Discounts and Billing Credits under this Option 47.

(5) A customer must subscribe to Option 47 by submitting a written authorization in a manner designated by the Telephone Company before June 1, 2007 (**Subscription Period**).

(D) Service Period

The Service Period of this Option 47 shall commence on May 1, 2007 and end on October 31, 2007. (N)

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32. Contract Tariffs (Cont'd)

32.48 Contract Tariff Option 47 (Cont'd) (N)

(E) Services and Rate Elements Subject to This Option 47

Subject to the terms and conditions of this Option 47, the applicable Discount (as described in (H) following) and Billing Credits (as described in (I) following) shall be provided on the following services and the following rate elements:

(1) FMS Channel Mileage Rate Elements

The applicable Discount on FMS Channel Mileage Rate Elements (as described in (H)(1) following) shall only be applied to the MRCs for FMS Channel Mileage Rate Elements that are billed during the Service Period, and that meet all of the following criteria during each month of the Service Period:

(a) The entire circuit (all portions other than the end user channel termination), must be included within the FMS Plan;

(b) The FMS Channel Mileage Rate Element must be a rate element of an FMS Plan circuit that has a Network Channel (**NC**) Code of either HC, HF, or OC (i.e., the circuit must be DS1 or greater bandwidth);

(c) The FMS Channel Mileage Rate Elements must be billing one of the following USOCs: 1A59S, 1A64S, 1A6US, 1A6VS, 1YJB3, 1YJB5, 1YJBX, 1A5YS, 1A87S, 1A88S, 1A89S, 1YAMS, 1YANS, 1YAPS, 1YAQS,1YARS, 1YJD3, 1YJD5, 1YJDX, 1YJF3, 1YJF5, 1YJFX, 1YJA3, 1YJA5, 1YJAX,; and

(d) The customer meets the requirements of maintaining the Minimum FMS Transport Miles as more specifically described in (G) following, and the requirements regarding disputes, payments, credits, and debits set forth in (I)(3) following. (N)

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32. Contract Tariffs (Cont'd)

32.48 Contract Tariff Option 47 (Cont'd) (N)

(E) Services and Rate Elements Subject to This Option 47 (Cont'd)

(2) The Discount and Billing Credit is provided only on billed FMS Channel Mileage Rate Elements that meet the requirements of this Option 47 (including (I) following). The following types of charges (which is an illustrative list and is not intended to be a comprehensive listing of all other charges excluded from application of Discounts and Billing Credits) are not included in the application of the Discount and the calculation of the Billing Credits:

(a) Any non recurring charges;
(b) Taxes, fees, or other charges imposed by a federal, state, local, or other governmental entity (e.g. Federal Universal Service Fund);
(c) Service or administrative fees or charges imposed by the Telephone Company (e.g., interest penalty, late payment penalty);
(d) Any other billed amount related to the services for which payment is being withheld or under dispute by the customer, subject to (I) following;
(e) Any debits or credits for Services rendered in prior Quarters or periods prior to May 1, 2007, subject to (I) following;
(f) Minimum period charges;
(g) Termination liabilities; or
(h) Any other charges which are not applied on a recurring monthly basis. (N)

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32. Contract Tariffs (Cont'd)

32.48 Contract Tariff Option 47 (Cont'd) (N)

(F) Service 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 Section 15.3 preceding of this tariff. Wire centers for the Phase II MSAs of this tariff are listed in Section 15.3 preceding. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in the tariff) that occur during the Service Period of this Option 47 will apply.

(G) Minimum FMS Transport Miles

(1) Subject to the terms and conditions set forth in this Option 47, including the requirement to maintain the Minimum FMS Transport Miles as set forth in this Section (G), the customer is eligible to receive the applicable Discount set forth in Table 1 of (H)(1) following.

(2) In order to receive the applicable Discount (as set forth in Table 1 of (H)(1) following) and the Billing Credits (as determined in accordance with (I) following) associated therewith, in any given month of the Service Period, the customer must meet either one of the following criteria (individually and collectively referred to as **Minimum FMS Transport Miles**):

(a) During any month of the Service Period, the customer must maintain in-service no less than 160,000 FMS Transport Miles per month. If the customer meets this criteria, then the Telephone Company will not calculate, and the customer is not required to meet the requirements of (G)(2)(b) following; or

(b) During any Quarter, the customer must maintain an average of no less than 160,000 FMS Transport Miles during each month of such Quarter. If the customer maintains an average number of miles of no less than 160,000 FMS Transport Miles during each month of such Quarter, but does not otherwise meet the criteria as set forth in (G)(2)(a) preceding (i.e., the actual monthly FMS Transport Miles in a given calendar month are less than 160,000 miles), the customer shall still be eligible for the applicable Discounts set forth in (H) following. (N)

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32. Contract Tariffs (Cont'd)

32.48 Contract Tariff Option 47 (Cont'd) (N)

(G) FMS Minimum Transport Miles (Cont'd)

(2) (Cont'd)

(b) (Cont'd)

The following two illustrative examples are presented.

Example 1: During Quarter 1, the Telephone Company calculates the customer's FMS Transport Miles (excluding any miles which are disputed by the customer) during each such month of Quarter 1 as follows:

Month 1 - 154,000 miles, and
Month 2 - 160,000 miles, and
Month 3 - 161,000 miles.

Since month 1 did not meet the requirements of (G)(2)(a) preceding (i.e., the billed FMS Transport Miles were less than 160,000), the Telephone Company will calculate the average number of FMS Transport Miles for Quarter 1, which is equal to 158,333 miles per month (i.e., an aggregate of 475,000 Transport Miles for Quarter 1 divided by 3 months).

Based on this information, the customer would not receive the applicable Discounts (as set forth in Table 1 of (H)(1) following) or the Billing Credits (as set forth in (I) following) in month 1 of Quarter 1 because the customer has not met either of the criteria set forth in (G)(2) preceding (i.e., the actual FMS Transport Miles in month 1 are less than 160,000 miles, and the average monthly FMS Transport Miles, as measured throughout the three months of Quarter 1, is less than 160,000 miles). However, the customer would be eligible for the applicable Discounts (as set forth in Table 1 of (H) following) and the Billing Credits (as set forth in (I) following) in months 2 and 3 of Quarter 1 because the customer meets the Minimum FMS Transport Mile criteria in (G)(2)(a) preceding (i.e., it's actual FMS Transport Miles for months 2 and 3 are each at or above 160,000 miles). (N)

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32. Contract Tariffs (Cont'd)

32.48 Contract Tariff Option 47 (Cont'd) (N)

(G) FMS Minimum Transport Miles (Cont'd)

(2) (Cont'd)

(b) (Cont'd)

Example 2: During Quarter 1, the Telephone Company calculates the customer's FMS Transport Miles (excluding any miles which are disputed by the customer) during each such month of Quarter 1 as follows:

Month 1 - 159,000 miles, and
Month 2 - 164,000 miles, and
Month 3 - 166,000 miles.

This results in an average number of FMS Transport Miles for Quarter 1 of 163,000 miles per month (i.e., an aggregate of 489,000 Transport Miles for Quarter 1 divided by 3 months).

Based on this information, the customer would receive the applicable Discounts (as set forth in Table 1 of (H)(1) following) and the Billing Credits (as set forth in (I) following) for each month of Quarter 1 because the customer meets the Minimum FMS Transport Mile criteria in (G)(2)(b) preceding (i.e., the average monthly FMS Transport Miles are greater than 160,000 miles for each month of Quarter 1). (N)

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32. Contract Tariffs (Cont'd)

32.48 Contract Tariff Option 47 (Cont'd) (N)

(H) Discounts

(1) FMS Plan Discounts

Subject to the terms of this Option 47, including the requirement to maintain the Minimum FMS Transport Miles as set forth in (G) preceding, and the method of calculation and timing of the Billing Credit as set forth in (I) following, the Telephone Company will apply the applicable Discount (as set forth in Table 1 below) to the customer's FMS Channel Mileage Rate Elements. The applicable Discount is derived by (i) assigning each circuit included in the FMS Plan to a mileage band (as set forth in Table 1 below) based on the length of the channel mileage billed for such circuit; and (ii) assigning all circuits included in the FMS Plan into FMS Transport Mile tiers (as set forth in Table 1 below) based on the aggregate billed FMS Transport Miles in any given month of the Service Period. In no event will the aggregate Billing Credit paid over the course of the Service Period by the Telephone Company to the customer for FMS Channel Mileage that is eligible to be Tier 2 be greater than $1,500,000.

Table 1: Discounts by Mileage Band and FMS Transport Miles

FMS Transport Miles	Mileage Band 1 1 – 10 Miles	Mileage Band 2 11 – 20 Miles	Mileage Band 3 21 Miles or Above
Tier 1			
1 – 160,000	32.0%	27.5%	24.0%
Tier 2			
160,001 and above*	50.0%	40.0%	35.0%

* The aggregate Billing Credits payable at this tier are subject to an aggregate and overall cap of $1,500,000 for the entire Service Period.

For example, assume that in a given month in the Service Period, the customer had 165,000 FMS Transport Miles. Then, the customer would be eligible for the applicable Discounts based on mileage bands for all FMS Transport Miles up to 160,000 miles, and would be eligible for applicable Discounts in Tier 2 based on mileage bands for all FMS Transport Miles greater than 160,000 miles. The actual Discount level would depend on the length of the circuit. A detailed method of calculation is described in (I) following. (N)

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32. Contract Tariffs (Cont'd)

32.48 Contract Tariff Option 47 (Cont'd) (N)

(I) Calculation and Payment of Billing Credits

(1) Method of Calculation of the Applicable Billing Credit

(a) Following the end of each Quarter during the Service Period, the Telephone Company will calculate the applicable Billing Credit (if any) to be applied to the customer's BANs by assigning the FMS Transport Miles (excluding any miles which are disputed or payment is withheld by customer) for each month of the Quarter into Table 1 of (H)(1) preceding, and then applying the corresponding discount based on the assignment of those FMS Transport Miles. Specifically, (i) the first 160,000 FMS Transport Miles and the associated FMS Transport MRCs for each month of the Quarter are assigned into Tier 1 of Table 1 in (H)(1) preceding, and (ii) any miles in excess of 160,000 FMS Transport Miles and the associated FMS Transport MRCs, if any, for that same month of the Quarter are assigned into Tier 2 of Table 1 in (H)(1) preceding. Finally, the discounts set forth in Table 1 of (H)(1) preceding are applied to the assigned FMS Transport MRCs for each month and all such discounted sums are totaled to determine the Billing Credit due for the Quarter. The associated MRCs of any FMS Transport Miles that are unpaid or under dispute at the time of performing this calculation will not be assigned.

(b) Finally, the Billing Credit for FMS Transport Miles determined in (I)(1)(a) preceding will be reduced to reflect any Grooms which exceed the Maximum Monthly Grooms specified in (J) following. For month 1 of Quarter 1, the Billing Credit shall be pro-rated based on the number of days beginning with the date of subscription to the end of such calendar month.

(c) The calculations specified in (I)(1)(a) through (b) preceding will be repeated for each month in each Quarter. (N)

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32. Contract Tariffs (Cont'd)

32.48 Contract Tariff Option 47 (Cont'd) (N)

(I) Calculation and Payment of Billing Credits (Cont'd)

(1) Method of Calculation of the Applicable Billing Credit (Cont'd)

(d) Consider the following illustrative example:

Assume the customer has 154,000 FMS Transport Miles for month 1 of Quarter 2, but otherwise has met the Minimum FMS Transport Miles set forth in (G)(2) preceding. Assume further that the customer had MRCs which were billed in Quarter 1 of $3,000,000, and that the customer disputed and did not pay $450,000 of such billed MRCs claiming that the FMS Channel Mileage was incorrectly calculated. Hence, in calculating the Billing Credit, the MRC would be calculated as $2,550,000 ($3,000,000 less $450,000). Thus, after the completion of the preceding calculation, the customer has the following distribution of FMS Transport Miles and MRCs for the FMS Channel Mileage Rate Elements:

	Miles	MRC
Mileage band 1	30,000	$ 750,000
Mileage band 2	29,000	800,000
Mileage band 3	95,000	1,000,000
Total	154,000	$2,550,000

Applying the Discount from Table 1 of (H)(1) preceding, the calculation yields the following Billing Credits by mileage band:

Mileage band 1	$750,000 x .32 = $240,000
Mileage band 2	$800,000 x .275 = $220,000
Mileage band 3	$1,000,000 x .24 = $240,000

The total Billing Credit is $700,000 ($240,000 plus $220,000 plus $240,000).

Assume further that the customer had no reduction based on exceeding the Maximum Monthly Grooms. Hence the final Billing Credit in this example is $700,000. Each of the above steps would be repeated for each month in a Quarter to arrive at the aggregate Billing Credit for the Quarter. (N)

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32. Contract Tariffs (Cont'd)

32.48 Contract Tariff Option 47 (Cont'd) (N)

(I) Calculation and Payment of Billing Credits (Cont'd)

(2) Payment of Billing Credits

If the customer is eligible for a Billing Credit as set forth in this Option 47, then, subject to the terms of this Option 47, no later than sixty (60) days after the end of each Quarter during the Service Period, the Telephone Company shall credit the customer's BANs with the applicable Billing Credit(s) as determined in accordance with the terms of this Option 47. The Billing Credits will be provided only in the MSAs that have achieved Phase I or Phase II pricing flexibility under this tariff.

(3) In calculating the Billing Credit, all of the following requirements shall apply.

(a) The Telephone Company shall not include in the calculation of the Billing Credit any amounts which are unpaid and/or disputed by the customer as of the thirtieth (30th) day following the end of each Quarter. For example, assume that the customer had MRCs which were billed in Quarter 1 of $3,000,000. Assume further that the customer disputed and did not pay $450,000 of such billed MRCs claiming that the FMS Channel Mileage was incorrectly calculated. Hence, in calculating the Billing Credit (as set forth in (I) preceding), the MRCs would be calculated as $2,550,000 ($3,000,000 less $450,000). (N)

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32. Contract Tariffs (Cont'd)

32.48 Contract Tariff Option 47 (Cont'd) (N)

(I) Calculation and Payment of Billing Credits (Cont'd)

(3) (Cont'd)

(b) To the extent that the customer has any disputes, then the customer must submit such disputes to the Telephone Company no later than the thirtieth (30th) day following the end of each Quarter. Each dispute must be submitted on a claim description form as provided by the Telephone Company and must clearly state next to the circuit ID and amount under dispute the following "Dispute Associated with 2007 Contract Tariff."

(c) Any amounts or services that are included in calculation of the Billing Credit will not be subject to any claims or disputes by the customer at any time in the future.

(d) For the purpose of calculating the Billing Credit, the Telephone Company shall not include in MRCs any credits or debits for Services provided during any prior periods (regardless of whether such credits or debits were the result of a valid dispute by the customer or were the result of a billing error by the Telephone Company), or any prior Quarter other than the then current Quarter for which the Billing Credit is being calculated. As an illustrative example, assume that the customer had MRCs for all FMS Channel Mileage Rate Elements which were billed in Quarter 1 of $3,000,000. Assume further that the customer disputed and did not pay $450,000 of such billed MRCs claiming that the FMS Channel Mileage was incorrectly calculated. Hence, in calculating the Billing Credit (as set forth in (I) preceding), the MRC would be calculated as $2,550,000 ($3,000,000 less $450,000). Assume further that in Quarter 2, the Telephone Company and the customer agree that such billing was partially in error and that the customer should have received a credit of $300,000 for FMS Channel Mileage Rate Elements. Then, in Quarter 2, the Telephone Company shall not include such credit adjustment of $300,000 nor the subsequent debit of $150,000 for purposes of calculating the customer's Billing Credit in Quarter 2. (N)

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32. Contract Tariffs (Cont'd)

32.48 Contract Tariff Option 47 (Cont'd) (S)

(J) Limitation on Grooms

In consideration for the terms and conditions set forth herein, including the Discounts and Billing Credit offered by the Telephone Company, the customer and the Telephone Company agree to the following:

(1) Subject to the terms of this Section (J), commencing on May 1, 2007, and during each month of the Service Period, the Telephone Company shall not be required to perform Grooms of more than twenty-five (25) Special Access circuits per month, of which number no more than two (2) Special Access circuits may be equal to DS3 or greater bandwidth (**Maximum Monthly Grooms**).

(2) The Maximum Monthly Grooms limitation set forth in (J)(1) preceding shall only apply to the following LATAs: 128, 132, 130, 134, 136, 140, 224, 226, 228, 230, 234, 236, 238, 248, 252. When determining the Maximum Monthly Grooms limitation, the Telephone Company shall count all Grooms ordered during the month in any of the operating territories for such LATAs of this tariff and FCC 1 and within any of the operating territories specified for such LATAs in the Telephone Company's Tariffs F.C.C. No. 14 and/or F.C.C. No. 16. (S)
The operating territories for each such LATA can be found in the Local Exchange Routing Guide (**LERG**) , as described under the Reference to Other Publications, Technical Reference section preceding of this tariff. (N) (N)

(S) Reissued material originally issued under Transmittal No. 794 and effective May 1, 2007

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32. Contract Tariffs (Cont'd)

32.48 Contract Tariff Option 47 (Cont'd) (N)

(J) Limitation on Grooms (Cont'd)

(3) The following types of Grooms shall not be included in the Maximum Monthly Grooms and shall be performed by the Telephone Company in accordance with its normal business practices:

(a) Telephone Company Initiated Grooms: Any Groom initiated by the Telephone Company shall not be included in the number of Maximum Monthly Grooms.

(b) Maintenance Grooms: A circuit that is identified as a Maintenance Groom (as defined below) by the customer, and accepted by the Telephone Company as a Maintenance Groom shall not be included in the number of Maximum Monthly Grooms. A **Maintenance Groom** shall mean a circuit which meets all of the following criteria:

(1) there is no change in the mileage between the original and Groomed circuit;

(2) the original circuit is experiencing service failures as a result of equipment problems, and Grooming will correct such problems; and

(3) the total MRCs billed by the Telephone Company to the customer for such Groomed circuit shall be equal to or greater than the original circuit prior to the Groom being performed. All Maintenance Grooms shall be subject to review and acceptance by the Telephone Company, and the Telephone Company's final decision shall be binding as to whether a specific Groom is a Maintenance Groom, or whether such Groom is to be included in the Maximum Monthly Grooms. The Telephone Company may route such circuit as it deems necessary, and such routing shall be at the Telephone Company's sole discretion.

(c) Optimization Grooms: Any Grooms where (i) there is no change in the mileage between the original and Groomed circuit and (ii) the total MRCs billed by the Telephone Company to the customer for such Groomed circuit shall be equal to or greater than the original circuit prior to the Grooming activities having been performed;

(d) Any circuit that is at a bandwidth less than a DS1 level shall not be subject to the Maximum Monthly Grooms limitation. (N)

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32. Contract Tariffs (Cont'd)

32.48 Contract Tariff Option 47 (Cont'd) (N)

(J) Limitation on Grooms (Cont'd)

(4) The customer may submit requests to the Telephone Company to perform Grooms that exceed the Maximum Monthly Grooms during any calendar month, but the Telephone Company shall not be obligated to perform any Grooms in excess of the Maximum Monthly Grooms, unless the customer specifically instructs the Telephone Company in writing to perform Grooms in excess of the Maximum Monthly Grooms. Any Grooms performed by the Telephone Company that are in excess of the Maximum Monthly Grooms shall be subject to the terms of (J)(6) following.

(a) If the customer submits requests to the Telephone Company to perform Grooms that are less than the Maximum Monthly Grooms during any calendar month and there are no other Grooms that are being carried over from prior months, then the customer may "bank" or carryover the additional Grooms that are less than the Maximum Monthly Grooms to a subsequent month or subsequent months of the Service Period. For example, if the customer submits only twenty (20) requests for Grooms in a given month, then the customer may carryover or bank the five (5) Grooms and can use them in successive months. No additional Billing Credit or Discount will be provided for any banked or carried over Grooms which are not used by the end of the Service Period. The customer may not "bank" or carryover any additional Grooms (as described in this Section (J)(4)(a)) from any periods prior to May 1, 2007, or after the end of the Service Period.

(b) If the Telephone Company is unable to complete any of the scheduled Grooms in a given calendar month, and as a result the customer has fewer than the Maximum Monthly Grooms, then the Maximum Monthly Groom for the next successive calendar month of the Service Period shall be increased by the number of Grooms that were not completed by the Telephone Company in the prior month. For example, if the Telephone Company did not complete five (5) Grooms in month 4 of the Service Period, and as a result completed only 20 Grooms in month 4, then the Maximum Monthly Groom for month 5 shall be increased from 25 to 30. (N)

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32. Contract Tariffs (Cont'd)

32.48 Contract Tariff Option 47 (Cont'd) (N)

(J) Limitation on Grooms (Cont'd)

(5) When a Special Access Circuit is channelized, then a request to perform a Groom on such circuit shall mean that all lower bandwidth circuits that ride such higher bandwidth shall each individually be counted as a separate request for Grooming in addition to the higher bandwidth circuit. For example, if a Special Access DS3 service is channelized such that 10 Special Access DS1 circuits ride such a Special Access DS3, then a Groom of such Special Access DS3 circuit will be counted as 11 Grooms in total.

(6) In any given month during the Service Period, if the customer submits one or more requests to the Telephone Company, and the Telephone Company agrees to perform more than the Maximum Monthly Grooms, then the Billing Credit shall be reduced for each Groomed Special Access circuit that is above the Maximum Monthly Groom limitation by an amount set forth in Table 2 below. The reduction charges in Table 2 following will be in addition to any retermination charges currently assessed under this tariff.

Table 2: Reductions in Billing Credits for Exceeding Maximum Monthly Grooms

Length of Special Access Circuit being Groomed	Special Access DS1 Reduction in Billing Credit	Special Access DS3 Reduction in Billing Credit
1 – 10 Miles	$ 700.00	$ 5,400.00
11 – 20 Miles	1,300.00	10,600.00
21 Miles or greater	2,250.00	17,000.00

(7) No representation or warranty is made by the Telephone Company with respect to the number of Grooms, process, speed, or completion of any Grooms in addition to the Maximum Monthly Grooms, and such additional Grooms shall not be subject to the terms of this Option 47 with respect to any remedies for failure to perform the Grooms. (N)

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32. Contract Tariffs (Cont'd)

32.48 Contract Tariff Option 47 (Cont'd) (N)

(K) Termination of Plan

(1) Subject to the terms set forth in this Section (K), the customer may terminate this Option 47 at any time during the Service Period. The customer must provide written notice of termination at least thirty (30) days prior to the requested date of termination of this Option 47, and termination of this Option 47 shall be deemed to be an automatic termination of Option 46 in FCC 1. (x)

(2) If the customer terminates or cancels this Option 47 at any time during the Service Period, then the customer shall pay (no later than thirty (30) days after such date of termination) to the Telephone Company an amount equal to one hundred percent (100%) of all Billing Credits paid up to the date of such termination under this Option 47 (i.e., all Billing Credits paid since May 1, 2007). The terms of (J) preceding shall continue to apply until the end of the Service Period regardless of any early termination by the customer as set forth in this Section (K).

(L) FMS Plan Extension and Combined Commitment Levels

(1) Extension of FMS Plan

The customer and the Telephone Company hereby agree that the FMS Plans which are expiring as of May 1, 2007 shall be extended to October 31, 2007. In the event that the customer terminates any FMS Plan prior to October 31, 2007, termination liability under each FMS Plan shall apply as set forth in Sections 6.2.12(G)(3) and 7.2.16(G)(3) preceding of this tariff and Sections 6.8.26(F) and (x)
7.2.13(F) of FCC 1. (x)

(2) Combined Commitment Levels

The customer shall establish one DS-0 commitment level (as specified in Sections 7.2.16(E)(5) and 6.2.12(E)(5) preceding of this tariff and Sections 7.2.13(D)(3) and 6.8.26(D)(3) of FCC 1 (**Combined Commitment Level**) for all of its FMS Special Access and Switched Access under both FMS Plans, thereby allowing the Telephone Company to manage the FMS Plans as a single plan across both this tariff and FCC 1. An Annual Review (as described in this tariff and in FCC 1) will be conducted following the expiration of the Service Period hereunder. In the event that the customer does not meet the Combined Commitment Level at the time of the Annual Review (as described in this tariff and in FCC 1), then the customer shall be subject to any applicable shortfall penalties that may be assessed in accordance with Sections 6.2.12(E)(4)(b) and 7.2.16(E)(4)(b) preceding of this tariff and Sections 6.8.26(D)(3)(b)(ii) and (x)
7.2.13(D)(3)(b)(ii) of FCC 1. (N)(x)

(x) Issued under authority of Special Permission No. 07-004 of the Federal Communications Commission.

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (N)

(A) Scope

Contract Tariff Option 48 (**Option 48**) provides Credits on certain Special Access Services if the customer meets certain total billed revenue (**TBR**) amounts for the Services (as defined in (E) following) during each Plan Year.

(B) Specific Terms

Unless otherwise defined in this Option 48, the following terms are used in this Option 48.

(1) **Alternative Tariff Arrangement** shall mean collectively any other generally available tariff arrangement (including any term or volume plans), contract tariff option, special service arrangement, or Individual Case Basis tariff arrangement offered by the Telephone Company and available to the customer pursuant to this tariff with respect to any of the Services covered by this Option 48.

(2) **Credits** shall mean collectively the RPC Credits (as described in (H)(1) following); the TBR Credits (as described in (H)(2) following); and the VID Credits (as described in (H)(3) following).

(3) **Customer ACNA(s)** shall mean the customer's ACNA(s) that are provided to the Telephone Company by the customer in its subscription to this Option 48 (as required in (C) following), which ACNA(s) are agreed to by the Telephone Company in writing for inclusion in this Option 48.

(4) **Groom(s)** shall mean a change in the connecting facility assignment (**CFA**) or termination point of a Special Access DS3 Service, and shall include any of the following types of moves, rearrangements, reterminations, and disconnection and subsequent reconnection, to the DS3 Service:

(a) a change in the CFA or termination point within a single Telephone Company wire center; or

(b) a change in the CFA or termination point from one Telephone Company wire center to CFA in another Telephone Company wire center (CFA can be a Telephone Company provided facility or a collocation).

(5) **MRCs** shall mean monthly recurring charges for the Services. (N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(6) **Plan Year** shall mean each of the following periods during the Service Period: (1) Plan Year 1 shall commence on July 24, 2007, and end on May 31, 2008; (2) Plan Year 2 shall commence on June 1, 2008 and end on May 31, 2009; and (3) Plan Year 3 shall commence on June 1, 2009 and end on May 31, 2010.

(7) **Quarter** shall mean either of the following periods, as applicable: (i) the first Quarter of each Plan Year is the period beginning with the first date of the applicable Plan Year and ending on the last day of the second calendar month after the month in which the first date occurs (i.e., approximately ninety (90) days thereafter), except for Quarter 1 of Plan Year 1 which shall commence on July 24, 2007, and end on August 31, 2007; or (ii) each consecutive three (3) month period thereafter commencing on the first day of the calendar month following the end of the prior Quarter and ending on the last day of the second calendar month after the month in which the first day occurs.

In addition to the specific terms set forth in (1) through (7) preceding, the following shall apply.

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).

All amounts in this Option 48 will be rounded up or down to the nearest $1,000. (N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(C) Eligibility

The customer must meet all of the following criteria in order to be eligible to receive the Credits as set forth in (H) following and other benefits of this Option 48.

(1) During the three (3) month period prior to July 24, 2007, the customer must have maintained a minimum average of $65M in billed MRCs per month for the Services as defined in (E) following.

(2) The customer may not concurrently subscribe to an Alternative Tariff Arrangement except as allowed under (O) following.

(3) The customer must subscribe to Option 48 by submitting a written authorization in a manner designated by the Telephone Company before September 22, 2007. Such subscription must include a list of Customer ACNA(s).

(4) The customer must concurrently subscribe to this Option 48, Option 47 of FCC1, and Option 22 of FCC14. (x) (x)

(D) Service Period

Subject to any early termination as set forth in (N) following, the **Service Period** shall commence on July 24, 2007, and end on May 31, 2010. (N)

(x) Issued under authority of Special Permission No. 07-017 of the Federal Communications Commission.

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(E) Services

(1) The terms of this Option 48 apply **only** to the following Services, where such Services are provided using the USOCs set forth in (G)(6) following:

(a) Special Access DS1 Services (collectively, **DS1 Services**), as described in Section 7.2.9 preceding of this tariff, Section 7.2.9 of the Verizon Telephone Companies Tariff F.C.C. No. 1 (**FCC1**), Section 5.2.7 of the Verizon Telephone Companies Tariff F.C.C. No. 14 (**FCC14**), and Section 7.11.1 of the Verizon Telephone Companies Tariff F.C.C. No. 16 (**FCC16**); and (x)

(b) Special Access DS3 Services (collectively, **DS3 Services**), as described in Section 7.2.9 preceding of this tariff, Section 7.2.9 of FCC1, Section 5.2.7 of FCC14, and Section 7.11.1 of FCC16; and (x)

(c) Special Access Facilities Management Service (collectively, **FMS Services**), as described in Section 7.2.16 preceding of this tariff and Section 7.2.13 of FCC1; and (x)

(d) IntelliLight® Entrance Facilities Service using STS1, DS3 or DS1 interfaces, as described in Section 26.1.4 preceding of this tariff, Section 7.2.15 of FCC1, Section 20.4 of FCC14, and Section 20.4 of FCC16 (**IEF Services**). (x)

(2) Any other services provided by the Telephone Company other than the Services listed above (including any similar SONET entrance facility service provided under an agreement or arrangement other than this tariff) are not included herein as a Service. No switched access services are included in this offering.

(3) This tariff may be amended from time to time, and such amended rates, terms, and conditions for the Services shall apply to this Option 48 upon the effectiveness of such change to this tariff.

(4) DS1 Services, DS3 Services, and IEF Services provided pursuant to FCC16 shall be included in the calculation of the TBR; however, no Credits or discounts under this Option 48 shall be provided or due with respect to Services purchased under FCC16. (x)

(F) Serving Area

Any 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 15.3 preceding of this tariff, Section 14.7 of FCC1, 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) that occur during the Service Period of this Option 48 will apply. (x) (N)

(x) Issued under authority of Special Permission No. 07-017 of the Federal Communications Commission.

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(G) Calculation of TBR

(1) Quarterly TBR Calculation

(a) Other than Quarter 1 of Plan Year 1 for which quarterly TBR is calculated as set forth in (G)(1)(b) following, the TBR for a given Quarter during the Service Period shall be determined as follows: (i) determine the MRCs for the Services that are billed during such applicable Quarter; and (ii) subtract from the amount derived in (1)(a)(i) preceding any DS3 Credits that are earned during such applicable Quarter; and

(b) For Quarter 1 of Plan Year 1, the TBR shall be determined as follows: (i) determine the MRCs for the Services that are billed during Quarter 1 as well as during the period from June 1, 2007 to July 24, 2007; and (ii) subtract from the amount derived in (1)(b)(i) preceding any DS3 Credits earned during Quarter 1 as well as during the period from June 1, 2007 to July 24, 2007. The customer and the Telephone Company agree that, notwithstanding the inclusion of MRCs and DS3 Credits in the calculation of quarterly TBR, the Services within the operating territories of this tariff are provided pursuant to the terms set forth in other sections of this tariff. (N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(G) Calculation of TBR (Cont'd)

(2) Annual TBR Calculation

(a) Other than Plan Year 1 for which the Annual TBR is calculated as set forth in (G)(2)(b) following, the TBR for a given Plan Year shall be determined as follows: (i) determine the MRCs for the Services that are billed during such applicable Plan Year, which MRCs have been paid in full by the customer, as more specifically described in (M) following; and (ii) subtract from the amount derived in (2)(a)(i) preceding any DS3 Credits that are earned during such applicable Plan Year; and

(b) For Plan Year 1, the TBR shall be determined as follows: (i) determine the MRCs for the Services that are billed during such applicable Plan Year as well as during the period from June 1, 2007 to July 24, 2007, which MRCs have been paid in full by the customer, as more specifically described in (M) following; and (ii) subtract from the amount derived in (2)(b)(i) preceding any DS3 Credits that are earned during such applicable Plan Year as well as during the period from June 1, 2007 to July 24, 2007. The customer and the Telephone Company agree that, notwithstanding the inclusion of MRCs and DS3 Credits in the calculation of annual TBR, the Services within the operating territories of this tariff are provided pursuant to the terms set forth in other sections of this tariff.

As used in this Section (G), "earned" shall mean DS3 Credits that are associated with the MRCs for the Eligible DS3 Circuit(s) that were billed during the applicable Quarter or Plan Year. The customer and the Telephone Company acknowledge and agree, however, that the applicable DS3 Credit shall be provided on a Carrier Access Billing System (CABS) bill to the customer after the end of the applicable Quarter or Plan Year during which the MRCs for the Eligible DS3 Circuits were billed. In calculating TBR for the applicable Quarter or Plan Year, the Telephone Company shall only use DS3 Credits that are earned during such applicable Quarter or Plan Year. (N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(G) Calculation of TBR (Cont'd)

(2) Annual TBR Calculation (Cont'd)

(c) Set forth below are two illustrative examples with respect to calculation of TBR. These examples, as well as other examples in this Option 48, are provided to add clarity to the substantive provisions of this Option 48, not to modify or replace those provisions.

Example 1:

Assume that the Telephone Company billed $11M in MRCs for purchases of Eligible DS3 Circuits in Quarter 1 of Plan Year 2. Assume that the applicable DS3 Credit associated with such Eligible DS3 Circuits is $1M. Assume further that the DS3 Credit of $1M is provided in Quarter 2 of Plan Year 2. In calculating the TBR for Quarter 1 of Plan Year 2, the DS3 Credits earned in Quarter 1 ($1M) shall be subtracted from the MRCs for the Eligible DS3 Circuits billed in Quarter 1 ($11M), yielding a total of $10M in MRCs to be included in calculation of TBR for Quarter 1. The DS3 Credits provided in Quarter 2 that are associated with the MRCs for Eligible DS3 Circuits billed during Quarter 1 shall not be used in the calculation of TBR for Quarter 2.

Example 2:

Assume that Plan Year 1 and the Service Period commence on July 25, 2007. The RPC Credit of $18M shall be due on August 8, 2007 (i.e., 15th calendar day of the Service Period). No Credits or discounts as set forth herein may be provided prior to July 25, 2007. However, in calculating the TBR for Plan Year 1 or Quarter 1 of Plan Year 1, as applicable, the Telephone Company shall determine the MRCs for such Services that have been billed during Plan Year 1 as well as from June 1, 2007 to July 25, 2007, and shall subtract from such MRC amount any DS3 Credits that have been earned by the customer during Plan Year 1 as well as from June 1, 2007 to July 25, 2007. Additionally, all Grooms performed between June 1, 2007 and May 31, 2008 shall be counted towards the Maximum Annual Grooms number for Plan Year 1, in accordance with (J) following. (N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(G) Calculation of TBR (Cont'd)

(3) The Telephone Company agrees that it will not intentionally and willfully delay billing in order to avoid discounts or credits otherwise due to the customer.

(4) Calculation of TBR to Include Only Billed Amounts for the Services

Billed amounts associated with any service (or any portion of a service) that is not a Service as specified in (E) preceding shall not be included in calculation of TBR.

(5) Calculation of TBR to Include Only MRCs

Other than the DS3 Credit (which will be included in the calculation of TBR), the TBR shall not include any non-recurring charges (**NRCs**), surcharges, taxes, late payment charges, credits (including any Credits provided herein, fractional debit/credit amounts, adjustments, minimum period charges, termination liabilities, or any other billings other than billed amounts that are applied on a recurring monthly basis for the applicable Quarter or Plan Year of the Service Period. As an illustrative example, assume that during a Plan Year, the Telephone Company provides a credit of $5M based on incorrect billing of MRCs for a DS1 Service, such credit of $5M would not be included in the calculation of the TBR (i.e., the TBR for such Plan Year or Quarter, as applicable, would not be reduced by $5M). However, assume that the customer has earned a DS3 Credit of $2M during a given Quarter based on the customer's purchase of Eligible DS3 Circuits, then such $2M would be included in the calculation of TBR for such Quarter (i.e., the TBR for such Plan Year or Quarter, as applicable, would be reduced by $2M), as described in Sections (G)(1) and (G)(2) preceding. (N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(G) Calculation of TBR (Cont'd)

(6) USOCs Used in Calculation of TBR

The TBR will include all of the MRCs for the Services that are billed under one of the following USOCs, and that are ordered by the customer using one of the Customer ACNA(s). Calculation of TBR is more specifically described in (M) following. If any of the USOCs listed below bill both MRCs and/or other charges (e.g., NRCs), then only the MRC amounts of such USOCs shall be counted towards the calculation of TBR. If Services are billed under any USOCs not listed below as a result of any of the following reasons, then such new USOCs will be counted as contributory towards the TBR: (a) the customer begins purchasing under term plans under which it did not previously purchase Services; or (b) the Telephone Company introduces new USOCs for the Services, and the customer purchases Services using such USOCs, for which the Telephone Company shall provide notice to the customer within thirty (30) days of its inclusion in the Telephone Company's systems; or (c) the customer and the Telephone Company agree to add any USOCs to the list below.

USOCs Used to Calculate TBR:

1A4YS	1A59S	1A5LX	1A5YS	1A5ZS
1A89S	1CF22	1CF25	1CF3W	1CF75
1CFA5	1CFC5	1CFD1	1CFD3	1CFD5
1CFE3	1CFE5	1CFF1	1CFF5	1CFH1
1CFH3	1CFH5	1CFU8	1CFV8	1CKDX
1CKJX	1CKPF	1CKSX	1HHPS	1J53S
1J54S	1L5LS	1L5RS	1L5XS	1L5XX
1LFMX	1LFSX	1OX1X	1OX3X	1OX5X
1OXTX	1T58S	1U5PS	1X7VX	1XCDX
1Y3AC	1Y3AD	1YA8S	1YWPS	1YWQS

(N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(G) Calculation of TBR (Cont'd)

(6) USOCs Used in Calculation of TBR (Cont'd)

USOCs Used to Calculate TBR (Cont'd):

A1VA1	A1VXG	A1VXZ	ABVBA	AVY
AVYXX	B2CFP	C6H6X	C6H7X	CCO
DVA	EU4DX	EU4JX	EU4KX	EU4PF
EU4SX	EU7VX	EUU21	EUU22	EUU23
EUU25	EUU35	EUU3W	EUU41	EUU43
EUU45	EUU55	EUU95	EUUA1	EUUA5
EUUC5	EUUD1	EUUD3	EUUD5	EUUF5
EUUG1	EUUH5	EUUU8	EUUV8	EUUVJ
EUW	HGV1X	HGVTX	HKTJS	HKTJX
MKM	MQ1	MQ3	MQK	MXN12
MXN13	MXN15	MXN17	MXNF5	MXNM5
MXNMX	MXNRX	N2M	PR9PX	PR9SX
QMU	SLHA1	SLHA3	SLHA5	SLHB1
SLHB3	SLHB5	SLHC5	SLHC7	SLHD3
SLHD5	SLHD7	SLHE1	SLHE3	SLHE5
SLHE7	TJ59X	TMECS	TNJ9X	TNJZX
TNT3X	TNT4X	TNT8X	TNW5X	TNWZX
TRG	TSP	TUTPX	TVJPX	TVJRX
TVJYX	TWTE6	TWTE9	TWTF6	TWTF7
TYF1X	TYF3S	TYF3X	TYF8S	TYF8X
TYFLS	TYFLX	TYFMS	TYFMX	TYFSX
P8T35	TWBNX	TWBPX	T8XJ5	VPQSP

(H) Credits

If the customer meets the applicable TBR set forth in (H)(1), (H)(2) and (H)(3) following during a Quarter or a Plan Year of the Service Period, as applicable, then the customer is eligible to receive the following Credits as described below:

- RPC Credits (described in (H)(1) following)
- TBR Credits (described in (H)(2) following)
- VID Credits (described in (H)(3) following)

The above Credits are cumulative and apply independently of each other. (N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(H) Credits (Cont'd)

(1) Revenue Performance Credits (RPCs)

(a) Subject to the terms set forth in (M) and (N) following, if the customer achieves a certain TBR for each Plan Year as set forth in the table below, then the customer will be eligible for the corresponding RPC amount for such Plan Year (i.e., the Plan Year just ended), as set forth in the following RPC Table (**Eligible RPC Amount**).

RPC Table

TBR During Each Plan Year	Plan Year 1 RPC	Plan Year 2 RPC	Plan Year 3 RPC
Less than $830.0M	None ($0)	None ($0)	None ($0)
Greater than or equal to $830.0M but less than $840.0M	$23.7M	$24.8M	$25.6M
Greater than or equal to $840.0M but less than $850.0M	$30.3M	$30.8M	$31.2M
Greater than or equal to $850.0M	$36.0M	$36.0M	$36.0M

(N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(H) Credits (Cont'd)

(1) Revenue Performance Credits (RPCs) (Cont'd)

(b) Subject to the restrictions set forth in the immediately succeeding sentence, on the fifteenth (15th) calendar day of each Plan Year, and on the one hundred eightieth (180th) calendar day of each Plan Year (other than in Plan Year 1, where the second credit shall be provided on December 1, 2007), the Telephone Company will provide to the customer an RPC credit amount equal to $18M, for a total of $36M in each Plan Year (individually and collectively, **RPC Credit**). Such RPC Credit is subject to a partial or total refund if the customer does not meet or exceed a TBR of $850M for such Plan Year (i.e., the Plan Year just ended). The amount of the refund of the RPC Credit shall be equal to the difference between (a) the Eligible RPC Amount that the customer would have been eligible for (based on the tier in the table in Section (H)(1)(a) preceding into which the customer falls) and (b) $36M. Such determination shall be made at each Annual True-Up as described in (M) following. No RPC Credit will be due if the TBR for that Plan Year is less than $830M. The maximum Eligible RPC Amount available during any Plan Year is $36M.

Example 1:

If the TBR for Plan Year 2 was calculated as $845M, then the customer would be required to refund to the Telephone Company $5.2M (the RPC Credit of $36M provided during Plan Year 2 less the Eligible RPC Amount earned by the customer during such Plan Year 2 of $30.8M, as determined in accordance with the table in (H)(1)(a) preceding).

Example 2:

If the TBR for Plan Year 2 was calculated as $829M, then the customer would be required to refund to the Telephone Company the entire RPC Credit of $36M (the RPC Credit of $36M provided during Plan Year 2 less the Eligible RPC Amount earned by the customer during such Plan Year 2 of $0, as determined in accordance with the table in (H)(1)(a) preceding). (N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(H) Credits (Cont'd)

(1) Revenue Performance Credits (RPCs) (Cont'd)

(c) Application of a Debit (if any)

If the customer is required to refund to the Telephone Company some (or all) of the RPC Credit, the Telephone Company shall enter a debit on its CABS billing to the customer as soon as reasonably possible, which generally will be approximately thirty (30) days following the completion of the Annual True-Up described in (M) following. Such debit shall be issued on BANs of the customer that are associated with the Services in MSAs where the Telephone Company has received pricing flexibility. The customer shall pay to the Telephone Company such refund amount no later than the due date set forth on such bill.

(2) TBR Credits

TBR Credits are comprised of Quarterly TBR Credits and Annual TBR Credits

(a) Quarterly TBR Credits

(1) Subject to the terms of (M) and (N) following, if the customer achieves a TBR as set forth in the Quarterly TBR Credit Table set forth in (H)(2)(a)(4) following for one (1) or more of the first three (3) Quarters of each Plan Year, then the customer will be eligible for the corresponding Quarterly TBR Credit for such Quarter, as set forth in the Quarterly TBR table in (H)(2)(a)(4) following. Quarterly TBR Credits are subject to an Annual True-Up as described in (M) following.

(2) The Quarterly TBR Credit shall be determined at the end of each of the first three (3) Quarters of each Plan Year by calculating the TBR for Services for the Quarter just ended in accordance with (G) preceding. There shall be no Quarterly TBR Credit due in the last Quarter (i.e., Quarter 4) of each Plan Year. No Quarterly TBR Credit will be due if the TBR for the Quarter just ended is less than $207.5M.

(3) If the customer is eligible to receive one (1) or more Quarterly TBR Credits, the Telephone Company will provide a credit on its CABS billing to the customer within sixty (60) days following the end of the applicable Quarter. (N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(H) Credits (Cont'd)

(2) TBR Credits (Cont'd)

(a) Quarterly TBR Credits

(4) Quarterly TBR Credit Table

Quarterly TBR	Plan Year 1 Quarterly TBR Credit	Plan Year 2 Quarterly TBR Credit	Plan Year 3 Quarterly TBR Credit
Less than $207.5M	None ($0)	None ($0)	None ($0)
Greater than or equal to $207.5M but less than $210.0M	$1.325M	$2.075M	$2.850M
Greater than or equal to $210.0M but less than $212.5M	$1.675M	$2.575M	$3.450M
Greater than or equal to $212.5M	$2.000M	$3.000M	$4.000M

(5) Example 1:

Assume that the TBR for Quarter 2 in Plan Year 2 is calculated as $215M, then the applicable Quarterly TBR Credit is $3M (as determined in accordance with the Quarterly TBR table in (H)(2)(a)(4) preceding). This amount is subject to the Annual True-Up as defined in (M) following. (N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(H) Credits (Cont'd)

(2) TBR Credits (Cont'd)

(b) Annual TBR Credits

(1) Subject to the terms of (M) and (N) following, if the customer achieves an annual TBR as set forth in the Annual TBR Credit Table in (H)(2)(b)(2) following for each Plan Year, then the customer will be eligible for the corresponding Annual TBR Credit for such Plan Year (i.e., the Plan Year just ended), as set forth in the Annual TBR table in (H)(2)(b)(2) following. The applicable Annual TBR Credit is the aggregate TBR Credit amount, if any, for which the customer is eligible during each Plan Year, and includes any Quarterly TBR Credits that may have been previously provided during such Plan Year.

(2) Annual TBR Credit Table

Annual TBR	Plan Year 1 Annual TBR Credit	Plan Year 2 Annual TBR Credit	Plan Year 3 Annual TBR Credit
Less than $830.0M	None ($0)	None ($0)	None ($0)
Greater than or equal to $830.0M but less than $840.0M	$5.300M	$8.300M	$11.400M
Greater than or equal to $840.0M but less than $850.0M	$6.700M	$10.300M	$13.800M
Greater than or equal to $850.0M	$8.000M	$12.000M	$16.000M

(N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(H) Credits (Cont'd)

(2) TBR Credits (Cont'd)

(b) Annual TBR Credits (Cont'd)

(3) At each Annual True-Up, the Annual TBR Credit shall be equal to the difference between (i) the Annual TBR Credit corresponding to the TBR for Services for the Plan Year just ended (as determined in accordance with the Annual TBR table set forth in (H)(2)(b)(2) preceding); and (ii) the total amount of all Quarterly TBR Credits provided by the Telephone Company during such Plan Year. No Annual TBR Credit will be due if the TBR for that Plan Year (i.e., the Plan Year just ended) is less than $830M.

(c) The following describes the calculation of any credits or refunds that would be applicable in a given Plan Year:

(1) If the amount of the Annual TBR Credit for which the customer is eligible in a given Plan Year exceeds the total amount of all Quarterly TBR Credits already provided to the customer during such Plan Year, then the Telephone Company shall provide a credit equal to the difference between (a) the Annual TBR Credit for which the customer was eligible in such Plan Year (as determined in accordance with the Annual TBR table in (H)(2)(b)(2) preceding); and (b) the total amount of all Quarterly TBR Credits provided in such Plan Year.

Example 1:

Assume that the customer's Annual TBR for Plan Year 2 is $865M, then the applicable Annual TBR Credit is $12M (as determined in accordance with the Annual TBR table in (H)(2)(b)(2) preceding). Assume also that the Telephone Company had provided Quarterly TBR Credits in Plan Year 2 in the amount of $3M per Quarter for each of the 3 Quarters (i.e., a total of $9M in Quarterly TBR Credits). Then, at the end of Plan Year 2, the Telephone Company would provide an additional credit of $3M (i.e., the eligible Annual TBR Credit of $12M less $9M of Quarterly TBR Credits already provided during such Plan Year). (N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(H) Credits (Cont'd)

(2) TBR Credits (Cont'd)

(c) (Cont'd)

(2) If the total amount of all Quarterly TBR Credits already provided to the customer during a Plan Year exceeds the applicable Annual TBR Credit for which the customer is eligible (in accordance with the Annual TBR table in (H)(2)(b)(2) preceding), then the customer would be required to refund the difference between (a) the total amount of all Quarterly TBR Credits provided in such Plan Year; and (b) the Annual TBR Credit for which it was eligible in such Plan Year (as determined in accordance with the Annual TBR table in (H)(2)(b)(2) preceding).

Example 2:

Assume that the TBR for Plan Year 2 is $835M, then the applicable Annual TBR Credit is $8.3M (as determined in accordance with the Annual TBR table in (H)(2)(b)(2) preceding). Assume, however, that the Telephone Company had provided Quarterly TBR Credits in Plan Year 2 in the amounts of $3M, $3M, and $2.575M for each of the 3 Quarters, respectively (i.e., a total of $8.575M), then the customer would be required to refund $275,000 to the Telephone Company (i.e., $8.575M of Quarterly TBR Credits provided during such Plan Year less the eligible Annual TBR Credit of $8.3M).

Example 3:

Assume that the TBR for Plan Year 2 is $829M, then the applicable Annual TBR Credit is $0 (as determined in accordance with the Annual TBR table in (H)(2)(b)(2) preceding). Assume, however, that the Telephone Company had provided Quarterly TBR Credits in Plan Year 2 in the amounts of $3M, $3M, and $2.575M for each of the 3 Quarters, respectively (i.e., a total of $8.575M), then the customer would be required to refund $8.575M to the Telephone Company (i.e., $8.575M of Quarterly TBR Credits already provided during such Plan Year less the eligible Annual TBR Credit of $0). (N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(H) Credits (Cont'd)

(2) TBR Credits (Cont'd)

(d) Application of Credit or Debit

If the customer is eligible to receive an Annual TBR Credit, the Telephone Company shall enter a credit on its CABS billing to the customer within thirty (30) days following the completion of the Annual True-Up, as described in (M) following. If the customer is required to refund to the Telephone Company some (or all) of the TBR Credits, the Telephone Company shall enter a debit on its CABS billing to the customer as soon as reasonably possible, which generally will be approximately thirty (30) days following the completion of the Annual True-Up, as described in (M) following. Such debit/credit shall be issued on BANs of the customer that are associated with the Services in MSAs where the Telephone Company has received pricing flexibility. The customer shall pay to the Telephone Company such refund amount no later than the due date set forth on such bill.

(3) Volume Incentive Discount (VID) Credits

(a) Subject to the terms of (M) and (N) following, if the customer achieves a TBR greater than $215.000M during a given Quarter during the Service Period, then the customer will be eligible for the corresponding VID Credit for such Quarter, as set forth in the table in (H)(3)(b) following. To determine the applicable VID Credit, multiply (1) the applicable VID Discount percentage from the table in (H)(3)(b) following that corresponds to the TBR achieved for such Quarter by the customer; by (2) the difference between (a) the TBR attained in such Quarter; and (b) $215.000M. Subject to the customer meeting an annual TBR of $830M or greater as set forth in (H)(3)(e) following, VID Credits are available in all four Quarters of each Plan Year. (N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(H) Credits (Cont'd)

(3) Volume Incentive Discount (VID) Credits (Cont'd)

(b) VID Credit Table

Quarterly TBR	VID Discount
Greater than $215.000M but less than $217.125M	10%
Greater than or equal to $217.125M but less than $219.250M	12%
Greater than or equal to $219.250M but less than $221.375M	14%
Greater than or equal to $221.375M but less than $223.500M	16%
Greater than $223.500M	18%

(c) Examples

Example 1:
If the TBR attained by the customer for Quarter 1 in Plan Year 3 is $215.000M, then the customer is eligible for a VID Credit of $0 for such Quarter (i.e., $215.000M achieved TBR minus $215.000M, multiplied by 10%).

Example 2:
If the TBR attained by the customer for Quarter 2 in Plan Year 2 is $224.9M, then the customer is eligible for a VID Credit of $1.782M for such Quarter (i.e., $224.9M achieved TBR minus $215.000M, multiplied by 18%).

(d) If the customer is eligible to receive a VID Credit for a Quarter, the Telephone Company will provide a credit on its CABS billing to the customer within sixty (60) days following the end of the applicable Quarter. (N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(H) Credits (Cont'd)

(3) Volume Incentive Discount (VID) Credits (Cont'd)

(e) If the TBR as calculated at an Annual True-Up in a given Plan Year is less than $830M, then all VID Credits provided during such Plan Year shall be refunded by the customer as set forth below. If the TBR as calculated at an Annual True-Up in a given Plan Year is equal to or greater than $830M, then any VID Credits provided during such Plan Year shall not be subject to refund by the customer. If the customer is required to refund to the Telephone Company all of the VID Credits, the Telephone Company shall enter a debit on its CABS billing to the customer as soon as reasonably possible, which generally will be approximately thirty (30) days following the completion of the Annual True-Up described in (M) following. Such debit shall be issued on BANs of the customer that are associated with the Services in MSAs where the Telephone Company has received pricing flexibility. The customer shall pay to the Telephone Company such refund amount no later than the due date set forth on such bill. (N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(I) DS3 Credits

(1) Eligible DS3 Circuits

(a) Subject to the terms of this Section (I), and Section (N) following, the customer will receive DS3 Credits (as defined in (I)(2) following) for the first one thousand two hundred (1,200) Eligible DS3 Circuits (as defined below) that the customer orders in a Plan Year (including, as set forth below for Plan Year 1, such Eligible DS3 Circuits that the customer ordered on or after April 1, 2007). An **Eligible DS3 Circuit** shall mean a DS3 circuit that meets all of the following criteria, provided that any such DS3 circuits that the customer orders in a Plan Year beyond the first 1,200 such DS3 circuits (including, as set forth below for Plan Year 1, such DS3 circuits that the customer ordered on or after April 1, 2007) in that Plan Year shall not be an Eligible DS3 Circuit:

(1) The DS3 circuit must have an inter-office mileage (channel mileage) rate element, and must be in one of the configurations set forth in the table in (I)(2)(b) following; and

(2) The DS3 circuit cannot be a DS3 circuit that was disconnected from its current location and installed as new at the same location; and

(3) The DS3 circuit must be ordered by the customer on or after April 1, 2007 in one of the operating territories and, pursuant to the terms, of this tariff or FCC1, as applicable. (x)

(b) Only the first 1,200 Eligible DS3 Circuits (i.e., the Eligible DS3 Circuits that meet all of the criteria set forth in (I)(1)(a)(1) through (I)(1)(a)(3) preceding) that are ordered by the customer during a Plan Year (or from April 1, 2007, as applicable, as set forth in (I)(1)(c) following) shall receive DS3 Credits. Any DS3 circuits in addition to the initial 1,200 Eligible DS3 Circuits purchased during a Plan Year shall be billed at the applicable rates set forth in other sections of this tariff, and are not eligible for the DS3 Credits set forth in (I)(2) following. (N)

(x) Issued under authority of Special Permission No. 07-017 of the Federal Communications Commission.

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(I) DS3 Credits (Cont'd)

(1) Eligible DS3 Circuits (Cont'd)

(c) During Plan Year 1, the 1,200 Eligible DS3 Circuits shall also include any Eligible DS3 Circuits ordered by the customer under this tariff from and after April 1, 2007. No later than September 22, 2007, the Telephone Company shall provide the applicable DS3 Credit on its CABS bill to the customer for the difference between the billed rate and the rate set forth in (I)(2)(b) following for such Eligible DS3 Circuits ordered between April 1, 2007 and July 24, 2007.

(2) DS3 Credits and True-Up of Mileage

(a) The Eligible DS3 Circuits purchased by the customer shall be billed on a monthly basis in accordance with other sections of this tariff. The Telephone Company shall provide a credit on its CABS billing to the customer for the difference between (i) the applicable rates set forth in other sections of this tariff; and (ii) the rates set forth in (I)(2)(b) following (**DS3 Credit**). The customer and the Telephone Company acknowledge and agree that the applicable DS3 Credit shall be applied after the end of the applicable Quarter or Plan Year, during which applicable Quarter or Plan Year, the MRCs for the Eligible DS3 Circuit(s) were billed. (N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(I) DS3 Credits (Cont'd)

(2) DS3 Credits and True-Up of Mileage (Cont'd)

(b) Rates Used to Determine DS3 Credits

DS3 Circuit Type	Rate	
Point-to-Point DS3 (Includes the DS3 Primary Premises Channel Termination (as described in Section 7.4.9(A)(1) preceding), the DS3 Secondary Premises Channel Termination (as described in Section 7.4.9(A)(1), and DS3 Channel Mileage between the wire centers serving such locations (as determined in accordance with Section 7.4.9(A)(2) preceding))	$1,990.00	
Multiplexed (Muxed) DS3 (Includes the DS3 Primary Premises Channel Termination (as described in Section 7.4.9(A)(1) preceding), DS3 Channel Mileage between the wire centers serving the Primary Premises and the Telephone Company DS3/DS1 Hub (as determined in accordance with Section 7.4.9(A)(2) preceding), and the DS3/DS1 multiplexer (as described in Section 7.2.9(D)(3)(a) preceding))	$1,650.00	(N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(I) DS3 Credits (Cont'd)

(2) DS3 Credits and True-Up of Mileage (Cont'd)

(b) Rates Used to Determine DS3 Credits (Cont'd)

DS3 Circuit Type	Rate
Point-to-Point DS3 where POP location is served by an IntelliLight Entrance Facility (Includes DS3 Channel Mileage between the wire centers serving the customer's IEF location and the DS3 Secondary Premises (as described in Section 7.4.9(A)(2) preceding) and the DS3 Secondary Premises Channel Termination(as described in Section 7.4.9(A)(1) preceding) (see note)	$1,640.00
Multiplexed (Muxed) DS3 where POP Location is served by an IntelliLight Entrance Facility (Includes DS3 Channel Mileage between the wire centers serving the customer's IEF location and the Telephone Company DS3/DS1 Hub (as determined in accordance with Section 7.4.9(A)(2) preceding) and the DS3/DS1 multiplexer (as described in Section 7.2.9(D)(3)(a) preceding) (see note)	$1,408.00 (N)

Note: Rates in this (I)(2)(b) do not apply to IntelliLight Entrance Facility, however provided. (N) (N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(I) DS3 Credits (Cont'd)

(2) DS3 Credits and True-Up of Mileage (Cont'd)

(c) The rates set forth in (I)(2)(b) preceding are only applicable to the configurations set forth in the table in (I)(2)(b) preceding. Such configurations assume an average of 13.15 airline miles between the locations involved (**DS3 Allowable Average Mileage**).

(d) No later than sixty (60) days following the end of each Plan Year, or no later than July 31st for all years after the end of the Service Period, as applicable, the Telephone Company will conduct a true-up to determine whether the Actual Total Billed Mileage (as defined in (I)(2)(e) following) is greater than the Allowed Total Billed Mileage (as defined in (I)(2)(g) following), and will provide a written notice to the customer setting forth the calculation of the Actual Total Billed Mileage and the Actual Total Billed Circuits (as defined in (I)(2)(f) following), including an identification of the Eligible DS3 Circuits used in the calculation. The customer and the Telephone Company agree that (1) the DS3 Credits set forth in (I)(2) preceding shall continue to apply after the expiration or early termination of the Service Period to all Eligible DS3 Circuits ordered during the Service Period; and (2) the true-up and calculation of the Total Excess Mileage and Total Excess Mileage Charge (if any, and as set forth in (h) and (i) following) shall continue to apply after the expiration or early termination of the Service Period, in each case until the last Eligible DS3 Circuit has been disconnected. In the event of an early termination of this Option 48 in accordance with (N) following, the customer shall not receive the DS3 Credits set forth in (I)(2) preceding on any new orders for DS3 Services from and after the Permitted Date of Termination (as described in (N) following). (N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd)

(I) DS3 Credits (Cont'd) (N)

(2) DS3 Credits and True-Up of Mileage (Cont'd)

(e) The Telephone Company shall calculate the **Actual Total Billed Mileage** by summing the monthly billed mileage lengths of each Eligible DS3 Circuit ordered by the customer during all years that have been completed (as of the date that the true-up is being conducted), pro-rated (if applicable) for the number of months that such Eligible DS3 Circuit was actually in-service during such year(s). For example, at the end of Plan Year 2, the calculations of Actual Total Billed Mileage would use the monthly billed mileage lengths of each Eligible DS3 Circuit ordered by the customer during the first 24 months of the Service Period, pro-rated (if applicable) for the number of months each Eligible DS3 Circuit was in service.

(f) The Telephone Company shall calculate the **Actual Total Billed Circuits** by summing the monthly billed circuit quantities of each Eligible DS3 Circuit ordered by the customer during all year(s) that have been completed as of the date that the true-up is being conducted, pro-rated (if applicable) for the number of months that such Eligible DS3 Circuit was actually in-service during such year(s). For example, at the end of Plan Year 2, the calculations of Actual Total Billed Circuits would use the monthly billed quantities of each Eligible DS3 Circuits ordered by the customer during the first 24 months of the Service Period, pro-rated (if applicable) for the number of months each Eligible DS3 Circuit was in service.

(g) The Telephone Company shall calculate the **Allowed Total Billed Mileage** by multiplying the Actual Total Billed Circuits times the DS3 Allowable Average Mileage.

(h) The Telephone Company shall calculate the **Total Excess Mileage** by subtracting the Allowed Total Billed Mileage from the Actual Total Billed Mileage.

(i) If the Total Excess Mileage is greater than zero, the Telephone Company shall calculate the **Total Excess Mileage Charge** by multiplying the Total Excess Mileage times the **DS3 Excess Mileage Charge** of $90.00. In such case, the customer shall pay the Telephone Company the Total Excess Mileage Charge within sixty (60) days of being billed therefor. If the Total Excess Mileage is less than or equal to zero, then no further adjustments or amounts are due by either the customer or the Telephone Company. (N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(I) DS3 Credits (Cont'd)

(2) DS3 Credits and True-Up of Mileage (Cont'd)

(j) Example 1

If in Plan Year 1, the Actual Total Billed Mileage is 108,077.55 miles, but the Allowed Total Billed Mileage is 105,200.00 miles, the customer must pay the Telephone Company a Total Excess Mileage Charge of $258,979.50 (108,077.55 – 105,200.00 = 2,877.55 miles, x $90).

(3) Quarterly and Annual Review to Determine Eligibility for DS3 Credits

(a) Quarterly Review to Determine Eligibility for DS3 Credits

If, in any given Quarter of the Service Period, the customer's TBR for Services is less than $207.500M for the applicable Quarter, then the customer will not receive a DS3 Credit for any Eligible DS3 Circuits ordered during any subsequent Quarter(s) until such time that the customer's TBR for a given Quarter meets or exceeds $207.500M. Even if the customer's TBR for a given Quarter is less than $207.500M, the customer shall retain its DS3 Credit for any Eligible DS3 Circuits ordered in the Quarter just ended and any Eligible DS3 Circuits ordered in any prior Quarters.

(b) Annual Review to Determine Eligibility for DS3 Credits

If the customer's annual TBR (as calculated at the Annual True-Up) is equal to or greater than $830M, then the customer shall receive the rates set forth in (I)(2)(b) preceding (i.e., the customer will receive a DS3 Credit) for the first 1,200 Eligible DS3 Circuits ordered during the Plan Year just completed. If the customer's annual TBR (as calculated at the Annual True-Up) is less than $830M, then the customer may retain the DS3 Credits for any Eligible DS3 Circuits that were previously receiving such DS3 Credits, and such Eligible DS3 Circuits shall continue to receive the DS3 Credits until such time as they are disconnected. In calculating the annual TBR for such Plan Year, the Telephone Company shall only use the DS3 Credits that are actually provided during such Plan Year, and shall not include any DS3 Credits that could have been provided based on achieving an annual TBR of $830M for the Plan Year just completed. If the customer's annual TBR (as calculated at the Annual True-Up) is equal to or greater than $830M, but the customer's TBR for Services for Quarter 4 of such Plan Year is less than $207.500M, then the customer will not receive DS3 Credits for all Eligible DS3 Circuits ordered during any subsequent Quarter(s) until such time that the customer's TBR for a given Quarter meets or exceeds $207.500M. (N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(I) DS3 Credits (Cont'd)

(4) Example 2

Assume that in Quarters 1 and 2 of Plan Year 1 the customer placed orders for 250 Eligible DS3 Circuits in each such Quarter, for a total of 500 Eligible DS3 Circuits. Assume further that at the end of Quarter 1 of Plan Year 1, the customer's Quarterly TBR is calculated as $208.000M, and that at the end of Quarter 2 of Plan Year 1, that the customer's Quarterly TBR is calculated as $205.000M. Then, the customer shall not be eligible to receive the DS3 Credits for any Eligible DS3 Circuits ordered in Quarter 3, and may not be eligible for such DS3 Credit in any successive Quarter until such time that the customer's Quarterly TBR meets or exceeds $207.500M. However, the customer shall retain the DS3 Credits that it received in Quarters 1 and 2 of Plan Year 1 for the 500 Eligible DS3 Circuits. Further, the customer shall continue to receive DS3 Credits on such 500 Eligible DS3 Circuits until such Eligible DS3 Circuits are disconnected.

Assume further that in Quarters 3 and 4 of Plan Year 1, the customer placed orders for an additional 300 Eligible DS3 Circuits in each such Quarter, for a total of 600 Eligible DS3 Circuits. Assume also that at the end of Plan Year 1, the customer's annual TBR is calculated as $840M (such calculation shall include only DS3 Credits provided on the 500 Eligible DS3 Circuits during the first two Quarters of the Plan Year), and that its Quarterly TBR for Quarter 4 of Plan year 1 was $207M. Since the customer's annual TBR is greater than $830M, the customer will be eligible to receive DS3 Credits on all Eligible DS3 Circuits ordered during Plan Year 1 (i.e., also on the 600 Eligible DS3 Circuits ordered in Quarters 3 and 4). The Telephone Company shall provide a DS3 Credit for such 600 Eligible DS3 Circuits following completion of the Annual True-Up. However, since the customer Quarterly TBR for Quarter 4 was less than $207.500M, the customer will not receive DS3 Credits for any Eligible DS3 Circuits ordered during any subsequent Quarter(s) until such time that the customer's TBR for a given Quarter meets or exceeds $207.500M. (N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(J) Limitation on Grooms

In consideration of the Credits and the DS3 Credits for Eligible DS3 Circuits as contemplated herein, the customer and the Telephone Company hereby agree as follows:

(1) Limitation on Grooms

Subject to the terms of this Option 48, during each Plan Year, the Telephone Company shall not be required to perform more than four hundred (400) Grooms of Special Access DS3 circuits per Plan Year (**Maximum Annual Grooms**).

(2) ACNAs Subject to Limitation on Grooms

The Maximum Annual Grooms limitation set forth in Section (J)(1) preceding shall only apply to those Customer ACNA(s) that are designated by the customer and agreed to, in writing, by the Telephone Company (i.e., the Maximum Annual Grooms limitation may apply to all, or less than all, of the Customer ACNA(s)). When determining whether the number of Grooms exceeds the Maximum Annual Grooms, the Telephone Company shall count all Grooms ordered during the Plan Year in any of the operating territories of this tariff, FCC1, FCC14 and FCC16; however, during Plan Year 1, the Maximum Annual Grooms shall be measured from June 1, 2007 through May 31, 2008. (x)

(3) Grooms in Excess of Maximum Annual Grooms

The customer may submit requests to the Telephone Company to perform Grooms that exceed the Maximum Annual Grooms during any Plan Year, but the Telephone Company shall not be obligated to perform any Grooms in excess of the Maximum Annual Grooms, unless the customer specifically instructs the Telephone Company in writing to perform such Grooms that are in excess of the Maximum Annual Grooms, and agrees in writing to the assessment of any reductions in the Credits as set forth in (J)(4) following. (N)

(x) Issued under authority of Special Permission No. 07-017 of the Federal Communications Commission.

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(J) Limitation on Grooms (Cont'd)

(4) Reduction in Credits or Application of a Debits

During any given Plan Year, if the customer submits one (1) or more requests to the Telephone Company to perform more than the Maximum Annual Grooms, and the Telephone Company agrees to the same, the aggregate Credits provided under this Option 48 (including the RPC, TBR, and VID Credits) shall be reduced by $50,000 for each Groom that exceeds the Maximum Annual Grooms, or in the case where the customer is not eligible for a Credit, then the Telephone Company shall issue a debit on the customer's BAN(s) equal to $50,000 for each Groom that exceeds the Maximum Annual Grooms. The customer agrees that any reduction in the Credits, or application of a debit, as set forth herein, will be in addition to any retermination, move, or other charges assessed under other sections of this tariff. For example, following the Annual True-Up for Plan Year 2, assume that the Telephone Company owes an aggregate Credit (inclusive of any VID Credit and Annual TBR Credit) of $3.5M to the customer. Assume further that the customer has requested, and the Telephone Company has performed ten (10) Grooms in excess of the Maximum Annual Grooms. Hence, the total Credit provided to the customer for Plan Year 2 is $3M ($3.5M less $500,000).

(5) Exceptions to the Maximum Annual Grooms

The following types of Grooms shall not be included in the Maximum Annual Grooms and shall be performed by the Telephone Company in accordance with its normal business practices:

(a) Telephone Company Initiated Grooms: Any Groom initiated by the Telephone Company; or

(b) Optimization Grooms: Any Grooms where a DS3 Service rides a Telephone Company optical service provided to the customer, which optical service terminates at or, originates from, a customer Point-of-Presence (POP); or

(c) A disconnection of a multiplexed DS3 Service that does not (at the time of the Groom) have any DS1 Service that rides a channel of such DS3 Service; or

(d) Any other Grooms that the customer and the Telephone Company mutually agree in writing to not include in the count of Maximum Annual Grooms, including Grooms associated with the elimination or decommissioning of a customer POP. (N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(J) Limitation on Grooms (Cont'd)

(6) No representation or warranty is made by the Telephone Company with respect to the number of Grooms, process, speed, or completion of any Grooms in addition to the Maximum Annual Grooms, and such additional Grooms shall not be subject to the terms of this Option 48 with respect to any remedies for failure to perform the Grooms. Other than as set forth herein, all Grooms shall remain subject to the terms set forth in other sections of this tariff.

(K) Mergers, Acquisitions, Divestitures, and Other Changes in Control of Customer

Only the Customer ACNA(s) are included in calculation of TBR under this Option 48. If the customer experiences either of the changes in control set forth in (1) or (2) following, the ACNA(s) associated with such changes in control will not be added to or removed from the calculation of TBR under this Option 48, unless the Telephone Company and the customer mutually agree to such addition or removal.

(1) The customer merges with, acquires, or otherwise gains an interest (whether through stock, assets, or otherwise) in one or more ACNA(s), entities, or unaffiliated third parties.

(2) The customer sells or otherwise divests one or more ACNA(s), or a line of business, division, affiliate, or other interest. (N)

32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(L) Sale of a Telephone Company Operating Company

(1) If some or all of the assets and/or stock of a Verizon Operating Telephone Company are acquired by an unaffiliated third party (**Acquired VZ Telco**), and the Acquired VZ Telco does not provide the Services to the customer under this Option 48 after such time, then the tiers and the Credits set forth in the tables in (H)(1) through (H)(3) preceding shall be adjusted in accordance with Step 1 through Step 4 following:

Step 1 Calculate the following reduction amounts as described below:

(i) Calculate the **Total Impacted Revenue**

Calculate the MRCs for the Services purchased by the customer from the Acquired VZ Telco during the twelve (12) months prior to the time that the Acquired VZ Telco ceases to provide the Services under this Option 48; and

(ii) Calculate **Average Monthly Impacted Revenue**

Divide the Total Impacted Revenue calculated in (i) of this Step 1 by twelve (12) months.

(iii) Calculate the **Acquisition Reduction Amount** for the Plan Year in Which the Sale Occurred

Multiply the Average Monthly Impacted Revenue for Services calculated in (ii) of this Step 1 by the number of months remaining in the Plan Year in which the sale occurred. As an illustrative example, if the sale occurs in month 3 of Plan Year 2, then the Average Monthly Impacted Revenue is multiplied by 9 months (i.e., 12 months less 3 months).

(iv) Calculate the **Annual Acquisition Reduction Amount** for the Remaining Plan Year(s)

Multiply the Average Monthly Impacted Revenue for Services calculated in (ii) of this Step 1 by twelve (12) months.

(v) Calculate the **Quarterly Acquisition Reduction Amount**

Multiply the Average Monthly Impacted Revenue for Services calculated in (ii) of this Step 1 by three (3) months. (N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(L) Sale of a Telephone Company Operating Company (Cont'd)

(1) (Cont'd)

Step 2 Reduce each of the tiers in each of the tables set forth in (H)(1) through (H)(3) preceding each time a sale occurs as follows:

(i) For the Plan Year during which the sale occurs, reduce the upper and lower ranges in each of the tiers in the RPC table set forth in (H)(1)(a) preceding and in the Annual TBR Credit table set forth in (H)(2)(b)(2) preceding by the Acquisition Reduction Amount calculated in (iii) of Step 1.

When calculating RPC and Annual TBR Credits for the Plan Year in which the sale occurs, the tiers of the RPC table as revised in this (i) of Step 2 shall be used in lieu of the RPC table set forth in (H)(1)(a) preceding, and the tiers of the Annual TBR Credit table as revised in this (i) of Step 2 shall be used in lieu of the Annual TBR Credit Table set forth in (H)(2)(b)(2) preceding. Additionally, the reduced tiers of the RPC table and Annual TBR Credit table are subject to further reduction in the event of a subsequent sale of another Telephone Company operating company.

(ii) For any remaining Plan Year(s), reduce the upper and lower ranges in each of the tiers in the RPC table set forth in (H)(1)(a) preceding, and in the Annual TBR Credit table set forth in (H)(2)(b)(2) preceding by the Annual Acquisition Reduction Amount calculated in (iv) of Step 1.

When calculating RPC and Annual TBR Credits for any remaining Plan Year(s), the tiers of the RPC table as revised in this (ii) of Step 2 shall be used in lieu of the RPC table set forth in (H)(1)(a) preceding, and the tiers of the Annual TBR Credit table as revised in this (ii) of Step 2 shall be used in lieu of the Annual TBR Credit Table set forth in (H)(2)(b)(2) preceding. Additionally, the reduced tiers of the RPC table and Annual TBR Credit table are subject to further reduction in the event of a subsequent sale of another Telephone Company operating company.

(iii) Reduce the upper and lower ranges in each of the tiers in the Quarterly TBR Credit Table set forth in (H)(2)(a)(4) preceding, and in the VID Credit Table set forth in (H)(3)(b) preceding by the Quarterly Acquisition Reduction Amount calculated in (v) of Step 1. For any sale that occurs prior to completion of a Quarter, the Quarterly Acquisition Reduction Amount shall be prorated to the number of days during the Quarter prior to the sale of the Acquired VZ Telco. (N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(L) Sale of a Telephone Company Operating Company (Cont'd)

(1) (Cont'd)

Step 3 Calculate the Applicable Revenue Reduction Percentages as follows:

(i) Calculate the **Acquisition Revenue Reduction Percentage** by dividing the Acquisition Reduction Amount by the lowest range of the tiers in each of the RPC and Annual TBR tables set forth in (H)(1)(a) and (H)(2)(b)(2) preceding, which tiers may have been reduced in accordance with (i) of Step 2 from time to time.

(ii) Calculate the **Annual Acquisition Revenue Reduction Percentage** by dividing the Annual Acquisition Reduction Amount by the lowest range of the tiers in each of the RPC and Annual TBR tables set forth in (H)(1)(a) and (H)(2)(b)(2) preceding, which tiers may have been reduced in accordance with (ii) of Step 2 from time to time.

(iii) Calculate the applicable **Quarterly Acquisition Revenue Reduction Percentage** by dividing the applicable Quarterly Acquisition Reduction Amount by twenty-five percent (25%) of the lowest range of the tiers in each of the RPC and Annual TBR tables set forth in (H)(1)(a) and (H)(2)(b)(2) preceding, which tiers may have been reduced in accordance with (iii) of Step 2 from time to time. If any sale occurs prior to the completion of a Quarter, there will be a Quarterly Acquisition Revenue Reduction Percentage for the Quarter in which the sale occurs as well as a Quarterly Acquisition Revenue Reduction Percentage for all remaining Quarters. (N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(L) Sale of a Telephone Company Operating Company (Cont'd)

(1) (Cont'd)

Step 4 Determine the Reduced Credits

(i) Multiply the Acquisition Revenue Reduction Percentage calculated in (i) of Step 3 preceding by each of the Credit amounts set forth in the RPC table in (H)(1)(a) preceding, and each of the Credit amounts set forth in the Annual TBR Credit table in (H)(2)(b)(2) preceding, for the Plan Year in which the sale occurred. Then, subtract these amounts from each of the Credit amounts set forth in the RPC table in (H)(1)(a) and the Annual TBR Credit table in (H)(2)(b)(2) preceding, for the Plan Year in which the sale occurred, to determine the appropriate credits for the Plan Year in which the sale occurred.

(ii) Multiply the Annual Acquisition Revenue Reduction Percentage calculated in (ii) of Step 3 preceding by each of the Credit amounts set forth in the RPC table in (H)(1)(a) preceding, and each of the Credit amounts set forth in the Annual TBR Credit table in (H)(2)(b)(2) preceding, for any remaining Plan Years. Then, subtract these amounts from each of the Credit amounts set forth in the RPC table in (H)(1)(a) preceding and the Annual TBR Credit table in (H)(2)(b)(2) preceding, for any remaining Plan Years, to determine the appropriate credits for any remaining Plan Years.

(iii) If the sale occurs at the end of a Quarter, multiply the Quarterly Acquisition Revenue Reduction Percentage calculated in (iii) of Step 3 preceding by each of the Credit amounts set forth in the Quarterly TBR Credit table in (H)(2)(a)(4) preceding. Then, subtract these amounts from each of the Credit amounts set forth in the Quarterly TBR Credit table in (H)(2)(a)(4) preceding to determine the appropriate Quarterly TBR credits. If the sale occurs prior to the completion of a Quarter, in addition to determining the appropriate Quarterly TBR credits for all other Quarters as set forth preceding in this (iii), calculate the appropriate Quarterly TBR credit for the Quarter in which the sale occurs utilizing the Quarterly Acquisition Revenue Reduction Percentage for such Quarter. (N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(L) Sale of a Telephone Company Operating Company (Cont'd)

(2) Illustrative Example

Assume that Verizon Delaware LLC (the Acquired VZ Telco) was acquired by an unaffiliated third party and ceased to operate at the end of month three (3) of year 1 of the Service Period. Assume that the customer purchased a total of $24M of Services from Verizon Delaware LLC during the twelve (12) months prior to the time that Verizon Delaware LLC ceased to provide the Services under this Option 48. Assume also that at the end of year 1 of the Service Period, the customer has achieved a TBR for Services of $849M. To calculate the applicable RPC Credits and TBR Billing Credits at the end of each year of the Service Period, perform the following calculation:

Step 1 Calculate the reduction amounts

(i) This example assumes the Total Impacted Revenue for the Services purchased by the customer from the Acquired VZ Telco is $24M.

(ii) The Monthly Average Impacted Revenue for Services purchased by the customer from the Acquired VZ Telco is $2M [$24M/12 months].

(iii) The Acquisition Reduction Amount for Services in Plan Year 1 is $18M [$2M x 9 months that remain in Plan Year 1 of the Service Period].

(iv) The Annual Acquisition Reduction Amount for Services in Plan Year 2 and Plan Year 3 is $24M [for each remaining Plan Year, multiply $2M x 12 months].

(v) The Quarterly Annual Reduction Amount is $6M [$2M x 3 months per Quarter].

Step 2 Reduce each tier of the TBR for Service set forth in the tables in (H)(1) through (H)(3) preceding.

(i) Subtract $18M (the Acquisition Reduction Amount for Services calculated in (iii) of Step 1) from each of the tiers in the RPC table set forth in (H)(1)(a) preceding and in the Annual TRR Credit Table set forth in (H)(2)(b)(2) preceding for the Plan Year during which the sale occurred. This reduction yields a new RPC table (as set forth in (i) following) and a new Annual TBR table (as set forth in (ii) following), which shall be used in lieu of the corresponding tables in (H)(1)(a) and (H)(2)(b)(2) preceding, respectively, during the Plan Year during which the sale occurred. (N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(L) Sale of a Telephone Company Operating Company (Cont'd)

(2) Illustrative Example (Cont'd)

Step 2 Reduce each tier of the TBR for Service set forth in (H)(1) through (H)(3) (Cont'd)

(ii) Subtract $24M (the Acquisition Reduction Amount for Services calculated in (iv) of Step 1) from each of the tiers in the RPC table set forth in (H)(1)(a) preceding and in the Annual TBR Credit table set forth in (H)(2)(b)(2) preceding for each Plan Year(s) subsequent to the sale. This reduction yields a new RPC table (as set forth in (i) following) and a new Annual TBR table (as set forth in (ii) following), which shall be used in lieu of the corresponding tables in (H)(1)(a) and (H)(2)(b)(2) preceding, respectively, during any successive Plan Years following the Plan Year in which the sale occurred.

(iii) Subtract $6M (the Acquisition Reduction Amount for Services calculated in (iv) of Step 1) from each of the tiers in the Quarterly TBR Credit table set forth in (H)(2)(a)(4) preceding and in the VID Credit table set forth in (H)(3)(b) preceding for each Plan Year(s) subsequent to the sale. This reduction yields a new Quarterly TBR Credit table (as set forth in (iii) following) and a new VID Credit table (as set forth in (iv) following), which shall be used in lieu of the corresponding tables in (H)(2)(a)(4) and (H)(3)(b) preceding, respectively, during any successive Plan Years following the Plan Year in which the sale occurred.

Step 3 Calculate the Revenue Reduction Percentages

(i) The Acquisition Revenue Reduction Percentage is 2.2% [$18M/$830M].
(ii) The Annual Acquisition Revenue Reduction Percentage is 2.9% [$24M/$830M].
(iii) The Quarterly Acquisition Revenue Reduction Percentage is 2.9% [$6M/(0.25 x $830M)].

Step 4 Proportionately reduce the Credits

(i) Proportionately reduce the Credits set forth in (H)(1)(a) and (H)(2)(b)(2) preceding for the Plan Year in which the sale occurred by the Acquisition Revenue Reduction Percentage of 2.2%.
(ii) Proportionately reduce the Credits set forth in (H)(1)(a) and (H)(2)(b)(2) preceding for any remaining Plan Years by the Annual Acquisition Revenue Reduction Percentage of 2.9%.
(iii) Proportionately reduce the Credits set forth in (H)(2)(a)(4) preceding by the Quarterly Acquisition Revenue Reduction Percentage of 2.9%. (N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(L) Sale of a Telephone Company Operating Company (Cont'd)

(2) Illustrative Example (Cont'd)

Upon completion of the calculations in Step 1 through Step 4 preceding, the adjusted Credit tables are as follows:

(i) Adjusted RPC Tables (Section (H)(1)(a) preceding)

Annual TBR	Plan Year 1 RPC	Plan Year 2 RPC	Plan Year 3 RPC
Less than $812.0M	None ($0)	N/A	N/A
Greater than or equal to $812.0M but less than $822.0M	$23.179M	N/A	N/A
Greater than or equal to $822.0M but less than $832.0M	$29.633M	N/A	N/A
Greater than or equal to $832.0M	$35.208M	N/A	N/A

Annual TBR	Plan Year 1 RPC	Plan Year 2 RPC	Plan Year 3 RPC
Less than $806.0M	N/A	None ($0)	None ($0)
Greater than or equal to $806.0M but less than $816.0M	N/A	$24.081M	$24.858M
Greater than or equal to $816.0M but less than $826.0M	N/A	$29.907M	$30.295M
Greater than or equal to $826.0M	N/A	$34.956M	$34.956M (N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(L) Sale of a Telephone Company Operating Company (Cont'd)

(2) Illustrative Example (Cont'd)

(ii) Adjusted Annual TBR Credit Table (Section (H)(2)(b)(2)preceding)

Annual TBR	Plan Year 1 Annual TBR Credit	Plan Year 2 Annual TBR Credit	Plan Year 3 Annual TBR Credit
Less than $812.0M	None ($0)	N/A	N/A
Greater than or equal to $812.0M but less than $822.0M	$5.183M	N/A	N/A
Greater than or equal to $822.0M but less than $832.0M	$6.553M	N/A	N/A
Greater than or equal to $832.0M	$7.824M	N/A	N/A

Annual TBR	Plan Year 1 Annual TBR Credit	Plan Year 2 Annual TBR Credit	Plan Year 3 Annual TBR Credit
Less than $806.0M	N/A	None ($0)	None ($0)
Greater than or equal to $806.0M but less than $816.0M	N/A	$ 8.059M	$11.069M
Greater than or equal to $816.0M but less than $826.0M	N/A	$10.001M	$13.400M
Greater than or equal to $826.0M	N/A	$11.652M	$15.536M (N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(L) Sale of a Telephone Company Operating Company (Cont'd)

(2) Illustrative Example (Cont'd)

(iii) Adjusted Quarterly TBR Credit Table (Section (H)(2)(a)(4) preceding)

Quarterly TBR	Plan Year 1 Quarterly TBR Credit	Plan Year 2 Quarterly TBR Credit	Plan Year 3 Quarterly TBR Credit
Less than $201.5M	None ($0)	None ($0)	None ($0)
Greater than or equal to $201.5M but less than $204.0M	$1.287M	$2.015M	$2.767M
Greater than or equal to $204.0M but less than $206.5M	$1.626M	$2.500M	$3.350M
Greater than or equal to $206.5M	$1.942M	$2.913M	$3.884M

(iv) Adjusted VID Credit Table (Section (H)(3)(b) preceding)

Quarterly TBR	VID Discount
Greater than $209.000M but less than $211.125M	10%
Greater than or equal to $211.125M but less than $213.250M	12%
Greater than or equal to $213.250M but less than $215.375M	14%
Greater than or equal to $215.375M but less than $217.500M	16%
Greater than $217.500M	18% (N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(M) Annual True-Up, Calculation of TBR and Disputes

No later than ninety (90) days following the end of each Plan Year, the Telephone Company shall complete an annual true-up to calculate the TBR and any corresponding credits owed to the customer or debits owed to the Telephone Company as a result thereof (**Annual True-Up**), and provide written notice to the customer setting forth the calculation of TBR for Quarter 4 and the Plan Year just ended, and any Credits due to the customer, or any debits owed to the Telephone Company, each as further described herein.

(1) Calculation of TBR

At the Annual True-Up, the Telephone Company shall calculate TBR with respect to the Customer ACNA(s) as follows:

(a) add all of the MRCs for the Services billed during the Plan Year just completed, using the USOCs (set forth in (G)(6) preceding); and

(b) subtract from such number derived in (a) preceding (i) any amounts that have not been paid in full by the customer for the Services at the time of the Annual True-Up; and (ii) any DS3 Credits earned during the Plan Year just completed, as more specifically set forth in (G) and (I) preceding.

Such TBR calculation shall not include any credits or debits processed during such Plan Year. Any ongoing disputes, claims, backbilling, or other adjustments (whether debits or credits) shall not affect the calculation of TBR as set forth above. (N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(M) Annual True-Up, Calculation of TBR and Disputes (Cont'd)

(2) No Further Disputes/Claims; Adjustments to the TBR

Using such calculated TBR, the Telephone Company shall determine whether any additional Credits are owed by the Telephone Company, or debits owed by the customer, pursuant to (H)(1) through (H)(3) preceding. Upon completion of the Annual True-Up and the credit or debit that is owed in accordance with the terms of this Option 48, there shall be no adjustment to the calculation of the TBR at any later date, including as a result of any ongoing or new disputes, claims or backbilling that may be instituted by either the customer or the Telephone Company. The foregoing shall apply with respect to all billing for all Customer ACNA(s). Either the customer or the Telephone Company may institute backbilling, claims, or other disputes on amounts that were previously included in calculating TBR.

(3) Until any debit or credit as required to be provided under this Option 48 is actually billed (i.e., set forth on a CABS bill rendered to the customer), such debit or credit shall not be subject to any late payment penalty as set forth in Section 2.4.1 preceding. Upon the billing of such debit or credit, late payment penalties (if any) shall apply for failure to timely pay any such amounts. (N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(M) Annual True-Up, Calculation of TBR and Disputes (Cont'd)

(4) Example

Assume the following:

- Plan Year 1 ends on May 31, 2008.
- The Telephone Company billed an aggregate amount of $885M, comprised of MRCs for the Services and net of any DS3 Credits earned during Plan Year 1 (as more specifically set forth in (G) preceding).
- The customer paid $880M of billed MRCs for the Services no later than August 30, 2008 (i.e., as of the date of the Annual True-Up), but has not paid $5M of such billed MRC amounts.
- As of July 30, 2008, the customer has fifty (50) filed disputes totaling $10M in the aggregate.
- As of July 30, 2008, the Telephone Company has notified the customer of certain additional back billing items which equal in the aggregate $5M, but the Telephone Company has not billed such amounts.
- The customer has not requested any Grooms in excess of the Maximum Annual Grooms.

Based on the foregoing, the total TBR is calculated to be $880M (billed MRCs and DS3 Credits of $885M less $5M of unpaid MRCs). The customer would be eligible for the corresponding Annual TBR Credit (as set forth in (H)(2) preceding), any VID Credit, if applicable, for Quarter 4 of Plan Year 1 (as set forth in (H)(3) preceding), would retain any VID Credit earned for Quarters 1, 2 or 3 of Plan Year 1, and would retain all RPC Credits provided in Plan Year 1. The $5M of backbilling that the Telephone Company seeks to bill, and the $10M in disputes on which the customer seeks a credit do not change the calculated TBR of $880M, and such amounts are subject to the terms of other sections of this tariff. (N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(M) Annual True-Up, Calculation of TBR and Disputes (Cont'd)

(4) Example (Cont'd)

Assume further that three (3) months later (i.e., on October 31, 2008), the customer or the Telephone Company have determined that (i) the customer is entitled to a credit of $7M (out of the customer's initial claim of $10M) associated with the disputes; (ii) the customer seeks to initiate five (5) new claims that pertain to MRCs for Services billed during the April and May 2008 bill periods (assume that all such claims are equal to $12M in the aggregate); and (iii) the customer and the Telephone Company both seek to initiate claims that pertain to MRCs for Services billed during the January through April 2006 bill periods.

All such disputes, adjustments, and claims shall be determined and resolved in accordance with the applicable sections of this tariff. There shall be no adjustment to the calculated TBR of $880M, and no further adjustment to the Credits, as a result of any resolution of any such claims.

(N) Early Termination

(1) On June 1, 2008 or on June 1, 2009, a customer subscribing to this Option 48 has the right to terminate its subscription to Option 48, or the Telephone Company has the right to terminate this Option 48 (each, a **Permitted Termination Date**). If the customer seeks to terminate its subscription to Option 48 and/or the Telephone Company seeks to terminate this Option 48, such party must provide at least forty-five (45) days advance notice in writing prior to the Permitted Termination Date of its intent to terminate. If either the customer or the Telephone Company does not provide such notice to the other party within the specified time period, then it shall not have a termination right until the next Permitted Termination Date (subject to the forty-five (45) day notice requirement set forth in this section). (N)

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32. Contract Tariffs (Cont'd)

32.49 Contract Tariff Option 48 (Cont'd) (N)

(N) Early Termination

(2) In addition to the termination liabilities outlined in (N)(1) preceding, termination of any individual Service(s) shall be subject to applicable termination liabilities (if any) in accordance with other sections of this tariff.

(3) If the customer terminates its subscription to this Option 48 or the Telephone Company terminates Option 48 at a Permitted Termination Date, then the following shall apply:

(a) the Telephone Company shall conduct the Annual True-Up as set forth in (M) preceding; and

(b) the customer shall be eligible for any VID Credit that it may have earned in the Quarter ending prior to the Permitted Termination Date.

In such event, the customer shall not receive the DS3 Credits on any new orders for Eligible DS3 Circuits from and after the Permitted Date of Termination.

(O) Alternate Tariff Arrangements

(1) Other than the terms set forth herein, nothing herein shall modify the application of any termination or shortfall penalties that apply in accordance with other sections of this tariff, including under any Commitment Discount Plans, FMS Term Plans, or Term Pricing Plans.

(2) Other than Alternate Tariff Arrangements that are in effect as of July 24, 2007, (including any existing contract tariffs for DS1 Services and DS3 Services), the customer may not subscribe to any Alternate Tariff Arrangement that provides a discount or credit on the Services, including the National Discount Plan as set forth in Section 25.3 following. Subscription to any such Alternate Tariff Arrangement will result in loss of all Credits and any special pricing available under this Option 48. (N)

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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. (x) (x) (x)

(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. (N)

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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 September 27, 2007, 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 September 27, 2007 and ending October 26, 2007. 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. (x) (x) (x) (x) (N) (x)

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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. (x) (x)

(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. (x) (x)

(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

(N)

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32. Contract Tariffs (Cont'd)

32.50 Contract Tariff Option 49 (Cont'd) (N)

(E) Qualifying Services (Cont'd)

(1) (Cont'd)

(b) (Cont'd)

(2) All Other Rate Elements (Cont'd)

1CFL3	1CFL5	1CFL7	1CFM1	1CFM3
1CFM5	1CFM7	1CFN1	1CFN3	1CFN5
1CFN7	1CFR8	1CFRJ	1CFS8	1CFSJ
1CFT8	1CFTJ	1CFU8	1CFUJ	1CFV8
1CFVJ	1CKDF	1CKDX	1CKMF	1CKNX
1CKPF	1CKSX	1X7VX	1XCDX	CCO
EQUA3	EQUA5	EQUA7	EQUB3	EQUB5
EQUB7	EQUC3	EQUC5	EQUC7	EQUD3
EQUD5	EQUD7	EQUE3	EQUE5	EQUE7
EQUF3	EQUF5	EQUF7	EQUG3	EQUG5
EQUG7	EQUH3	EQUH5	EQUH7	EQUJ3
EQUJ5	EQUJ7	EQUK3	EQUK5	EQUK7
EU4DF	EU4DX	EU4MF	EU4NX	EU4PF
EU4SX	EU7VX	EUU21	EUU22	EUU23
EUU25	EUU41	EUU42	EUU43	EUU45
EUU51	EUU52	EUU53	EUU55	EUU61
EUU62	EUU63	EUU65	EUU71	EUU72
EUU73	EUU75	EUU81	EUU82	EUU83
EUU85	EUU91	EUU92	EUU93	EUU95
EUUA1	EUUA2	EUUA3	EUUA5	EUUB1
EUUB2	EUUB3	EUUB5	EUUC1	EUUC2
EUUC3	EUUC5	EUUD1	EUUD3	EUUD5
EUUD7	EUUE1	EUUE3	EUUE5	EUUE7
EUUF1	EUUF3	EUUF5	EUUF7	EUUG1
EUUG3	EUUG5	EUUG7	EUUH1	EUUH3
EUUH5	EUUH7	EUUJ1	EUUJ3	EUUJ5
EUUJ7	EUUK1	EUUK3	EUUK5	EUUK7
EUUL1	EUUL3	EUUL5	EUUL7	EUUM1
EUUM3	EUUM5	EUUM7	EUUN1	EUUN3
EUUN5	EUUN7	EUUR8	EUURJ	EUUS8
EUUSJ	EUUT8	EUUTJ	EUUU8	EUUUJ
EUUV8	EUUVJ	EUW	HKTJS	HKTJX
HKTLS	PR9SX	SLHA1	SLHA3	SLHA5
SLHA7	SLHB1	SLHB3	SLHB5	SLHB7
SLHC1	SLHC3	SLHC5	SLHC7	SLHD1
SLHD3	SLHD5	SLHD7	SLHE1	SLHE3
SLHE5	SLHE7	TKTPX	TMECS	TNJZX
TNT3X	TNT4X	TNT8X	TUTPX	TVJ7X
TVJPX	TVJQX	TVJRX	TVJSX	TYF8S
TYF8X	TYFLS	TYFLX	TYFMS	TYFMX
TYFNX	TYFOX	TYFPX	TYFQX	TYFRX
TYFSX	TYFTX	TYFUX	TYFVS	TYFVX
TYFWS	TYFWX	TZGHX		

(N)

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32. Contract Tariffs (Cont'd)

32.50 Contract Tariff Option 49 (Cont'd) (N)

(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. (x) (N)

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32. Contract Tariffs (Cont'd)

32.50 Contract Tariff Option 49 (Cont'd) (N)

(F) Revenue Used to Calculate TBR and IOF TBR (Cont'd)

(2) Revenue Not Included in Calculation of TBR for Qualifying Services or IOF TBR for Qualifying Services.

TBR for Qualifying Services and IOF TBR for Qualifying Services do not include any revenues other than the revenues as set forth in (F)(1) preceding, and the following types of charges are not included:

(a) non-recurring charges;
(b) taxes, or other charges imposed by a federal, state, local, or other governmental entity (e.g. Federal Universal Service Fund);
(c) service or administrative fees or charges imposed by the Telephone Company (e.g. Interest penalty, late payment penalty);
(d) any other charges which are not applied on a monthly recurring basis;
(e) 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;
(f) any debits or credits for Qualifying Services rendered in prior Quarters or periods prior to September 27, 2007;
(g) shortfall or overage charges associated with term plan true-ups;
(h) minimum period charges;
(i) any Disputed Charges;
(j) termination liabilities; or
(k) Billing Credits/adjustments. (N)

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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. (x) (x)

(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. (N)

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32. Contract Tariffs (Cont'd)

32.50 Contract Tariff Option 49 (Cont'd) (N)

(H) Sale of Verizon Operating Telephone Company (Cont'd)

(2) (Cont'd)

(a) The TBR Acquisition Reduction Amount shall be calculated for the Qualifying Services as follows:

(i) calculate the TBR for Qualifying Services purchased by the customer from the Acquired VZ Telco during the twelve (12) months prior to the time that the Acquired VZ Telco ceases to provide the Qualifying Services. For purposes of this Option 49, TBR for Qualifying Services shall mean the portion of the Qualifying Services billed under the USOCs set forth in (E)(1)(b)(1) and (E)(1)(b)(2) preceding; and

(ii) calculate the average monthly amount of TBR for Qualifying Services purchased by the customer from the Acquired VZ Telco by dividing the number in (i) preceding by twelve (12) months; and

(iii) multiply the average monthly amount of TBR for Qualifying Services calculated in (ii) preceding by the number of months and any fraction thereof remaining in the Service Period.

(iv) Reduce the tiers of the TBR for Qualifying Services set forth in the Table in (I)(2)(d) following by the amount of the TBR Acquisition Reduction Amount as calculated in (iii) preceding.

(b) The IOF TBR Acquisition Reduction Amount shall be calculated for the Qualifying Services as follows:

(i) calculate the IOF TBR for Qualifying Services purchased by the customer from the Acquired VZ Telco during the twelve (12) months prior to the time that the Acquired VZ Telco ceases to provide the Qualifying Services; For purposes of this Option 49, IOF TBR for Qualifying Services shall mean the portion of the Qualifying Services billed under the USOCs set forth in (E)(1)(b)(1) preceding; and

(ii) calculate the average monthly amount of IOF TBR for Qualifying Services purchased by the customer from the Acquired VZ Telco by dividing the number in (i) preceding by twelve (12) months; and

(iii) multiply the average monthly amount for IOF TBR for Qualifying Services calculated in (ii) preceding by the number of months and any fraction thereof remaining in the Service Period.

(iv) Reduce the tiers of the IOF TBR for Qualifying Services set forth in the Table in (I)(2)(d) following by the amount of the IOF TBR Acquisition Reduction Amount as calculated in (iii) preceding. (N)

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32. Contract Tariffs (Cont'd)

32.50 Contract Tariff Option 49 (Cont'd) (N)

(H) Sale of a Verizon Operating Telephone Company (Cont'd)

(3) All of the Billing Credits set forth in the Table in (I)(2)(d) following shall be reduced by a percentage which shall be calculated by dividing the TBR Acquisition Reduction Amount by $61.25M.

For Example:

Assume the Telephone Company sells Verizon Delaware LLC and that the sale is finalized with two months remaining in the Service Period.

(a) Proportionately reduce each range or tier of the TBR for Qualifying Services by the TBR Acquisition Reduction Amount

(i) Assume that the customer's TBR for Qualifying Services purchased by the customer from Verizon Delaware LLC during the previous 12 months = $24M.

(ii) Calculate the average monthly amount of TBR for Qualifying Services purchased by the customer from Verizon Delaware LLC = $2M [$24M/12].

(iii) To calculate the TBR Acquisition Reduction Amount, multiply the average monthly amount determined in (ii) preceding ($2M) by the number of months (2) remaining in the Service Period = $4M [$2M x 2].

(iv) Reduce the tiers set forth in the Table in (I)(2)(d) following by such TBR Acquisition Reduction Amount.

(b) Proportionately reduce each range or tier of the IOF TBR for Qualifying Services by the IOF TBR Acquisition Reduction Amount

(i) Assume that the customer's IOF TBR for Qualifying Services purchased by the customer from Verizon Delaware LLC during the previous 12 months = $12M.

(ii) Calculate the average monthly amount of IOF TBR for Qualifying Services purchased by the customer from Verizon Delaware LLC = $1M [$12M/12].

(iii) To calculate the IOF TBR Acquisition Reduction Amount, multiply the average monthly amount determined in (ii) preceding ($1M) by the number of months (2) remaining in the Service Period = $2M [$1M x 2].

(iv) Reduce the tiers set forth in the Table in (I)(2)(d) following by such IOF TBR Acquisition Reduction Amount.

(c) Calculate the percentage reduction in Billing Credits by dividing the TBR Acquisition Reduction Amount of $4M by $61.25M = 6.5%. (N)

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32. Contract Tariffs (Cont'd)

32.50 Contract Tariff Option 49 (Cont'd) (N)

(I) Calculation of TBR and Billing Credit

(1) Calculation of the TBR for Qualifying Services and IOF TBR for Qualifying Services at the End of Service Period

(a) Calculation of TBR for Qualifying Services

Upon expiration of the Service Period, the Telephone Company will calculate all eligible recurring Special Access DS1 and DS3 revenues as outlined in (E)(1)(b)(1) and (E)(1)(b)(2) preceding. The Special Access DS1 and DS3 recurring revenues carrying any USOCs not listed in (E)(1)(b)(1) and (E)(1)(b)(2) preceding will not be included. Non-Special Access DS1s and DS3s carrying any of the USOCs listed in (E)(1)(b)(1) and (E)(1)(b)(2) preceding will also not be included.

As an illustrative example of calculating TBR for Qualifying Services, assume that the eligible recurring Special Access DS1 and DS3 revenue as outlined in (E)(1)(b)(1) and (E)(1)(b)(2) preceding was $66.5M. Forty-five (45) calendar days after end of the Service Period, the Telephone Company will calculate all eligible recurring Special Access DS1 and DS3 revenue for the Service Period subject to dispute. Further assume that the amount under dispute is $1.0M. The TBR for Qualifying Services to be used in determining the Billing Credit therefore equals $65.5M [$66.5M - $1.0M].

(b) Calculation of IOF TBR for Qualifying Services

Upon expiration of the Service Period, the Telephone Company shall calculate all eligible Special Access DS1 and DS3 revenues as outlined in E)(1)(b)(1) preceding. The Special Access DS1 and DS3 recurring revenues not carrying one of the USOCs listed in (E)(1)(b)(1) preceding will not be included. Non-Special Access DS1s and DS3s carrying any of the USOCs listed in (E)(1)(b)(1) preceding will also not be included.

As an illustrative example of calculating IOF TBR for Qualifying Services, assume that the eligible recurring Special Access DS1 and DS3 revenue as outlined in (E)(1)(b)(1) preceding was $18.5M. Forty-five (45) calendar days after the end of the Service Period, the Telephone Company will calculate all eligible recurring Special Access IOF DS1 and DS3 revenues for the Service Period subject to dispute. Further assume that the amount under dispute is $1.0M. The IOF TBR for Qualifying Services to be used in determining the Billing Credit equals $17.5M [$18.5M - $1.0M]. (N)

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32. Contract Tariffs (Cont'd)

32.50 Contract Tariff Option 49 (Cont'd) (N)

(I) Calculation of TBR and Billing Credit (Cont'd)

(1) Calculation of the TBR for Qualifying Services and IOF TBR for Qualifying Services at the End of Service Period (Cont'd)

(c) No later than the 60th day following the end of the Service Period, the Telephone Company shall calculate the total TBR for Qualifying Services and IOF TBR for Qualifying Services (i.e., by calculating the total MRCs for Qualifying Services, which MRCs for Qualifying Services shall not include any Disputed Charges) achieved by the customer during the Service Period in accordance with the terms and condition set forth in this Option 49, including Sections (F)(1), (F)(2) preceding and (I)(2) following. Subject to any reductions and adjustments as set forth herein, the customer shall be eligible to receive the applicable credit set forth in Table 1 following ("**Billing Credit**"), which Billing Credit may be $0 or more depending on the customer's TBR for Qualifying Services and IOF TBR for Qualifying Services during the Service Period.

(2) Calculation of Billing Credit at the End of the Service Period

If the customer has not achieved both a TBR for Qualifying Services of at least $61.25M and an IOF TBR for Qualifying Services of $17.25M, then the customer shall not receive any Billing Credit (i.e., a Billing Credit of $0 as set forth in the Table in (I)(2)(d) following). To calculate the Billing Credit, the Telephone Company shall:

(a) Locate the customer's TBR for Qualifying Services and IOF TBR for Qualifying Services in the Table in (I)(2)(d) following under the headings "TBR for Qualifying Services" and "IOF TBR for Qualifying Services," respectively. The Billing Credit (if any) that the customer is eligible to receive is set forth in the lowest tier achieved of either the TBR for Qualifying Services or the IOF TBR for Qualifying Services. The TBR for Qualifying Services and IOF TBR for Qualifying Services achieved by the customer during the Service Period is calculated in accordance with the terms and conditions set forth in Section (I)(1)(a) and (I)(1)(b) preceding, including Sections (F)(1), (F)(2) preceding and this Section(I)(2); (N)

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32. Contract Tariffs (Cont'd)

32.50 Contract Tariff Option 49 (Cont'd) (N)

(I) Calculation of TBR and Billing Credit (Cont'd)

(2) Calculation of Billing Credit at the End of the Service Period (Cont'd)

(b) The Telephone Company shall credit the customer's BANs with the applicable Billing Credit as determined in accordance with the terms of this Option 49. The Billing Credits will be provided only in the MSAs that have achieved Phase I or Phase II pricing flexibility. In no event will the customer be eligible for any Billing Credit unless both their TBR for Qualifying Services and IOF TBR for Qualifying Services fall within one of the tiers set forth in the Table in (I)(2)(d) following.

(c) To use the Billing Credit Table in (I)(2)(d) following, the "Floor" amount represents the applicable tier minimum and the "Ceiling" amount represents the applicable tier maximum. TBR amounts that fall above a tier minimum but below a tier maximum fall into that tier. To determine the applicable tier for the TBR for Qualifying Services, determine the appropriate tier into which the TBR for Qualifying Services falls. To determine the applicable tier for the IOF TBR for Qualifying Services, determine the appropriate tier into which the IOF TBR for Qualifying Services falls. To determine the Billing Credit, determine the highest tier that the customer achieved for both TBR for Qualifying Services and the IOF TBR for Qualifying Services. As an example, if the customer achieved Tier B for TBR for Qualifying Services and Tier C for IOF TBR for Qualifying Services, the highest tier that customer achieved for both the TBR for Qualifying Services and the IOF TBR for Qualifying Services would be Tier B, and the customer would be entitled to the Tier B Billing Credit (i.e., $200,000). (N)

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32. Contract Tariffs (Cont'd)

32.50 Contract Tariff Option 49 (Cont'd) (N)

(I) Calculation of TBR and Billing Credit (Cont'd)

(2) Calculation of Billing Credit at the End of the Service Period (Cont'd)

(d) Table 1

	TBR for Qualifying Services		**IOF TBR for Qualifying Services**		**Billing Credit**
Tier	Floor	Ceiling	Floor	Ceiling	Billing Credit
A	$ 0.00M	$61.24M	$ 0.00M	$17.24M	$ 0
B	$61.25M	$65.49M	$17.25M	$18.49M	$ 200,000
C	$65.50M	$66.49M	$18.50M	$19.49M	$ 400,000
D	$66.50M	$68.49M	$19.50M	$21.49M	$1,100,000
E	$68.50M	$70.49M	$21.50M	$23.49M	$1,800,000
F	$70.50M	None	$23.50M	None	$3,000,000

Illustrative Examples:

Example 1:

Assume the customer's TBR for Qualifying Services equals $66.5M (placing the customer in Tier D) but the customer's IOF TBR for Qualifying Services equals $17.25M (placing the customer in Tier B), the customer will receive Tier B Billing Credit of $200,000.

Example 2:

Assume the customer's TBR for Qualifying Services equals 70.5M (placing the customer in Tier F) but the customer's IOF TBR for Qualifying Services equals $16.0M (placing the customer in Tier A), the customer will receive no Billing Credit.

Example 3:

Assume the customer's TBR for Qualifying Services equals 69.0M (placing the customer in Tier E) but the customer's IOF TBR for Qualifying Services equals $25.0M (placing the customer in Tier F), the customer will receive tier E Billing Credit of $1.8M. (N)

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32. Contract Tariffs (Cont'd)

32.50 Contract Tariff Option 49 (Cont'd) (N)

(I) Calculation of TBR and Billing Credit (Cont'd)

(3) Disputes, Releases and Waivers

(a) In calculating the Billing Credit, all of the following requirements shall apply.

(1) The Telephone Company shall not include in the calculation of the Billing Credit any Disputed Charges remaining as of the forty-fifth (45th) calendar day following the end of the Service Period.

(2) For the purpose of calculating the Billing Credit, the Telephone Company shall not include in MRCs any credits or debits for Qualifying Services provided during any periods prior to the Effective Date (regardless of whether such credits or debits were the result of a valid dispute by the customer or were the result of a billing error by the Telephone Company).

(3) With respect to any dispute for Qualifying Services, the customer must provide sufficient claim detail to enable the Telephone Company to appropriately assess the dispute, including but not limited to, the Billing Account Number (BAN), circuit ID, USOC detail, amount in dispute, appropriate references within this tariff, and a full explanation regarding why the customer believes it was billed in error. (N)

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32. Contract Tariffs (Cont'd)

32.50 Contract Tariff Option 49 (Cont'd) (N)

(I) Calculation of TBR and Billing Credit (Cont'd)

(3) Disputes, Releases and Waivers (Cont'd)

(a) (Cont'd)

(4) Upon resolution of any Disputed Charges, or disputes raised after the issuance of the Billing Credit in respect of amounts included in the TBR for Qualifying Services or the IOF TBR for Qualifying Services, amounts may be credited to the customer if the customer prevails, however notwithstanding anything to the contrary herein, there shall be no adjustment to the Billing Credit, the TBR for Qualifying Services or the IOF TBR for Qualifying Services calculated preceding, and the same shall apply regardless of the outcome of any Disputed Charges.

(5) There will not be any adjustment to the Billing Credit, the TBR for Qualifying Services or the IOF TBR for Qualifying Services if the Telephone Company bills amounts after the determination of the Billing Credit that would have otherwise been included in the TBR for Qualifying Services or the IOF TBR for Qualifying Services calculated preceding.

(6) The Billing Credit (as determined by the Telephone Company and agreed to by the customer) is not subject to dispute, except that the customer may dispute the Billing Credit only if the Billing Credit applied by the Telephone Company does not conform with the Billing Credits set forth in this Section (I).

(7) The amount of the Billing Credit shall in no event be subject to any late payment, interest or penalty as set forth in Section 2 preceding. (N)

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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) (x) (x) shall 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. (N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (N)

(A) Scope

Contract Tariff Option 50 (**Option 50**) 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) as well as other credits as set forth herein.

In this Option 50, all references to amounts represented in dollars followed by the letter "M" shall refer to such number in millions (e.g., $10M shall mean $10,000,000).

(B) Eligibility

The customer must meet all of the following criteria in order to be eligible to receive the Billing Credits, Fiber to the Cell Credit, and COW & COLT Credit of this Option 50.

(1) The customer must be a commercial mobile radio service provider and all Qualifying Services (as defined in (E)(1) following) must originate or terminate on the customer's wireless network.

(2) During the twelve (12) month period prior to the commencement of the Service Period, the customer, together with all its commercial mobile radio service provider affiliates, must have achieved a minimum of $155M in aggregate monthly billed recurring revenue for all Qualifying Services purchased by the customer from the Telephone Company.

(3) During the Service Period, in order to receive any Billing Credit, Fiber to the Cell (**FTTC**) Credit, or COW & COLT Credit (as defined in (K) following), the customer must:

(a) Meet or exceed the Annual Revenue Commitment (**ARC**), as described in (K) following; and

(b) Satisfy the Annual Grooms Restriction, as described in (N) following.

(4) The customer must concurrently subscribe to National Discount Plan (**NDP**) as set forth in Section 25.2 following and, in order to receive any Billing Credit, FTTC Credit, or COW & COLT Credit hereunder, remain subscribed to NDP throughout the Service Period. The Billing Credits provided herein are in addition to, and do not alter, any of the existing service discounts/term plans available under NDP.

(5) The customer must subscribe to Option 50 by submitting a written authorization in a manner designated by the Telephone Company during the period beginning January 31, 2008 and ending February 29, 2008. Such subscription must include a list of Customer ACNA(s) which the Telephone Company agrees to, in writing, for inclusion in this Option 50. (N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(B) Eligibility (Cont'd)

(6) Except as described in (B)(4) preceding, the customer may not concurrently 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 either currently or 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.

(7) The ARC/ARC+, as described in (K) following, for Qualifying Services shall be calculated using the criteria and mechanism set forth in this Option 50. The amount of any Billing Credit or FTTC Credit shall vary depending on the level of actual ARC/ARC+ for Qualifying Services achieved by the customer during each year of the Service Period. The Billing Credits, FTTC Credit, and COW & COLT Credit shall be calculated in accordance with the terms and conditions of this Option 50.

(C) Service Period

The Service Period of this Option 50 shall be for a period of eight (8) years commencing on February 1, 2008, and ending on January 31, 2016.

(D) Serving Area

(1) The Billing Credits, FTTC Credit, and COW & COLT Credit will be provided only in the Metropolitan Statistical Areas (**MSAs**) that have achieved Phase I or Phase II pricing flexibility under Verizon Telephone Companies Tariff F.C.C. No. 1 (**FCC1**), this (x)
tariff, and the Verizon Telephone Companies Tariff F.C.C. No. 14 (**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 (x)
(including changes to wire centers or Level 1/Level 2 pricing status as described in Section 14.7 of FCC1, Section 15.3 (x)
preceding of this tariff, and Section 19.1 of FCC14) that occur (x)
during the Service Period of this Option 50 will apply. No Billing Credits, FTTC Credit, or COW & COLT Credit will be provided in the operating territories of Verizon Telephone Companies Tariff F.C.C. No. 16 (**FCC16**). (x)

(2) No Billing Credits, FTTC Credit, or COW & COLT Credit will be provided in the states of Maine, New Hampshire or Vermont of this tariff. (N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(E) Qualifying Services

(1) Description of Qualifying Services

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, excluding the states of Maine, New Hampshire and Vermont, 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. (x) (x) (x)

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

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

1A5LX	1A5ZS	1A8ZS	1HH7S	1HHBS
1HHPS	1J53S	1J54S	1L5LS	1L5RS
1L5XX	1LFMX	1LFSX	1T58S	1U5PS
1YA8S	TRG	FQYU1	FQYU2	FQYU3
FQYU4	FQYU5	FQYU6	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	1CFL3	1CFL5
1CFL7				

(N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(E) Qualifying Services (Cont'd)

(1) (Cont'd)

(b) (Cont'd)

1CFM1	1CFM3	1CFM5	1CFM7	1CFN1
1CFN3	1CFN5	1CFN7	1CFR8	1CFRJ
1CFS8	1CFSJ	1CFT8	1CFTJ	1CFU8
1CFUJ	1CFV8	1CFVJ	1CKDF	1CKDX
1CKMF	1CKNX	1CKPF	1CKSX	1X7VX
1XCDX	CCO	EQUA3	EQUA5	EQUA7
EQUB3	EQUB5	EQUB7	EQUC3	EQUC5
EQUC7	EQUD3	EQUD5	EQUD7	EQUE3
EQUE5	EQUE7	EQUF3	EQUF5	EQUF7
EQUG3	EQUG5	EQUG7	EQUH3	EQUH5
EQUH7	EQUJ3	EQUJ5	EQUJ7	EQUK3
EQUK5	EQUK7	EU4DF	EU4DX	EU4MF
EU4NX	EU4PF	EU4SX	EU7VX	EUU21
EUU22	EUU23	EUU25	EUU41	EUU42
EUU43	EUU45	EUU51	EUU52	EUU53
EUU55	EUU61	EUU62	EUU63	EUU65
EUU71	EUU72	EUU73	EUU75	EUU81
EUU82	EUU83	EUU85	EUU91	EUU92
EUU93	EUU95	EUUA1	EUUA2	EUUA3
EUUA5	EUUB1	EUUB2	EUUB3	EUUB5
EUUC1	EUUC2	EUUC3	EUUC5	EUUD1
EUUD3	EUUD5	EUUD7	EUUE1	EUUE3
EUUE5	EUUE7	EUUF1	EUUF3	EUUF5
EUUF7	EUUG1	EUUG3	EUUG5	EUUG7
EUUH1	EUUH3	EUUH5	EUUH7	EUUJ1
EUUJ3	EUUJ5	EUUJ7	EUUK1	EUUK3
EUUK5	EUUK7	EUUL1	EUUL3	EUUL5
EUUL7	EUUM1	EUUM3	EUUM5	EUUM7
EUUN1	EUUN3	EUUN5	EUUN7	EUUR8
EUURJ	EUUS8	EUUSJ	EUUT8	EUUTJ
EUUU8	EUUUJ	EUUV8	EUUVJ	EUW
HKTJS	HKTJX	HKTLS	PR9SX	SLHA1
SLHA3	SLHA5	SLHA7	SLHB1	SLHB3
SLHB5	SLHB7	SLHC1	SLHC3	SLHC5
SLHC7	SLHD1	SLHD3	SLHD5	SLHD7
SLHE1	SLHE3	SLHE5	SLHE7	TKTPX
TMECS	TNJZX	TNT3X	TNT4X	TNT8X
TUTPX	TVJ7X	TVJPX	TVJQX	TVJRX
TVJSX	TYF8S	TYF8X	TYFLS	TYFLX
TYFMS	TYFMX	TYFNX	TYFOX	TYFPX
TYFQX	TYFRX	TYFSX	TYFTX	TYFUX
TYFVS	TYFVX	TYFWS	TYFWX	TZGHX (N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(E) 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 this Option 50. If the Telephone Company, subsequent to (add tariff effective date), determines that one or more USOC(s) were omitted from the preceding list in error, the Telephone Company shall amend the list to include such USOC(s) for all purposes hereunder. If the Telephone Company replaces or changes any of the USOC(s) listed in (E)(1) preceding, or creates any new USOC(s), in each case that fit within the description of the Qualifying Services set forth in this Section (E), the Telephone Company shall amend the list preceding to include such USOC(s) for all purposes hereunder as of the date of the replacement, changing or creation of such USOC(s), as applicable.

(F) Revenues Included/Not Included in Calculation of ARC/ARC+ for Qualifying Services

(1) Revenues Included in Calculation of ARC/ARC+ for Qualifying Services

The customer's ARC/ARC+ for Qualifying Services shall include only MRC amounts which are paid in full by the customer:

(a) For purposes of this Option 50, **MRCs** shall mean the revenues from the billed monthly recurring charges, net of any discounts given under existing pricing plans, including NDP, if applicable, for the Qualifying Services billed during any year of the Service Period under the USOCs set forth in (E)(1) preceding, and excluding Disputed Charges.

(b) For purposes of this Option 50, **Disputed Charges** shall mean MRCs for the Qualifying Services billed during any year of the Service Period, which amounts are under dispute by the customer and have been paid in full by the customer, as of the thirtieth (30th) calendar day following the end of the applicable quarter or year of the Service Period in accordance with (K) following. Amounts which have not been paid in full (regardless of whether or not such amounts are under dispute by the customer), shall also be excluded in the ARC/ARC+ for Qualifying Services for the applicable year of the Service Period.

(c) For purposes of this Option 50, "paid in full" shall refer to amounts that the customer paid for the Qualifying Services, in accordance with the terms of this tariff, FCC1, FCC14, or FCC16, as applicable, and shall not include any amounts that are Disputed Charges. In the event that the customer disputes some but not all charges on a bill, the charges that are not disputed shall, upon payment thereof, be considered "paid in full" for purposes of this Option 50. (x) (x) (N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(F) Revenues Included/Not Included in Calculation of ARC/ARC+ for Qualifying Services (Cont'd)

(2) Examples of Revenues Not Included in Calculation of ARC/ARC+ for Qualifying Services

ARC/ARC+ for Qualifying Services does not include any revenues other than as set forth in (F)(1) preceding, and the following types of charges are not included:

(a) non-recurring charges;
(b) taxes, or other charges imposed by a federal, state, local, or other governmental entity (e.g. Federal Universal Service Fund);
(c) service or administrative fees or charges imposed by the Telephone Company (e.g. Interest penalty, late payment penalty);
(d) any other charges which are not applied on a monthly recurring basis;
(e) 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;
(f) any debits or credits for Qualifying Services rendered in prior Quarters or periods prior to January 31, 2008;
(g) shortfall or overage charges associated with term plan true-ups;
(h) minimum period charges;
(i) any Disputed Charges;
(j) termination liabilities; or
(k) adjustments other than those relating explicitly to MRCs. (N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(G) Mergers, Acquisitions and Disposition of the Customer Business or Assets

(1) Customer Acquisitions

In the event 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 (collectively, a **Customer Acquisition**), unless the Telephone Company and the customer mutually agree otherwise as described in (d) following, the terms and conditions set forth in (a), (b) and (c) following will apply in addition to any other terms and conditions set forth in this tariff, FCC1, FCC14 and FCC16. (x)

(a) 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 ARC/ARC+ for Qualifying Services.

(b) The customer's ARC/ARC+ for Qualifying Services shall be calculated based on its revenues with the Telephone Company using the customer's ACNAs (as submitted by the customer in its subscription to this Option 50) and approved by the Telephone Company for inclusion in this Option 50, 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.

(c) The Telephone Company reserves the right to terminate the customer's subscription to this Option 50 without liability if the customer does not adhere to the provisions of this Section (G)(1). Termination of this Option 50 shall also result in termination of Option 49 of FCC1 and Option 24 of FCC14. (x)

(d) The customer and the Telephone Company may mutually agree to modify the customer's subscription to this Option 50 to include one or more of the ACNAs and related revenues attributable to expansion of the customer's purchase of Services from the Telephone Company as a result of a Customer Acquisition, with both the Telephone Company and the customer taking into consideration in good faith whether such revenues represent new or existing revenues to the Telephone Company. (N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(G) Mergers, Acquisitions and Disposition of the Customer Business or Assets (Cont'd)

(2) Customer Sold Business Adjustments

In the event the customer sells, transfers or otherwise disposes of interests in an affiliate or subsidiary (**Customer Sold Business**) that purchases Qualifying Services, to an unaffiliated third party, and the customer does not, through any affiliate or subsidiary, directly or indirectly, purchase the Qualifying Services after such time, then the following terms and conditions shall apply in addition to any other terms and conditions set forth in this tariff, FCC1, FCC14 and FCC16. (x)

(a) For the year of the Service Period in which the sale occurs, the following adjustments will occur:

(1) each range or tier of the ARC for Qualifying Services set forth in Table 1 of (K)(3) following shall be reduced by the Customer ARC Acquisition Reduction Amount (as defined following); and

(2) all Billing Credits set forth in Tables 1 and 2 of (K)(3) and (K)(4) following, each dollar figure set forth in the Floor and Ceiling columns of Table 2 of (K)(4) following, each Base Annual FTTC Credit set forth in Table 3 of (K)(6) following, and the COW & COLT Credit set forth in (K)(6) following shall be reduced by a percentage which shall be calculated by dividing the Customer ARC Acquisition Reduction Amount by the ARC in effect at the time of the sale.

Calculate the **Customer ARC Acquisition Reduction Amount** for the Qualifying Services as follows:

(i) Calculate the MRCs which have been billed to the Customer Sold Business for Qualifying Services by the Telephone Company during the twelve (12) months prior to the time that the customer ceases to purchase the Service(s);

(ii) calculate the average monthly amount of MRCs which have been billed to the customer by the Telephone Company for Qualifying Services in (i) preceding by dividing the number in (i) preceding by twelve (12); and

(iii) multiply the average monthly amount of MRCs which have been billed to the customer for Qualifying Services calculated in (ii) preceding by the number of months remaining in the year of the Service Period during which the sale occurs. (N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(G) Mergers, Acquisitions and Disposition of the Customer Business or Assets (Cont'd)

(2) Customer Sold Business Adjustments (Cont'd)

(b) For each year of the Service Period subsequent to the year of the Service Period in which the sale occurs, the following adjustments will occur:

(1) each range or tier of the ARC for Qualifying Services set forth in Table 1 of (K)(3) following shall be reduced by the Subsequent Year Customer ARC Acquisition Reduction Amount (as defined following); and

(2) all Billing Credits set forth in Tables 1 and 2 of (K)(3) and (K)(4) following, each dollar figure set forth in the Floor and Ceiling columns in Table 2 of (K)(4) following, each Base Annual FTTC Credit set forth in Table 3 of (K)(6) following, and the COW & COLT Credit set forth in (K)(6) following shall be reduced by a percentage which shall be calculated by dividing the Subsequent Year Customer ARC Acquisition Reduction Amount by the ARC in effect at the time of the sale.

The **Subsequent Year Customer ARC Acquisition Reduction Amount** shall equal the MRCs which have been billed to the Customer Sold Business for Qualifying Services by the Telephone Company during the twelve (12) months prior to the time that the customer ceases to purchase the Qualifying Services.

The Telephone Company will make the adjustments in accordance with this Section (G)(2) upon receipt by the Telephone Company from the customer of confirmation that such sale, transfer or other disposition has been finalized, together with the information necessary to effect such adjustments, including, the Billing Account Numbers (BANs), circuit IDs, and USOC details associated with the Customer Sold Business. (N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(H) Sale of a Verizon Operating Telephone Company

(1) If some or all of the assets or stock 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 the Telephone Company does not provide the Qualifying Services in the operating territory of the Acquired VZ Telco to the customer after such time, then the following terms and conditions shall apply, in addition to any other terms and conditions set forth in this tariff, FCC1, FCC14, or FCC16, as applicable. No Service(s) provided in the states of Maine, New Hampshire or Vermont are included in the ARC/ARC+ for Qualifying Services and, accordingly, any sale of the assets or stock of the Verizon Operating Telephone Company providing service in those three states will not trigger the application of this Section (H). (x) (x)

(a) For the year of the Service Period in which the sale occurs, the following adjustments will occur:

(1) each range or tier of the ARC for Qualifying Services set forth in Table 1 of (K)(3) following shall be reduced by the ARC Acquisition Reduction Amount (as defined following); and

(2) all Billing Credits set forth in Tables 1 and 2 of (K)(3) and (K)(4) following, each dollar figure set forth in the Floor and Ceiling columns in Table 2 of (K)(4) following, each Base Annual FTTC Credit set forth in Table 3 of (K)(6) following, and the COW & COLT Credit set forth in (K)(6) following shall be reduced by a percentage which shall be calculated by dividing the ARC Acquisition Reduction Amount by the ARC in effect at the time of the sale.

Calculate the **ARC Acquisition Reduction Amount** for the Qualifying Services as follows:

(i) calculate the MRCs which have been paid in full for Qualifying Services purchased by the customer from the Acquired VZ Telco during the twelve (12) months prior to the time that the Telephone Company ceases to provide the Qualifying Service(s);

(ii) calculate the average monthly amount of MRCs which have been paid in full for Qualifying Services purchased by the customer in (i) preceding by dividing the number in (i) preceding by twelve (12); and

(iii) multiply the average monthly amount of MRCs which have been paid in full for Qualifying Services calculated in (ii) preceding by the number of months remaining in the year of the Service Period during which the sale occurs. (N)

(x) Issued under authority of Special Permission No. 08-001 of the Federal Communications Commission.

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(H) Sale of Verizon Operating Telephone Company (Cont'd)

(1) (Cont'd)

(a) (Cont'd)

For Example:

(i) Assume the Telephone Company sells Verizon New York Inc. during the first year of the Service Period. Sale is finalized with two months remaining in the first year of the Service Period.

(ii) Assume the customer is placed in ARC Level 2 for the first year of Service Period which has an ARC of $225M.

(iii) Assume the customer's MRCs which have been paid in full for Qualifying Services purchased by the customer from Verizon New York Inc. during the previous 12 months are $24M.

(iv) Average monthly amount of MRCs which have been paid in full for Qualifying Services purchased by the customer from Verizon New York Inc. = $2M [$24M/12].

(v) Tiers for ARC for Qualifying Services are reduced by $4M [$2M x 2].

(vi) The Billing Credits, each dollar amount set forth in the Floor and Ceiling columns in Table 2 of (K)(4) following, each Base Annual FTTC Credit set forth in Table 3 of (K)(6) following, and the COW & COLT Credit set forth in (K)(6) following are reduced by 1.78% [$4M/$225M]. (N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(H) Sale of Verizon Operating Telephone Company (Cont'd)

(1) (Cont'd)

(b) For each year of the Service Period subsequent to the year of the Service Period in which the sale occurs, the following adjustments will occur:

(1) each range or tier of the ARC for Qualifying Services set forth in Table 1 of (K)(3) following shall be reduced by the Subsequent Year ARC Acquisition Reduction Amount (as defined following); and

(2) all Billing Credits set forth in Tables 1 and 2 of (K)(3) and (K)(4) following, each dollar figure set forth in the Floor and Ceiling columns in Table 2 of (K)(4) following, each Base Annual FTTC Credit set forth in Table 3 of (K)(6) following, and the COW & COLT Credit set forth in (K)(6) following shall be reduced by a percentage which shall be calculated by dividing the Subsequent Year ARC Acquisition Reduction Amount by the ARC in effect at the time of the sale.

The **Subsequent Year ARC Acquisition Reduction Amount** shall equal the MRCs which have been paid in full for Qualifying Services purchased by the customer from the Acquired VZ Telco during the twelve (12) months prior to the time that the Telephone Company ceases to provide the Qualifying Services.

For example:

(i) Assume the Telephone Company sells Verizon New York Inc. during the first year of the Service Period. The customer's MRCs which have been paid in full for Qualifying Services purchased by the customer from Verizon New York Inc. during the previous 12 months (i.e., Subsequent Year ARC Reduction Amount) = $24M.

(ii) Tiers for ARC for Qualifying Services are reduced by $24M.

(iii) Assume the customer is placed in ARC Level 2 for the first year of the Service Period which has an ARC of $225M.

(iv) The Billing Credits, each dollar amount set forth in the Floor and Ceiling columns in Table 2 of (K)(4) following, each Base Annual FTTC Credit set forth in Table 3 of (K)(6) following, and the COW & COLT Credit set forth in (K)(6) following are reduced by 10.67% [$24M/$225M]. (N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(I) Detariffing of Qualifying Services

If the Telephone Company detariffs any of the Qualifying Services specified in (E) preceding (**Detariffed Qualifying Services**), then each Floor, Ceiling, ARC Billing Credit and ARC+ Billing Credit for each of the tiers in Tables 1 and 2 of (K)(3) and (K)(4) following, shall be reduced (i) in the year in which such detariffing occurs, by the **Year One Detariffing Percentage** and (ii) in each subsequent year of the Service Period, by the **Annual Detariffing Percentage**, in each case as described following in this Section (I).

(1) The Annual Detariffing Percentage shall be calculated as follows:

(a) calculate the amount of the Detariffed Qualifying Services purchased by the customer from the Telephone Company during the twelve (12) months prior to the date that the Detariffed Qualifying Services are detariffed; and

(b) divide the number calculated in (a) preceding by the ARC (as defined following) then in effect to determine the Annual Detariffing Percentage.

The Year One Detariffing Percentage equals the Annual Detariffing Percentage multiplied by the number of days in the applicable year of the Service Period left after the date of detariffing divided by three hundred sixty five (365).

For Example:

(i) Assume that the Telephone Company detariffs certain Qualifying Services on the three hundredth (300th) day of year one of the Service Period.

(ii) Assume that the customer purchased twenty-two and a half million ($22.5M) of such Qualifying Services during the twelve (12) months prior to the date that the Telephone Company detariffed such Qualifying Services.

(iii) Assume that the customer's ARC for year one of the Service Period was $225M.

(iv) The Annual Detariffing Percentage to be applied to the Floor, Ceiling, ARC Billing Credit and ARC+ Billing Credit in each of the tiers in Tables 1 and 2 of (K)(3) and (K)(4) following would be 10% [$22.5/$225M].

(v) The Year One Detariffing Percentage would be 1.78% (calculated as follows [10%*65/365]). (N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(J) Price Reductions for Qualifying Service

If the Telephone Company reduces the MRCs for the Qualifying Services purchased by the customer during any year of the Service Period and, solely as a result of such price reduction(s), the customer does not meet its ARC for that year of the Service Period as selected or determined in accordance with (K)(1) following, each Floor, Ceiling, ARC Billing Credit and ARC+ Billing Credit for each of the tiers in Tables 1 and 2 of (K)(3) and (K)(4) following shall automatically be reduced by such percentage reduction (**Price Reduction Percentage**), as calculated following, for each subsequent year of the Service Period, and reduced on a pro rated basis consistent with the methodology set forth in (I) preceding for the year in which such price reduction(s) occurs. Regardless of whether any adjustments to Table 1 and Table 2 of (K)(3) and (K)(4) following are required pursuant to the preceding sentence, a **Price Reduction Percentage** shall be calculated for each year of the Service Period, taking into account all price reductions occurring in such year, as follows.

Step 1 Calculate the MRCs for Qualifying Services purchased by the customer during the month immediately preceding the month in which the price reduction is reflected in the billing.

Step 2 Calculate the MRCs for Qualifying Services purchased by the customer during the month in which the price reduction is reflected in the billing, subtracting any MRCs associated with any additional MRCs for Qualifying Services added and effective with that month, and adding back any MRCs for Qualifying Services disconnected and not billed effective with that month.

Step 3 Subtract the amount calculated in Step 2 from the amount calculated in Step 1.

Step 4 Divide the amount calculated in Step 3 by the amount calculated in Step 1 to get the price reduction percentage for that month.

Step 5 Repeat Steps 1 through 4 in connection with each month during which a price reduction occurs.

Step 6 Add up each of the individual price reduction percentages for the months in which a price reduction occurred to determine the Price Reduction Percentage for each year of the Service Period. (N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(J) Price Reductions for Qualifying Service (Cont'd)

For Example:

Step 1 The customer's MRCs for Qualifying Services during the month preceding the month in which the price reduction is reflected in the billing are $19M.

Step 2 The customer's MRCs for Qualifying Services during the month following the price reduction equal $18M, including $50,000 of disconnects and $100,000 of new additions effective with that month, resulting in $17.95M in comparable MRCs after such price reduction.

Step 3 The difference between the month preceding the price reduction and the month in which the price reduction is implemented equals $1.05M [calculated as ($19M - $17.95M].

Step 4 The price reduction percentage for that month equals 5.53% [calculated as $1.05M / $19M].

Step 5 Assume that there were no other price reductions during the year of the Service Period.

Step 6 The Price Reduction Percentage would then also equal 5.53%.

In addition to the adjustments that may be required to Tables 1 and 2 of (K)(3) and (K)(4) following as discussed in this Section (J), if, over the course of the Service Period the Telephone Company implements price reductions which in the aggregate, when adding the Price Reduction Percentage calculated in respect of each year of the Service Period in which a price reduction occurs, are greater than eight percent (8%), the customer may terminate its subscription to this Option 50, or the Telephone Company may terminate the customer's subscription to this Option 50, as applicable, upon providing sixty (60) days written notice, in which case neither the Buyout Payment nor Termination Liability (each as defined in (Q) and (R) following) will be due and payable as a result of such a termination. Termination of this Option 50 shall result in termination of Option 49 of FCC1 and Option 24 of FCC14. (x)

If neither the customer nor the Telephone Company terminates Option 50, the existing terms and conditions of this Option 50, Option 49 of FCC1 and Option 24 of FCC14 shall continue to apply. (x) (N) (x)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(K) Calculation of ARC, ARC+ and Billing Credits

At the conclusion of each year of the Service Period, the customer is eligible to receive an **ARC Billing Credit** and an **ARC+ Billing Credit,** depending on the actual ARC/ARC+ for Qualifying Services achieved, and subject to an annual true-up to account for amounts paid as quarterly billing credits (**Quarterly Billing Credits** and together with the ARC Billing Credit and the ARC+ Billing Credit, **Billing Credits**) during such year of the Service Period with respect to the ARC Billing Credit and ARC+ Billing Credit.

(1) Calculation of the ARC Level

(a) For the first year of the Service Period, the Telephone Company shall calculate the total ARC for Qualifying Services and determine the ARC Level as follows:

(1) The Telephone Company will determine the amount of the customer's MRCs which have been paid in full for the Qualifying Services during the last three (3) months immediately prior to the commencement of the Service Period, in accordance with the terms and condition set forth in this Option 50, including (E)(1),(E)(2), (F)(1) and (F)(2) preceding.

(2) The Telephone Company will then multiply that amount by four (4).

(3) The Telephone Company will determine which ARC Level the customer falls into as set forth in Table 1 of (K)(3) following.

(4) The Floor of the ARC Level in which such amount falls will be the **ARC**. (N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(K) Calculation of ARC, ARC+ and Billing Credits (Cont'd)

(1) Calculation of the ARC Level (Cont'd)

(b) Subject to the right of the customer to terminate Option 50 as set forth in (P) following, in years two (2) through eight (8) of the Service Period, within thirty (30) days after the end of the previous year of the Service Period, the Telephone Company will provide an estimate of the ARC/ARC+ for Qualifying Services achieved by the customer for the previous year of the Service Period. The customer shall select the ARC Level in writing by no later than thirty (30) calendar days after the Telephone Company provides its estimate as set forth preceding, consistent with the following:

(1) The customer shall select either the ARC Level from the previous year of the Service Period; or the customer may increase the ARC Level to a higher ARC Level provided its MRCs which have been paid in full for Qualifying Services for the previous year, or for the last three (3) months of the previous year of the Service Period multiplied by four (4), in each case based upon the estimate provided by the Telephone Company to the customer as set forth in this Section (K)(1)(b), fall within the range of such ARC Level.

(2) The ARC Level selected by the customer may increase from one year of the Service Period to the next; however the ARC Level may not be decreased during the Service Period.

(3) If the customer does not notify the Telephone Company of it choice, the Telephone Company will place the customer in the ARC Level from the previous year of the Service Period. (N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(K) Calculation of ARC, ARC+ and Billing Credits (Cont'd)

(2) Quarterly Billing Credit Calculation

(a) At the end of the first three quarterly periods during each year of the Service Period, the Telephone Company shall determine the MRCs which have been paid in full by the customer during such quarterly period (**Achieved Quarterly Revenue**). The Telephone Company will also develop a quarterly ARC by dividing the ARC by four (4) (**Prorated Quarterly ARC**). The Telephone Company will then compare the Achieved Quarterly Revenue to the Prorated Quarterly ARC and also determine whether the customer has complied with the Annual Grooms Restriction described in Section (N) following, as prorated for such three month period (i.e., less than three hundred fifteen [315 = 1260/4] total Special Access DS1 and DS3 service grooms of which no more than fifteen [15 = 60/4] were Special Access DS3 services during such three month period). If the Achieved Quarterly Revenue during the three month period is less than the Prorated Quarterly ARC, or if the customer has not complied with the Annual Grooms Restriction, as prorated for such three month period, then the customer will not receive any Quarterly Billing Credits for that particular three month period (without prejudice to the customer's ability to receive such Billing Credits as part of the Annual True-Up Payment if the customer satisfies the Annual Grooms Restriction, for the applicable year of the Service Period). If the customer has complied with the Annual Grooms Restriction, as prorated for such three (3) month period, and has met or achieved the Prorated Quarterly ARC, then the customer will be eligible to receive a Quarterly Billing Credit for that three month period with respect to the ARC Billing Credit equal to one quarter of the ARC Billing Credit for which the customer would be eligible to receive for the applicable year of the Service Period if the Achieved Quarterly Revenue was multiplied by four (4). (N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(K) Calculation of ARC, ARC+ and Billing Credits (Cont'd)

(2) Quarterly Billing Credit Calculation (Cont'd)

(a) (Cont'd)

Illustrative Example:

(i) Assume the customer's MRCs for Qualifying Services during each of the last three full months immediately prior to the commencement of the Service Period equals $20M. The Telephone Company will then multiply the total for that three month period ($60M) by 4 ($60M X 4 = $240M). The customer's ARC Level for year one of the Service Period will be Level 2. If the MRCs which have been paid in full by the customer during year one of the Service Period meet or exceed $225M, subject to this Option 50, the customer will receive the Level 2 credit of $10M.

(ii) Assume the Achieved Quarterly Revenue during each of the first three quarterly periods during year one of the Service Period is $60M, and the customer groomed in aggregate three hundred and eleven (311) Special Access DS1 and DS3 services of which twelve (12) were DS3 services, during each of those three quarterly periods. For each of the first three quarterly periods during year one of the Service Period, the Achieved Quarterly Revenue ($60M) would be greater than the Prorated Quarterly ARC ($56.25M = $225M/4), and the customer would have complied with the Annual Grooms Restriction, as prorated for such three month period (i.e., less than three hundred fifteen (315) total Special Access DS1 and DS3 service grooms of which no more than fifteen (15) were DS3 services during each quarterly period).

(iii) The customer would then have been eligible to receive a Quarterly Billing Credit with respect to the ARC Billing Credit of $2.5M for each of the first three quarterly periods ($2.5M = $10M ARC Billing Credit for ARC Level 2 divided by four (4)) during year one of the Service Period. (N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(K) Calculation of ARC, ARC+ and Billing Credits (Cont'd)

(2) Quarterly Billing Credit Calculation (Cont'd)

(b) Additionally, if the customer is eligible to receive a Quarterly Billing Credit for any three month period with respect to the ARC Billing Credit, the Telephone Company will multiply the Achieved Quarterly Revenue by four (4) to determine what, if any, ARC+ Billing Credit the customer would be entitled to receive on an annualized basis using the methodology set forth in (K)(4) following. If the customer would be eligible to receive an ARC+ Billing Credit on an annualized basis, the customer will be eligible to receive a Quarterly Billing Credit with respect to the ARC+ Billing Credit equal to one quarter of such annualized credit.

Illustrative example which continues the example provided in Section (K)(2)(a) preceding:

(iv) The customer's Achieved Quarterly Revenue multiplied by four (4) equals $240M [$60M*4].

(v) Based upon the customer being in ARC Level 2 for year one of the Service Period, the customer would be eligible to receive an annualized ARC+ Billing Credit based upon the methodology set forth in (K)(4) following calculated as follows: The ARC+ would equal the Achieved Quarterly Revenue multiplied by four (4) minus the ARC [$15M = [($60M*4) - $225M)]].

(vi) $15M would place the customer below the minimum set forth in ARC+ Level 1 of ARC Level 2 necessary to receive any annualized ARC+ Billing Credit, and the customer would therefore not receive any Quarterly Billing Credit with respect to the ARC+ Billing Credit for any of the first three quarterly periods of year one of the Service Period.

(3) Calculation of ARC Billing Credit

At the conclusion of each year of the Service Period, subject to an annual true-up to account for amounts paid as Quarterly Billing Credits with respect to the ARC Billing Credit, the customer is eligible to receive an ARC Billing Credit if the MRC amounts which have been paid in full by the customer for the applicable year of the Service Period meet or exceed the ARC (subject to any reductions and adjustments as set forth herein) then in effect. (N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(K) Calculation of ARC, ARC+ and Billing Credits (Cont'd)

(3) Calculation of ARC Billing Credit (Cont'd)

Table 1: ARC Billing Credit Matrix

ARC Level	Floor	Ceiling	ARC Billing Credit
1	$155,000,000	$224,999,999	$ 3,500,000
2	$225,000,000	$324,999,999	$10,000,000
3	$325,000,000	$424,999,999	$16,500,000
4	$425,000,000	None	$23,000,000

The following illustrative example continues the example provided in (K)(2)(b) preceding:

(vii) Assume the customer's MRCs for Qualifying Services during the last quarter of year one of the Service Period were $90M, resulting in MRC amounts paid in full by the customer during year one of the Service Period of $270M, making the customer eligible to receive the Level 2 ARC Billing Credit of $10M with respect to year one of the Service Period.

(viii) In year two of the Service Period, the customer must notify the Telephone Company in writing and in accordance with this Section (K)(3) as to whether it is going to continue with the Level 2 ARC or change to the Level 3 ARC, based upon multiplying the MRCs paid in full for Qualifying Services for the last three (3) months of the previous year of the Service Period ($90M) by four (4) = $360M. If the customer does not notify the Telephone Company of its choice, the Telephone Company will place the customer in the ARC Level from the previous year of the Service Period (in this example ARC Level 2).

(ix) Assume the MRC amounts which have been paid in full by the customer during year two of the Service Period are $365M. If the customer elected to retain the Level 2 ARC, it will receive the Level 2 ARC Billing Credit of $10M. If the customer elected to select the Level 3 ARC, it will receive the Level 3 ARC Billing Credit of $16.5M. (N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(K) Calculation of ARC, ARC+ and Billing Credits (Cont'd)

(4) Calculation of the ARC+ Billing Credit

At the conclusion of each year during the Service Period, subject to an annual true-up to account for amounts paid as Quarterly Billing Credits with respect to the ARC+ Billing Credit, the customer is eligible to receive an ARC+ Billing Credit if the MRC amounts which have been paid in full by the customer for the applicable year of the Service Period minus the ARC exceed the Floor of the applicable ARC+ Level (subject to any reductions and adjustments as set forth herein) for the ARC Level then in effect.

(a) The Telephone Company will establish the customer's ARC Level as determined in (K)(1) preceding.

(b) The Telephone Company will determine the MRC amounts which have been paid in full by the customer during the applicable year of the Service Period for Qualifying Services as determined in (K)(1) preceding, and then subtract from such amount the ARC in effect for the applicable year of the Service Period (the resulting amount, the **ARC+**).

(c) The Telephone Company will determine which ARC+ Level of Table 2 following, if any, the customer's ARC+ falls into based upon the applicable ARC Level then in effect.

(d) If the customer's ARC+ exceeds the Floor for the applicable ARC+ Level for the ARC Level then in effect, the customer shall be eligible to receive the applicable ARC+ Billing Credit set forth in Table 2 following. (N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(K) Calculation of ARC, ARC+ and Billing Credits (Cont'd)

(4) Calculation of the ARC+ Billing Credit (Cont'd)

(d) (Cont'd)

Table 2: ARC+ Billing Credit Matrix

ARC Level	ARC+ Level	Floor	Ceiling	ARC+ Billing Credit
1	1	$20,000,000	$39,999,999	$ 500,000
	2	$40,000,000	$59,999,999	$1,000,000
	3	$60,000,000	$79,999,999	$1,500,000
	4	$80,000,000	None	$2,000,000
2	1	$20,000,000	$39,999,999	$1,500,000
	2	$40,000,000	$59,999,999	$2,750,000
	3	$60,000,000	$79,999,999	$4,000,000
	4	$80,000,000	None	$5,250,000
3	1	$20,000,000	$39,999,999	$1,500,000
	2	$40,000,000	$59,999,999	$3,000,000
	3	$60,000,000	$79,999,999	$4,500,000
	4	$80,000,000	None	$6,000,000
4	1	$20,000,000	$39,999,999	$2,000,000
	2	$40,000,000	$59,999,999	$4,000,000
	3	$60,000,000	$79,999,999	$6,000,000
	4	$80,000,000	None	$8,000,000

The following illustrative example continues the example provided in (K)(3) preceding.

(x) Assume the MRC amounts which have been paid in full by the customer during year one of the Service Period are $270M and the customer was in ARC Level 2 (ARC of $225M). In addition to the ARC Billing Credit of $10M, the customer will be eligible to receive the ARC+ Billing Credit calculated as follows:

(xi) The ARC+ is $45M ($270M - $225M). The customer's ARC+ will be in ARC+ Level 2 of ARC Level 2.

(xii) The ARC+ Billing Credit = $2.75M (N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(K) Calculation of ARC, ARC+ and Billing Credits (Cont'd)

(5) Annual True-Up Credit Calculation

Within sixty (60) days after the end of each year of the Service Period, the Telephone Company will perform an annual true-up to determine the ARC/ARC+ for Qualifying Services achieved and whether any additional credits are due to the customer with respect to the ARC Billing Credit and ARC+ Billing Credit, or if the customer is required to refund to the Telephone Company amounts previously paid as Quarterly Billing Credits with respect to the ARC Billing Credit and ARC+ Billing Credit. The Telephone Company will first determine whether the customer has complied with the Annual Grooms Restriction. If the customer has not complied with the Annual Grooms Restriction, then the customer will not be eligible for any additional credits with respect to the ARC Billing Credit and ARC+ Billing Credit for that year of the Service Period and shall be required to refund any amounts paid as Quarterly Billing Credits with respect to the ARC Billing Credit and ARC+ Billing Credit during that year of the Service Period, as described in (M)(3) following. If the customer has complied with the Annual Grooms Restriction, then the customer may be eligible to receive additional credits with respect to the ARC Billing Credit and ARC+ Billing Credit. In order to determine whether any additional credits are due with respect to the ARC Billing Credit and ARC+ Billing Credit, the Telephone Company will first determine the aggregate ARC Billing Credit and ARC+ Billing Credit due with respect to the applicable year of the Service Period. The Telephone Company will then determine what, if any, Quarterly Billing Credits were paid with respect to the first three quarterly periods of the applicable year of the Service Period with respect to the ARC Billing Credit and ARC+ Billing Credit. If the aggregate Quarterly Billing Credits that have been paid with respect to the applicable year of the Service Period are less than the aggregate ARC Billing Credit and ARC+ Billing Credit due to the customer with respect to such year, the Telephone Company shall credit the difference (**Annual True-Up Payment**) as provided in (M)(2) following. If the aggregate Quarterly Billing Credits that have been paid with respect to the applicable year of the Service Period are greater than the aggregate ARC Billing Credit and ARC+ Billing Credit due to the customer with respect to such year, the Telephone Company shall bill the difference as provided in (M)(3) following. Upon completion of the true-up, the Telephone Company will notify the customer in writing of its determination of the ARC/ARC+ for Qualifying Services achieved by the customer. (N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(K) Calculation of ARC, ARC+ and Billing Credits (Cont'd)

(5) Annual True-Up Credit Calculation (Cont'd)

The following illustrative example continues the example provided in (K)(4) preceding.

(xiii) Based upon the calculations set forth in (K)(2)(a) and (K)(2)(b) preceding, the customer was paid $7.5M in Quarterly Billing Credits with respect to the ARC Billing Credit and $0M with respect to the ARC+ Billing Credit for year one of the Service Period.

(xiv) The customer is eligible to receive an ARC Billing Credit of $10M (see calculation in (K)(3) preceding) and an ARC+ Billing Credit of $2.75M (see calculation in (K)(4) preceding).

(xv) The aggregate Quarterly Billing Credits paid equal $7.5M ($7.5M + $0M) and the aggregate ARC Billing Credit and ARC+ Billing Credit due to the customer with respect to year one of the Service Period equals $12.75M ($10M + $2.75M).

(xvi) The Telephone Company shall therefore credit the customer an additional $5.25M as an Annual True-Up Payment as provided in (M)(2) following.

(6) Calculation of the FTTC Credit and COW & COLT Credit

(a) FTTC Credit

After the conclusion of each three (3) month period during the Service Period, the customer is eligible to receive a **FTTC Credit** in an amount equal to the lesser of (i) any unapplied FTTC Credit the customer is eligible to receive as set forth in Table 3 following (as it may have been increased pursuant to (K)(6)(a)(3) following), and (ii) the aggregate non-standard premises charges (**NSP**) billed with respect to provisioning Special Access DS1 or DS3 services to cell sites in the operating territories of this tariff and FCC1 during the three (3) month period just ended. The Telephone Company will calculate the FTTC Credit as follows: (x) (N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(K) Calculation of ARC, ARC+ and Billing Credits (Cont'd)

(6) Calculation of the FTTC Credit and COW & COLT Credit (Cont'd)

(a) FTTC Credit (Cont'd)

(1) The Telephone Company or the customer, as applicable, will establish the customer's ARC Level as determined in (K)(1) preceding.

(2) With respect to year one of the Service Period, the customer shall be eligible to receive the Base Annual FTTC Credit as set forth in Table 3 following corresponding to the customer's ARC Level for year one of the Service Period.

(3) With respect to years two (2) through eight (8) of the Service Period, the customer shall be eligible to receive the Base Annual FTTC Credit set forth in Table 3 following for the ARC Level in effect for each such year plus the product of (i) such Base Annual FTTC Credit and (ii) the percentage, if any, by which the MRCs which have been paid in full for Qualifying Services by the customer in respect of the preceding year of the Service Period exceeds the ARC in effect for the previous year of the Service Period.

Within thirty (30) calendar days of the end of each three month period during the Service Period, the Telephone Company, with the customer's input as required, will determine the FTTC Credit earned as a result of the aggregate NSP charges billed to the customer in respect of provisioning Special Access DS1s or DS3s to cell sites during the previous three months. The Telephone Company will apply any FTTC Credit earned to the customer's bill within sixty (60) calendar days after the end of each three month period consistent with this Section (K)(6).

Table 3: FTTC Credit Matrix

ARC Level	Base Annual FTTC Credit
1	$ 250,000
2	$ 500,000
3	$ 750,000
4	$1,000,000

(N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(K) Calculation of ARC, ARC+ and Billing Credits (Cont'd)

(6) Calculation of the FTTC Credit and COW & COLT Credit (Cont'd)

(b) COW & COLT Credit

At the conclusion of each year of the Service Period, the customer is eligible to receive a Cell on Wheels (**COW**) & Cell on Light Truck (**COLT**) Credit (**COW & COLT Credit**) in an amount equal to the lesser of (i) $750,000 or (ii) the aggregate minimum period charges billed as a result of disconnecting Special Access DS1 services directly and solely serving COWs and COLTs purchased out of this tariff, FCC1, FCC14 and FCC16. (x)
Within thirty (30) calendar days of the end of each year of the Service Period, the Telephone Company, with the customer's input as required, will determine the COW & COLT Credit earned as a result of disconnecting COWs and COLTS prior to the twelve (12) month minimum period required under the NDP. The Telephone Company will apply any COW & COLT Credit earned to the customer's bill within sixty (60) calendar days after the end of each year of the Service Period consistent with this Section (K)(6)(b).

(c) In no event will the combined FTTC Credit and COW & COLT Credit provided by the Telephone Company exceed $3M for any year of the Service Period.

Illustrative Example:

(i) Assume the customer's ARC is $225M. This is Level 2 ARC. For year one of the Service Period, the customer shall be eligible to receive an FTTC Credit of up to $500,000 based upon the ARC Level in effect. In addition, the customer shall be eligible to receive a COW & COLT Credit of up to $750,000.

(ii) For year two, the customer exceeds the ARC from the previous year by thirty percent (30%) and remains in ARC Level 2. The Base Annual FTTC Credit is $500,000.

(iii) The customer is eligible to receive an FTTC Credit for year two of the Service Period of up to $500,000 + ($500,000 X .30) = $650,000, based upon the ARC Level in effect and the percentage by which the actual MRCs which have been paid in full for year one of the Service Period exceed the ARC for year one of the Service Period. In addition, the customer shall be eligible to receive a COW & COLT Credit of up to $750,000. (N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(L) Disputes

In calculating the Billing Credits, FTTC Credit and COW & COLT Credit, all of the following requirements shall apply:

(1) Subject to (L)(4) following, the Telephone Company shall not include in the calculation of the Billing Credits any Disputed Charges remaining as of the thirtieth (30th) calendar day following the end of each quarter or year, as applicable, of the Service Period.

(2) For the purpose of calculating the Billing Credits, the Telephone Company shall not include in MRCs any credits or debits for Service(s) provided during any periods prior to the Service Period (regardless of whether such credits or debits were the result of a valid dispute by the customer or were the result of a billing error by the Telephone Company).

(3) With respect to any dispute for Qualifying Services, the customer must provide sufficient claim detail to enable the Telephone Company to appropriately assess the dispute, including but not limited to the BAN, circuit ID, USOC detail, amount in dispute, appropriate tariff references, and a full explanation regarding why the customer believes it was billed in error. (N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(L) Disputes (Cont'd)

(4) One hundred eighty (180) days after the end of each year of the Service Period, the Telephone Company shall do a one-time recalculation of the ARC/ARC+ for Qualifying Services, taking into account additional amounts that may have been paid in full (e.g., amounts that were previously Disputed Charges) in respect of the Qualifying Services for that year of the Service Period in accordance with the terms of this Option 50. If, as a result of this recalculation, the Telephone Company determines, and the customer agrees, that the customer was provided a Billing Credit, FTTC Credit, or COW & COLT Credit it should not have been provided, or is entitled to a different Billing Credit, FTTC Credit, or COW & COLT Credit than the amounts determined in (K)(5) and (K)(6) preceding, the Telephone Company will make the necessary credit or debit on the same BANs to which the applicable Quarterly Billing Credit was provided, or the necessary credit or debit on the same BANs to which the applicable FTTC Credit or COW & COLT Credit was provided, in each case by no later than sixty (60) days after the date of such determination.

(5) Beyond one hundred eighty (180) days after the end of each year during the Service Period, the customer may continue to submit claims to the Telephone Company with regard to MRCs for the Qualifying Services billed by the Telephone Company during each year of the Service Period, and the Telephone Company may continue to bill the customer with regard to MRCs for the Qualifying Services during that year.

(6) After payment of the Billing Credits, FTTC Credit, and COW & COLT Credit, including any adjustment that may occur as set forth in accordance with (L)(4) preceding, the customer and the Telephone Company shall continue to negotiate and resolve all Disputed Charges.

(7) Upon resolution of any such disputes remaining or raised more than one hundred eighty (180) days after the end of each year of the Service Period, amounts may be credited to the customer if the customer prevails, however notwithstanding anything to the contrary herein, there shall be no adjustment to the Billing Credits, FTTC Credit, COW & COLT Credit, or the ARC/ARC+ for Qualifying Services, and the same shall apply regardless of the outcome of any Disputed Charges, nor shall there be any adjustment to the Billing Credits, FTTC Credit, COW & COLT Credit or the ARC/ARC+ for Qualifying Services as a result of any amounts billed by the Telephone Company to the customer and paid in full more than one hundred eighty (180) days after the end of the applicable year of the Service Period. (N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(M) Timing of Payment of Billing Credits, FTTC Credit, and COW & COLT Credit (Cont'd)

(2) After the completion of the Annual True-Up, if the customer is eligible for an Annual True-Up Payment with respect to the ARC Billing Credit and/or ARC+ Billing Credit with respect to any year of the Service Period, the Annual True-Up Payment with respect to the ARC Billing Credit and/or ARC+ Billing Credit will be credited to the customer's account no later than sixty (60) days after the completion of the Annual True-Up for the applicable year of the Service Period, subject to the terms of this Option 50.

(3) After the completion of the Annual True-Up, if the customer is required to refund any or all of the Quarterly Billing Credits or FTTC Credit paid in respect of any or all of the first three quarterly periods of the applicable year of the Service Period, the Telephone Company will bill such amount to the customer's account on the same BANs to which the applicable Quarterly Billing Credits or FTTC Credit were provided by no later than sixty (60) days after the completion of the Annual True-Up for the applicable year of the Service Period, subject to the terms of this Option 50.

(4) If the customer is eligible for an FTTC Credit, the FTTC Credit will be credited to the customer's account no later than sixty (60) days after the end of the applicable three month period, subject to the terms of this Option 50.

(5) If the customer is eligible for a COW & COLT Credit, the COW & COLT Credit will be credited to the customer's account no later than sixty (60) days after the completion of the Annual True-Up. (N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(L) Disputes (Cont'd)

(8) The Annual True-Up and final Billing Credits, FTTC Credit, and COW & COLT Credit, as determined by the Telephone Company and agreed to by the customer, are not subject to dispute; provided, however, that the foregoing prohibition against disputing the Billing Credit, FTTC Credit, or COW & COLT Credit shall not be deemed to apply in a situation where the Telephone Company applies a Billing Credit that does not match the mutually agreed upon Billing Credit.

(9) The amount of the Billing Credits, FTTC Credit, and COW & COLT Credit shall in no event be subject to any late payment, interest or penalty as set forth in Section 2.4.1 preceding.

(M) Timing of Payment of Billing Credits, FTTC Credit, and COW & COLT Credit

The Telephone Company shall credit the customer's BANs with the applicable Quarterly Billing Credits, Annual True-Up Payment with respect to the ARC Billing Credit and/or ARC+ Billing Credit, FTTC Credit, and COW & COLT Credit as determined in accordance with the terms of this Option 50. The Quarterly Billing Credits, Annual True-Up Payment with respect to the ARC Billing Credit and/or ARC+ Billing Credit, FTTC Credit, and COW and COLT Credit will be provided only in MSAs that have achieved Phase I and Phase II pricing flexibility under this tariff, FCC1 and FCC14. (x)

(1) If the customer is eligible for a Quarterly Billing Credit with respect to any of the first three quarterly periods of each year of the Service Period, the applicable Quarterly Billing Credit will be credited to the customer's account by no later than sixty (60) days after the end of the applicable quarterly period of the applicable year of the Service Period, subject to the terms of this Option 50. (N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(N) Network Grooms Restriction

The customer will not be eligible for any Billing Credits, FTTC Credit, or COW and COLT Credit if the customer grooms more than one-thousand two-hundred and sixty (1260) Special Access DS1 and/or DS3 services that are used for the provisioning of Qualifying Services, of which number may include no more than sixty (60) DS3 services. (**Annual Grooms Restriction**).

(1) For the purposes of this Option 50, a groom shall mean the retermination of a Special Access Service circuit from its original installation location to another location in the same Telephone Company central office or in another Telephone Company central office. Notwithstanding the foregoing, the customer will be eligible for the Billing Credits, FTTC Credit, and COW & COLT Credit in each year of the Service Period so long as during such year of the Service Period, the Annual Grooms Restriction is satisfied based upon aggregating all Special Access Service circuit grooms that are used for the provisioning of Qualifying Services during such year of the Service Period.

(2) The Telephone Company will follow its normal business practices with respect to the number of grooms, process, speed, or completion of any grooms. Grooms of Switched Access Service circuits shall not count towards the Annual Grooms Restriction. The Telephone Company and the customer shall exercise commercially reasonable efforts to determine in advance of a network groom being implemented whether such groom will count towards the Annual Grooms Restriction, in accordance with methods and procedures to be adopted by the Telephone Company and the customer. Additionally, the customer shall identify all circuits which it believes should not be counted towards the Annual Grooms Restriction by no later than thirty (30) calendar days after the end of the applicable quarter and year of the Service Period. (N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(N) Network Grooms Restriction (Cont'd)

(3) The following types of network grooms shall not count towards the Annual Grooms Restriction and shall be performed by the Telephone Company in accordance with its normal business practices. In addition, the customer shall remain responsible for all other customary charges associated with such moves or terminations (i.e., Retermination charges and non-recurring charges) consistent with this tariff, FCC1, FCC14 and FCC16. (x)

(a) Optimization Grooms

Grooms that are initiated and completed solely on the Telephone Company network for customer's efficient utilization of Telephone Company facilities (e.g., movement from copper-based facilities to fiber-based facilities serving the same cell site, cell site re-homes from one mobile switching center (**MSC**) to another MSC and/or from one multiplexing hub to another multiplexing hub, activities associated with the implementation of a new MSC, and upgrades as described in (O) following or of DS1s and DS3s, in each case solely on the Telephone Company network).

(b) Telephone Company Initiated Grooms

Any groom initiated by the Telephone Company shall not count towards the Annual Grooms Restriction.

(c) Maintenance Grooms

A circuit that is identified as a Maintenance Groom (as defined below) by the customer, and accepted by the Telephone Company as a Maintenance Groom, shall not count towards the Annual Grooms Restriction. A Maintenance Groom shall mean a groom initiated and completed as a direct result of the original circuit experiencing service failures, where the grooming corrects such problems.

(d) Grooms of Less Than a DS1 Level

Any circuit that is at a bandwidth less than a DS1 shall not count towards the Annual Grooms Restriction.

(e) Force Majeure Grooms

Grooms that are necessitated by any Force Majeure condition (e.g., act of God; fire; flood; shortages or unavailability of facilities, equipment, software, or other materials; lack of or delay in transportation; laws, rules, regulations or restrictions; war, acts of terrorism, civil disorder, strikes, or other labor disputes). (N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(O) MRC Credits for Service Upgrades

If the customer upgrades any Qualifying Services, in accordance with the NDP requirements for upgrades as set forth in Section 25.3.7(H)(2) of FCC1, Section 25.2.7(H)(2) preceding of this tariff, Section 23.1.7(H)(2) of FCC14, or Section 22.1.7(H)(2) of FCC16, to a Telephone Company provided Dedicated fiber transport with network interface device service, switched Ethernet service, Ethernet Transport and Aggregation (ETAG) Service, Ethernet private line service, dedicated SONET ring service, DWDM ring service, SONET entrance facility service, or point-to-point SONET service, during any year of the Service Period, the Telephone Company will continue to count fifty percent (50%) of the MRC amounts which were billing in the month immediately prior to the upgrade with respect to such Qualifying Services, multiplied by twelve (12), in the calculation of the actual ARC/ARC+ for Qualifying Services achieved by the customer for any year in which the replacement service remains in service for the entire year of the Service Period. For the year in which the Qualifying Service was replaced, the Telephone Company shall count fifty percent (50%) of the MRC amounts which were billing in the month immediately prior to the upgrade in respect of such Qualifying Services, multiplied by the number of billing cycles left in the applicable year of the Service Period, in the calculation of the actual ARC/ARC+ for Qualifying Services achieved by the customer for the applicable year of the Service Period as long as the replacement service remains in service through the end of the applicable year of the Service Period. The customer is responsible for identifying in writing in accordance with the notice provisions in this Option 50 and the upgrade provisions as set forth in Section 25.3.7(H)(2)(g) of FCC1, Section 25.2.7(H)(2)(g) preceding of this tariff, Section 23.1.7(H)(2)(g) of FCC14, or Section 22.1.7(H)(2)(g) of FCC16, any upgraded circuits that qualify as set forth preceding in this Section (O). (x) (x) (x) (x) (N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(O) MRC Credits for Service Upgrades (Cont'd)

Illustrative Example:

(i) The customer identifies $6M of MRCs for the month prior to the upgrade of DS1 and DS3 services upgraded to Telephone Company provided DSR Services in year two of the Service Period.

(ii) The DS1 and DS3 Qualifying Services cease billing in month eight (8) of year two of the Service Period.

(iii) The Telephone Company will count $6M X 50% X 4 months remaining = $12M towards the actual ARC/ARC+ for Qualifying Services achieved in year two of the Service Period based upon the upgraded DSR Services remaining in service as of the end of year two of the Service Period.

(iv) The Telephone Company will count $6M X 50% X 12 = $36M for all remaining years of the Service Period, based upon the upgraded DSR Services remaining in service as of the end of the applicable year of the Service Period. (N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(P) Shortfall Penalty

(1) If the MRC amounts which have been paid in full by the customer during any year of the Service Period are less than the applicable ARC for that year, the customer will at its option, either pay a **Shortfall Penalty**, which will be the difference between the ARC for that year and the actual MRC amounts which have been paid in full by the customer during such year of the Service Period, in which case, subject to the terms and conditions of this Option 50, the customer shall be eligible to receive the Billing Credits associated with the ARC for that year; or (2) terminate its subscription to this Option 50, Option 49 of FCC1 and Option 24 of FCC14, subject to the payment of **Termination Liability** as set forth in (R) following. For the sole purpose of determining whether a Shortfall Penalty is due and payable, the Telephone Company will count towards the MRC amounts which have been paid in full by the customer during any year of the Service Period one hundred percent (100%), and not fifty percent (50%), of the MRCs associated with any Qualifying Services upgraded in accordance with (O) preceding, so long as such upgraded service(s) remains in service as of the end of the applicable year of the Service Period. (x)

(2) The Telephone Company shall notify the customer that a Shortfall Penalty is due and payable no later than one hundred eighty (180) calendar days after the end of each year of the Service Period. The customer will have thirty (30) calendar days from the date of such notice to decide and notify the Telephone Company as to whether it wants to pay the Shortfall Penalty or terminate its subscription to this Option 50, Option 49 of FCC1 and Option 24 of FCC14. (x) If the customer notifies the Telephone Company that it intends to pay the Shortfall Penalty, the Telephone Company shall bill the Shortfall Penalty, and the customer shall pay the Shortfall Penalty within thirty (30) days of receipt of the bill. (x) (N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(Q) Telephone Company Buyout

The Telephone Company has the option, upon completion of the determination of the actual ARC/ARC+ for Qualifying Services achieved by the customer with respect to any year of the Service Period, and upon providing thirty (30) calendar days written notice to the customer in accordance with the notice provision set forth in this Option 50, to terminate the customer's subscription to this Option 50, Option 49 of FCC1, and Option 24 of FCC14. If the (x)
Telephone Company exercises this buyout option, the Telephone Company shall pay to the customer, within sixty (60) calendar days of the date of the notice exercising this option, an amount equal to any Billing Credits due and payable with respect to the year of the Service Period just ended plus $500,000 multiplied by the number of years left in the Service Period (**Buyout Payment**).

Illustrative Example:

(i) Assume the customer is owed $10M in Billing Credits for year 3 of the Service Period.

(ii) Assume five years are remaining in Service Period.

(iii) At the end of year three, the Telephone Company decides to exercise its buyout option.

(iv) The Telephone Company owes the customer a buyout payment equal to $10M + ($500,000 X 5) = $12.5M.

(R) Termination Liability

(1) Subject to the terms set forth in this Section (R), the customer may terminate its subscription to this Option 50, Option 49 of (x)
FCC1 and Option 24 of FCC14 at any time during the Service (x)
Period. The customer must provide written notice of termination at least thirty (30) days prior to the requested date of termination of this Option 50, Option 49 of FCC1 and Option 24 (x)
of FCC14. Termination of less than all of the Contract Tariffs (x)
(i.e., terminations of the contract option under this tariff, FCC1 or FCC14) shall be deemed to be an automatic termination of (x)
all Contract Tariffs. If the customer terminates this Option 50, Option 49 of FCC1 or Option 24 of FCC14 at any time during (x)
the Service Period, the customer will not be entitled to the payment of any Billing Credits, FTTC Credit, or COW & COLT Credit, pro rated or otherwise, after the termination date. All obligations under this tariff, FCC1, FCC14, and FCC16 with (x)
respect to the Qualifying Services shall continue to apply. (N)

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32. Contract Tariffs (Cont'd)

32.51 Contract Tariff Option 50 (Cont'd) (N)

(R) Termination Liability (Cont'd)

(2) In addition, the customer will be liable for payment of **Termination Liability** equal to the product of (a) the **Termination Liability Percentage** applicable to the year of the Service Period in which the termination occurs as set forth in Table 4 following, and (b) the sum of all Billing Credits, FTTC Credits, and COW & COLT Credits paid during the Service Period from January 31, 2008 through and including the date of termination. The Termination Liability payment will be due and payable by the customer to the Telephone Company no later than sixty (60) days after the termination date.

Table 4: Termination Liability Percentage Matrix

Year of Service Period	Termination Liability Percentage
1	100%
2	90%
3	80%
4	60%
5	40%
6	30%
7	20%
8	10% (N)

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32. Contract Tariffs (Cont'd)

32.52 Contract Tariff Option 51 (N)

(A) Scope

Contract Tariff Option 51 (**Option 51**) provides certain discounts and Billing Credits on Special Access High Capacity 1.544 Mbps (DS1) and 44.736 Mbps (DS3) Channel Mileage Rate Elements (as further defined in (B)(4) following) when the customer maintains a certain minimum number of DS1 and DS3 Transport Miles as defined herein.

Contract Tariff Option 51 also provides additional discounts and Billing Credits upon the conversion by the customer of a minimum of seventy five percent (75%) of the number of in-service DS1 unbundled loops as of July 18, 2008 to Special Access Service DS1 channel terminations and conversion of seventy five percent (75%) of the number of in-service DS1 unbundled transport miles as of July 18, 2008 to Special Access Service DS1 Transport Miles (as further defined in (B)(7) following). In consideration for this additional discount and Billing Credit, the customer must maintain a certain minimum number of Special Access Service DS1 channel terminations and DS1 Transport Miles.

(B) Specific Terms

Unless otherwise defined in this Option 51, the following terms are used in this Option 51.

(1) **Alternative Tariff Arrangement** shall mean collectively any other generally available tariff arrangement, contract tariff option, special service arrangement, or Individual Case Basis (**ICB**) tariff arrangement offered by the Telephone Company and available to the customer pursuant to this tariff with respect to any of the Services covered by this Option 51.

(2) **BANs** shall mean Billing Account Numbers of the customer which shall be used to provide the Billing Credits (if any) to the customer.

(3) **Billing Credit** shall mean collectively the amounts (if any) provided to the customer as a Transport Credit and/or UNE Conversion Credit on its monthly bill at the end of each Quarter during the Service Period based on the applicable discounts on the specific Services (as set forth in Sections (H) and (I) following) offered to the customer pursuant to this Option 51. Calculation of the applicable Billing Credits is described in Sections (H) and (I) following. (N)

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32. Contract Tariffs (Cont'd)

32.52 Contract Tariff Option 51 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(4) **Channel Mileage Rate Elements** shall mean the following:

(a) the Switched Access Service direct trunked transport rate elements, as such rate elements are described more particularly in Section 6.1.3(A) preceding of this tariff, Section 6.1.2(A)(2) of Tariff F.C.C. No. 1 (**FCC1**), Section 4.2.3(C) of Tariff F.C.C. No. 14 (**FCC14**), and Section 6.5.2(C) of Tariff F.C.C. No. 16 (**FCC16**); and (x) (x)

(b) the Special Access Service channel mileage rate element, as such rate elements are described more particularly in Section 7.1.2(B) preceding of this tariff, and Section 7.1.2(B) of FCC1; and (x) (x)

(c) the Special Access Service special transport rate elements as such rate elements are described more particularly in Section 5.1.1(B) of FCC14 (excluding MetroLAN transport); and (x) (x)

(d) the Special Access Service circuit mileage rate elements as such rate elements are described more particularly in Section 7.2.1(B) of FCC16 (excluding MetroLAN transport). (x) (x)

(5) **Channel Termination Rate Elements** shall mean the following:

(a) the Special Access Service channel termination rate elements as such rate elements are more particularly described in Section 7.1.2(A) preceding of this tariff, and Section 7.1.2(A) of FCC1; and (x) (x)

(b) the Special Access Service Special Access Line (**SAL**) rate elements, as such rate elements are described more particularly in Section 5.1.1(C) of FCC14; and (x)

(c) the Special Access Service circuit termination rate elements as such rate elements are described more particularly in Section 7.2.1(A) of FCC16. (N) (x)

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32. Contract Tariffs (Cont'd)

32.52 Contract Tariff Option 51 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(6) **DS1 and DS3 Transport Miles** shall mean the sum of the DS1 Transport Miles and the DS3 Transport Miles.

(7) **DS1 Transport Miles** shall mean the aggregate number of miles billed by the Telephone Company to the customer for the Channel Mileage Rate Elements provided over DS1 high capacity facilities during each month of the Service Period provided pursuant to this tariff, FCC1, FCC14 and FCC16, and which miles are not subject to dispute by the customer. If the customer disputes the billing of any mileage for the Channel Mileage Rate Elements (e.g., number of miles billed or monthly recurring charges for a circuit is incorrect) provided over DS1 high capacity facilities, then such miles shall not be included in the calculation of DS1 Transport Miles. Unless error can be demonstrated by the customer, the Telephone Company's calculation of such aggregate mileage shall be deemed to be accurate. (x)

(8) **DS3 Mileage Ratio** shall mean the ratio of the number of DS3 Transport Miles divided by the number of DS1 Transport Miles.

(9) **DS3 Transport Miles** shall mean the aggregate number of miles billed by the Telephone Company to the customer for the Channel Mileage Rate Elements provided over DS3 high capacity facilities during each month of the Service Period provided pursuant to this tariff, FCC1, FCC14 and FCC16, and which miles are not subject to dispute by the customer. If the customer disputes the billing of any mileage for the Channel Mileage Rate Elements (e.g., number of miles billed or monthly recurring charges for a circuit is incorrect) provided over DS3 high capacity facilities, then such miles shall not be included in the calculation of DS3 Transport Miles. Unless error can be demonstrated by the customer, the Telephone Company's calculation of such aggregate mileage shall be deemed to be accurate. (x) (N)

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32. Contract Tariffs (Cont'd)

32.52 Contract Tariff Option 51 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(10) **Minimum DS1 and DS3 Transport Miles** shall have the meaning set forth in Section (G) following.

(11) **Minimum Special Access Quantities in Service** shall have the meaning set forth in Section (I)(4) following.

(12) **Plan Year** shall mean each of the following periods during the Service Period: (i) Plan Year 1 shall commence on the July 18, 2008 and end on May 31, 2009; and (ii) Plan Year 2 shall commence on June 1, 2009 and end on May 31, 2010.

(13) **Quarter** shall mean either of the following periods, as applicable: (i) the first (1st) Quarter of each Plan Year is the period beginning with the first date of the applicable Plan Year and ending on the last calendar day of the second month after the month in which the first date occurs (i.e., approximately 90 days thereafter), except for the first (1st) Quarter of Plan Year 1 which shall commence on the July 18, 2008 and end on August 31, 2008, and shall include solely for purposes of calculating the discounts and the Billing Credits in respect of such Quarter, the months of June and July, 2008; or (ii) each consecutive 3 month period thereafter commencing on the first day of the calendar month following the end of the prior Quarter and ending on the last calendar day of the second month after the month in which the first day occurs.

(14) **Transport Credit** shall mean collectively the amounts (if any) provided to the customer as a credit on its monthly bill at the end of each Quarter during the Service Period based upon the number of DS1 and DS3 Transport Miles (as defined in (B)(6) preceding) billed by the Telephone Company to the customer on a monthly basis. Calculation of the applicable Transport Credit is described in Section (H) following. (N)

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32. Contract Tariffs (Cont'd)

32.52 Contract Tariff Option 51 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(15) **UNE Conversion Credit** shall have the meaning set forth in Section (I) following.

(16) **UNE Qualifying Month** shall mean the month in the Service Period during which the customer meets the requirements of Section (I)(2) following.

(C) Eligibility

The customer must meet all of the criteria set forth in this Section (C) in order to be eligible to receive the rates, terms, and conditions under this Option 51.

(1) As of the July 18, 2008, the customer must have:

(a) been billed a combined total of between One Hundred Fifty Thousand (150,000) and Two Hundred Fifty Thousand (250,000) DS1 and DS3 Transport Miles during the thirty (30) calendar day period immediately preceding July 18, 2008; and

(b) A DS3 Mileage Ratio of no more than .055 for the thirty (30) calendar day period immediately preceding July 18, 2008; and

(c) A minimum two thousand five hundred (2,500) in-service DS1 unbundled loops and sixteen thousand (16,000) in-service DS1 unbundled transport miles as of July 18, 2008. (N)

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32. Contract Tariffs (Cont'd)

32.52 Contract Tariff Option 51 (Cont'd) (N)

(C) Eligibility (Cont'd)

(2) The customer may not concurrently subscribe to an Alternative Tariff Arrangement which meets any of the following criteria at any time during the Service Period: (i) an Alternative Tariff Arrangement which provides a discount, credit, or other reduction in rates or terms, other than a generally available discount plan which allows for aggregation of Special Access Services across this tariff, FCC1, FCC14 and FCC16; and (ii) an Alternative Tariff Arrangement which provides discounts on Channel Mileage Rate Elements provided over DS1 or DS3 high capacity facilities. If the customer wishes to subscribe to such an Alternative Tariff Arrangement, then the customer shall not receive any Discounts and Billing Credits under this Option 51, Option 50 of FCC1, and Option 26 of FCC14, and such subscription shall be considered a termination by the customer of this Option 51, Option 50 of FCC1, and Option 26 of FCC14, subject to Section (L) following. (x) (x) (x)

(3) The customer must subscribe to Option 51 by submitting a written authorization in a manner designated by the Telephone Company during the period beginning July 18, 2008 and ending August 17, 2008. Such subscription must include a list of Customer ACNA(s) which the Telephone Company agrees to, in writing, for inclusion in this Option 51.

(D) Service Period

The Service Period of this Option 51 shall commence on July 18, 2008 and end on May 31, 2010.

(E) Serving Area

The Transport Credit and UNE Conversion Credit 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 15.3 preceding of this tariff, Section 14.7 of FCC1, 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 15.3 preceding of this tariff, Section 14.7 of FCC1, and Section 19.1 of FCC14) that occur during the Service Period of this Option 51 will apply. No Billing Credits will be provided in the operating territories of FCC16. (x) (x) (x) (N) (x)

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32. Contract Tariffs (Cont'd)

32.52 Contract Tariff Option 51 (Cont'd) (N)

(F) Services and Rate Elements Subject to this Option 51

Subject to the terms and conditions of this Option 51, the applicable Transport Credit (as described in Section (H) following) and UNE Conversion Credit (as described in Section (I) following) shall be provided on the following Services and the following rate elements:

(1) Channel Mileage Rate Elements

The applicable Transport Credit (as described in Section (H) following) shall only be based upon the per mile units and monthly recurring charges (**MRCs**) for Channel Mileage Rate Elements, net of any discounts given under existing pricing plans, if applicable, that are billed during the Service Period and that meet all of the following criteria during each month of the Service Period, and excluding Disputed Charges. For purposes of this Option 51, **Disputed Charges** shall mean MRCs 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 each Quarter of the Service Period. Amounts which have not been paid in full, as of the forty-fifth (45th) calendar day following the end of each Quarter of the Service Period (regardless of whether or not such amounts are under dispute by the customer) shall be excluded from the determination of the applicable Transport Credit. For purposes of this Option 51, **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 this tariff, FCC1, FCC14 or FCC16, as applicable: (x)

(a) The Channel Mileage Rate Element must be a rate element of a service that has a Network Channel (**NC**) Code of either HC or HF (i.e., the circuit must be DS1 or DS3 bandwidth); (N)

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32. Contract Tariffs (Cont'd)

32.52 Contract Tariff Option 51 (Cont'd) (N)

(F) Services and Rate Elements Subject to this Option 51 (Cont'd)

(1) Channel Mileage Rate Elements (Cont'd)

(b) The Channel Mileage Rate Elements must be billing one of the following USOCs: 1A4YS, 1A4ZS, 1A5LX, 1A5ZS, 1J51S, 1J52S, 1J53S, 1J54S, 1L5LS, 1L5XX, 1LFMX, 1LFSX, 1T58S, 1U5PS, 1YA8S, 1YLXS, 1YTCS, 1YTDS, 1YTOS, 1YTRS, 1YTXS, 1YTYS, TRG, TRL, TRLAX, TS31X, and TS32X.

(c) The customer satisfies the requirements of maintaining the Minimum DS1 and DS3 Transport Miles as more specifically described in Section (G) following, and the requirements regarding disputes, payments, credits, and debits set forth in Section (H)(4) following.

(2) The Transport Credit is provided only on billed Channel Mileage Rate Elements that meet the requirements of this Option 51 (including any requirements set forth in Section (H) following). The following types of charges (which is an illustrative list and is not intended to be a comprehensive listing of all other charges excluded from the Transport Credit calculation) are not included in the calculation of the Transport Credit:

(a) Any non-recurring charges;

(b) Taxes, fees, or other charges imposed by a federal, state, local, or other governmental entity (e.g. Federal Universal Service Fund);

(c) Service or administrative fees or charges imposed by the Telephone Company (e.g. Interest penalty, late payment penalty); (N)

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32. Contract Tariffs (Cont'd)

32.52 Contract Tariff Option 51 (Cont'd) (N)

(F) Services and Rate Elements Subject to this Option 51 (Cont'd)

(2) (Cont'd)

(d) Any other billed amount related to the Services for which payment is being withheld or under dispute by the customer, subject to the terms of Section (H) following;

(e) Any debits or credits for Services rendered in prior Quarters or periods prior to July 18, 2008, subject to Section (H) following;

(f) Minimum period charges;

(g) Any Disputed Charges;

(h) Shortfall or overage charges associated with term plan true-ups;

(i) Termination liabilities; or

(j) Any other charges that are not applied on a recurring monthly basis. (N)

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32. Contract Tariffs (Cont'd)

32.52 Contract Tariff Option 51 (Cont'd) (N)

(G) Minimum DS1 and DS3 Transport Miles

(1) Subject to the terms and conditions of this Option 51, including by way of example the requirement to maintain the Minimum DS1 and DS3 Transport Miles as set forth following, the customer is eligible to receive the applicable Transport Credit as described in Section (H) following.

(2) In order to receive the applicable Transport Credit (as set forth in the table in Section (H) following) in any given month of the Service Period, the customer must meet either one of the following criteria (individually and collectively referred to as **Minimum DS1 and DS3 Transport Miles**):

(a) During each month of the Service Period, the customer must maintain in-service no less than the number of DS1 and DS3 Transport Miles in-service as of July 18, 2008, and including any DS1 Transport Miles as a result of the conversion of UNEs pursuant to Section (I) following, or otherwise. If the customer satisfies this criteria, then the Telephone Company will not calculate, and the customer is not required to meet the requirements of Section (G)(2)(b) following; or

(b) During any Quarter, the customer must maintain an average of no less than the number of DS1 and DS3 Transport Miles in-service as of July 18, 2008, including any DS1 Transport Miles as a result of the conversion of UNEs pursuant to Section (I) following, or otherwise. If the customer maintains an average number of no less than the number of DS1 and DS3 Transport Miles in-service as of July 18, 2008, including any DS1 Transport Miles as a result of the conversion of UNEs pursuant to Section (I) following, or otherwise, during each month of such Quarter, but does not otherwise meet the criteria as set forth in Section (G)(2)(a) preceding (i.e., the actual DS1 and DS3 Transport Miles in a given calendar month are less than that required as set forth in this Section (G)), the customer shall still be eligible for the applicable Transport Credit as set forth in Section (H) following in respect of each of the months of the Quarter. (N)

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32. Contract Tariffs (Cont'd)

32.52 Contract Tariff Option 51 (Cont'd) (N)

(G) Minimum DS1 and DS3 Transport Miles (Cont'd)

The following two illustrative examples are presented.

Example 1

During Quarter 1 of Plan Year 2, the Telephone Company calculates the customer's DS1 and DS3 Transport Miles (excluding any miles which are disputed by the customer) during each such month of Quarter 1 of Plan Year 2 as follows. Assume for purposes of this Example 1 and Example 2 following that the number of DS1 and DS3 Transport Miles in-service as of July 18, 2008, including any DS1 Transport Miles as a result of the conversion of UNEs pursuant to Section (I) following, or otherwise, is equal to 170,000:

- Month 1 - 165,000 miles, and
- Month 2 – 171,000 miles, and
- Month 3 – 172,000 miles.

Since Month 1 did not satisfy the requirements of Section (G)(2)(a) preceding (i.e., the billed DS1 and DS3 Transport Miles were less than 170,000), this results in an average number of DS1 and DS3 Transport Miles for Quarter 1 of 169,333 miles per month (i.e., an aggregate of 508,000 Transport Miles for Quarter 1 divided by 3 months).

Based on this information, the customer would not receive the applicable Transport Credit (as set forth Section (H) following) in Month 1 of Quarter 1 because the customer has not satisfied either of the criteria set forth in Section (G)(2) preceding (i.e., the actual DS1 and DS3 Transport Miles in Month 1 are less than 170,000 miles, and the average monthly DS1 and DS3 Transport Miles, as measured throughout the three months of Quarter 1, is less than 170,000 miles). However, the customer would be eligible for the applicable Transport Credit (as set forth in Section (H) following) in Months 2 and 3 of Quarter 1 because the customer satisfied the Minimum DS1 and DS3 Transport Mile criteria in Section (G)(2)(a) preceding (i.e., its actual DS1 and DS3 Transport Miles for Months 2 and 3 are each at or above 170,000 miles). (N)

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32. Contract Tariffs (Cont'd)

32.52 Contract Tariff Option 51 (Cont'd) (N)

(G) Minimum DS1 and DS3 Transport Miles (Cont'd)

Example 2

During Quarter 1, the Telephone Company calculates the customer's DS1 and DS3 Transport Miles (excluding any miles which are disputed by the customer) during each such month of Quarter 1 as follows:

- Month 1 - 169,000 miles, and
- Month 2 – 175,000 miles, and
- Month 3 – 177,000 miles.

This results in an average number of DS1 and DS3 Transport Miles for Quarter 1 of 173,667 miles per month (i.e., an aggregate of 521,000 Transport Miles for Quarter 1 divided by 3 months).

Based on this information, the customer would receive the applicable Transport Credit (as set forth in Section (H) following) for each month of Quarter 1 because the customer meets the Minimum DS1 and DS3 Transport Mile criteria in Section (G)(2)(b) preceding (i.e., the average monthly DS1 and DS3 Transport Miles are greater than 170,000 miles for each month of Quarter 1).

(H) Transport Credit

(1) Subject to the terms of this Option 51, including specifically the requirement to maintain the Minimum DS1 and DS3 Transport Miles as set forth in Section (G) preceding, and the method of calculation and timing of the Transport Credit as set forth in Section (H)(2) following, the Telephone Company will apply a credit to the billing of the customer's DS1 and DS3 Channel Mileage Rate Elements. (N)

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32. Contract Tariffs (Cont'd)

32.52 Contract Tariff Option 51 (Cont'd) (N)

(H) Transport Credit (Cont'd)

(2) Calculation of Transport Credit

At the end of each month during the Service Period, the Telephone Company will calculate the Transport Credit as follows:

(Step 1) The aggregate DS1 and DS3 Transport Miles billed to the customer for the Channel Mileage Rate Elements will be calculated.

(Step 2) Based upon the DS1 and DS3 Transport Miles calculated in Step 1, the highest discount tier that the customer has achieved for the month will be identified from Table 1 following.

(Step 3) The discount percentage associated with the highest discount tier achieved (from Step 2) will then be multiplied times the total billed MRCs (less any Disputed Charges) for the month associated with the DS1 and DS3 Channel Mileage Rate Elements as described in Section (F)(1) preceding.

Table 1: Transport Credit Table

Discount Tier	Minimum Mileage (In miles)	Maximum Mileage (In miles)	Discount Percentage
1	150,000	160,000	7.05%
2	160,001	170,000	7.20%
3	170,001	175,000	7.50%
4	175,001	180,000	7.70%
5	180,001	185,000	8.05%
6	185,001	190,000	8.40%
7	190,001	195,000	8.85%
8	195,001	200,000	9.35%
9	200,001	205,000	9.90%
10	205,001	210,000	10.45%
11	210,001	215,000	11.05%
12	215,001	+	11.65% (N)

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32. Contract Tariffs (Cont'd)

32.52 Contract Tariff Option 51 (Cont'd) (N)

(H) Transport Credit (Cont'd)

(2) Calculation of Transport Credit (Cont'd)

As an illustrative example, assume the customer had 180,000 DS1 and DS3 Transport Miles for Month 1 of Plan Year 2 and that the billed MRCs for DS1 and DS3 Channel Mileage Rate Elements for Month 1 of Plan Year 2 were $3,500,000. Per Table 1 preceding, the 180,000 miles would qualify the customer for a tier 4 discount of 7.70%. The Transport Credit for Month 1 of Plan Year 2 in this example is $269,500 ($3,500,000 X 7.70%). Each of the preceding steps would be repeated for Months 2 and 3 in a Quarter to arrive at the aggregate Transport Credit for the Quarter.

(3) Payment of Transport Credit

If the customer is eligible for a Transport Credit as set forth in this Option 51, then, subject to the terms of this Option 51, no later than sixty (60) days after the end of each Quarter during the Service Period, the Telephone Company shall credit the customer's BANs with the applicable Transport Credit as determined in accordance with the terms of Section (H)(2) preceding. The Transport Credit will be provided only in the MSAs that have achieved Phase I or Phase II pricing flexibility under this tariff, FCC1 and FCC14. (x)

(4) In calculating the Transport Credit if any, all of the following requirements shall apply:

(a) The Telephone Company shall not include in the calculation of the Transport Credit any amounts which are unpaid and/or disputed by the customer as of the forth-fifth (45th) day following the end of each Quarter. For example, assume that the customer had MRCs for DS1 and DS3 Channel Mileage Rate Elements which were billed in Quarter 1 of $3,000,000. Assume further that the customer disputed and did not pay $450,000 of such billed MRCs, claiming that the DS1 and DS3 Transport Miles were incorrectly calculated. Hence, in calculating the Transport Credit, the MRCs would be calculated as $2,550,000 ($3,000,000 less $450,000).

(b) To the extent that the customer has any disputes, then the customer must submit such disputes to the Telephone Company no later than the forty-fifth (45th) day following the end of each Quarter. Each dispute must be submitted on a claim description form as provided by the Telephone Company and must clearly state next to the circuit ID and amount under dispute the following "Dispute Associated with 2008 Contract Tariff." (N)

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32. Contract Tariffs (Cont'd)

32.52 Contract Tariff Option 51 (Cont'd) (N)

(H) Transport Credit (Cont'd)

(4) (Cont'd):

(c) Any amounts or Services that are included in calculation of the Transport Credit will not be subject to any claims or disputes by the customer at any time in the future.

(d) For the purpose of calculating the Transport Credit, the Telephone Company shall not include in MRCs any credits or debits for Services provided during any prior periods (regardless of whether such credits or debits were the result of a valid dispute by the customer or were the result of a billing error by the Telephone Company) or any prior Quarter other than the then current Quarter for which the Transport Credit is being calculated. As an illustrative example, assume that the customer had MRCs for all DS1 and DS3 Channel Mileage Rate Elements which were billed in Quarter 1 of $3,000,000. Assume further that the customer disputed and did not pay $450,000 of such billed MRCs claiming that the DS1 and DS3 Transport Miles were incorrectly calculated. Hence, in calculating the Transport Credit, the MRCs would be calculated as $2,550,000 ($3,000,000 less $450,000). Assume further that in Quarter 2, the Telephone Company and the customer agree that the customer should have paid $150,000 of the $450,000 for DS1 and DS3 Channel Mileage Rate Elements, and the customer pays the $150,000. The $150,000 will not be included for purposes of calculating the customer's Transport Credit in Quarter 2, however the $150,000 will be credited to the customer in connection with the required one-time payment adjustment with respect to Quarter 1 set forth in (e) following.

(e) Upon resolution of any Disputed Charges, or disputes raised after the determination of the Billing Credit, amounts may be credited to the customer if the customer prevails, however notwithstanding anything to the contrary herein, and subject to the following proviso, there shall be no adjustment to the Billing Credit, and the same shall apply regardless of the outcome of any Disputed Charges; provided, however, that for each Quarter the Telephone Company shall determine the Disputed Charges for such Quarter that are resolved in favor of the Telephone Company and paid in full by the customer as of the ninetieth (90th) day after the end of each Quarter during the Service Period, and make a one-time payment adjustment on such date to the Billing Credit for such Quarter with respect to each month to which such Disputed Charges related, by crediting to the customer the additional amounts that have been paid in full in respect of Disputed Charges that no longer remain subject to dispute. (N)

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32. Contract Tariffs (Cont'd)

32.52 Contract Tariff Option 51 (Cont'd) (N)

(H) Transport Credit (Cont'd)

(4) (Cont'd):

(f) If the Telephone Company bills amounts after the determination of the Billing Credit that would have otherwise been included in the determination of the Billing Credit, then in no event will there be any adjustment to the Billing Credit.

(g) The Billing Credit as determined by the Telephone Company is not subject to dispute.

(h) The amount of the Billing Credit shall in no event be subject to any late payment, interest or penalty as set forth in Section 2.4.1 preceding.

(I) UNE Conversion Credit

(1) Subject to the provisions of Section (I)(2) following related to the conversion of unbundled loops and unbundled transport miles to Special Access Services and Section (I)(3) following related to the calculation of Minimum Special Access Quantities in Service, the customer shall be eligible to receive a UNE Conversion Credit.

(2) UNE Conversion Requirements

In order to qualify for the UNE Conversion Credit, the customer must meet all of the following criteria:

(a) Submit a bulk order to convert a minimum of seventy five percent (75%) of the DS1 unbundled loops in-service within the operating territories of this tariff, FCC1, FCC14 and FCC16 as of July 18, 2008to an equivalent number of Special Access Service DS1 Channel Termination Rate Elements; (x) (x)

(b) Submit a bulk order to convert a minimum of seventy five percent (75%) of the DS1 unbundled transport miles within the operating territories of this tariff, FCC1, FCC14 and FCC16 in-service as of July 18, 2008to an equivalent number of Special Access Service DS1 Channel Mileage Rate Elements; and (x)

(c) The bulk orders to authorize the conversions in (a) and (b) preceding must occur within the first six (6) months of the Service Period and provide for the same billing effective date as the date of submission of such bulk order.

(d) The customer may not purchase any unbundled services within the operating territories of this tariff, FCC1, FCC14 and FCC16 after July 18, 2008. (x) (N) (x)

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32. Contract Tariffs (Cont'd)

32.52 Contract Tariff Option 51 (Cont'd) (N)

(I) UNE Conversion Credit (Cont'd)

(3) Credit Amount

The UNE Conversion Credit shall be calculated, beginning with the month in which the requirements set forth in (I)(2) preceding are satisfied, as follows:

(a) First, calculate the aggregate number of unbundled loops converted to DS1 Channel Termination Rate Elements pursuant to (I)(2)(a) preceding.

(b) Second, multiply the aggregate number of unbundled loops converted determined in (a) preceding by ninety dollars ($90) to determine the amount of the UNE Conversion Credit.

(c) Finally, subject to the shortfall provisions of Section (I)(5) following, the UNE Conversion Credit calculated in (b) preceding shall be applied on a monthly basis in respect of all months remaining in the Service Period. (N)

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32. Contract Tariffs (Cont'd)

32.52 Contract Tariff Option 51 (Cont'd) (N)

(I) UNE Conversion Credit (Cont'd)

(3) Credit Amount (Cont'd)

Illustrative Example 1:

Assume the customer authorizes the conversion of 2,250 DS1 unbundled loops to an equivalent number of DS1 Channel Termination Rate Elements in Month 1 of Quarter 2. Further assume that the customer authorizes the conversion of 13,500 DS1 unbundled transport miles to an equivalent number of DS1 Channel Mileage Rate Elements in Month 2 of Quarter 2. Further assume that the 2,250 DS1 unbundled loops and the 13,500 DS1 unbundled transport miles are equivalent to seventy five percent (75%) of their respective in-service quantities as of July 18, 2008.

Under this scenario, the customer would be eligible to receive a UNE Conversion Credit beginning in Month 2 of Quarter 2 calculated as follows:

2,250 x $90 = $202,500

The customer would continue to be eligible for a monthly UNE Conversion Credit of $202,500 for the remaining months of the Service Period so long as the requirements of Section (I)(4) following are met.

(4) Minimum Special Access Quantities in Service

At the end of the month in which the customer fulfills the requirements of Section (I)(2) preceding (i.e., the **UNE Qualifying Month**) and becomes eligible to receive its first UNE Conversion Credit, the Telephone Company will calculate the **Minimum Special Access Quantities in Service** as follows:

(a) The Minimum DS1 Channel Termination Rate Elements shall be equal to the total DS1 Channel Termination Rate Elements that are billed to the customer during the UNE Qualifying Month (including the DS1 unbundled loops that were converted under the provisions of Section (I)(2)(a) preceding); and

(b) The Minimum DS1 Channel Mileage Rate Elements shall be equal to the total miles for the DS1 Channel Mileage Rate Elements that are billed to the customer during the UNE Qualifying Month (including the DS1 unbundled transport miles that were converted under the provisions of Section (I)(2)(b) preceding). (N)

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32. Contract Tariffs (Cont'd)

32.52 Contract Tariff Option 51 (Cont'd) (N)

(I) UNE Conversion Credit (Cont'd)

(5) In order to be eligible for the UNE Conversion Credit (as calculated in Section (I)(3) preceding) in any given month of the Service Period following the UNE Qualifying Month, the customer must meet the following criteria:

(a) During any month of the Service Period following the UNE Qualifying Month, the customer must maintain in-service no less than the Minimum Special Access Quantities in Service for both DS1 Channel Termination Rate Elements and DS1 Channel Mileage Rate Elements (as calculated in Sections (I)(4)(a) and (b) preceding) per month. If the customer meets this criteria, then the Telephone Company will not calculate, and the customer is not required to meet the requirements of Section (I)(5)(b) following; or

(b) During any Quarter of the Service Period including or subsequent to the Quarter containing the UNE Qualifying Month, the customer must maintain an average (prorated for the number of months during the Quarter in which the UNE Qualifying Month occurs) of no less than the Minimum Special Access Quantities in Service for both DS1 Channel Termination Rate Elements and DS1 Channel Mileage Rate Elements (as calculated in Sections (I)(4)(a) and (b) preceding). If the customer maintains an average (prorated for the number of months during the Quarter in which the UNE Qualifying Month occurs) of no less than the Minimum Special Access Quantities in Service during each Quarter, but does not otherwise meet the criteria as set forth in Section (I)(5)(a) preceding (i.e., the actual DS1 channel terminations or actual DS1 Transport Miles in a given month are less than their respective Minimum Special Access Quantities in Service), the customer shall still be eligible for the applicable UNE Conversion Credit as set forth in Section (I)(3) preceding with respect to each of the months of the Quarter (prorated for the number of months during the Quarter in which the UNE Qualifying Month occurs). (N)

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32. Contract Tariffs (Cont'd)

32.52 Contract Tariff Option 51 (Cont'd) (N)

(I) UNE Conversion Credit (Cont'd)

(5) (Cont'd)

The following two illustrative examples are presented. For both of the following examples assume that the Minimum Special Access Quantities in Service are 50,000 DS1 channel terminations and 185,000 DS1 Transport Miles and that the UNE Qualifying Month is Month 1 of Quarter 2 of Plan Year 1.

Example 1

During Quarter 3, the Telephone Company calculates the customer's DS1 channel terminations and DS1 channel miles (excluding any channel terminations and miles which are disputed by the customer) during each such month of Quarter 3 as follows:

- Month 1 – 50,000 channel terminations; 181,000 miles, and
- Month 2 – 50,500 channel terminations; 185,000 miles, and
- Month 3 – 51,000 channel terminations; 186,000 miles.

Since Month 1 did not meet the requirements of Section (I)(5)(a) preceding (i.e., the billed DS1 Transport Miles were less than 185,000), this results in an average number of DS1 Transport Miles for Quarter 3 of 184,000 miles per month (i.e., an aggregate of 552,000 Transport Miles for Quarter 3 divided by 3 months).

Based on this information, the customer would not receive the UNE Conversion Credit for Month 1 of Quarter 3 because the customer has not met both of the Minimum Special Access Quantities in Service criteria set forth in Section (I)(4) preceding (i.e., the actual DS1 Transport Miles in Month 1 are less than 185,000 miles, and the average monthly DS1 Transport Miles, as measured throughout the three months of Quarter 3, are less than 185,000 miles). The fact that the DS1 channel terminations exceeded 50,000 is irrelevant because both the DS1 channel terminations and DS1 Transport Miles must be met or exceeded to qualify for the monthly UNE Conversion Credit.

However, the customer would be eligible for the UNE Conversion Credit (as set forth in Section (I)(3) preceding) in Months 2 and 3 of Quarter 1 because the customer met both of the Minimum Special Access Quantities in Service criteria in Section (I)(4) preceding (i.e., its actual DS1 channel terminations exceed 50,000 and its actual DS1 Channel Mileage exceeds 185,000 for Months 2 and 3). (N)

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32. Contract Tariffs (Cont'd)

32.52 Contract Tariff Option 51 (Cont'd) (N)

(I) UNE Conversion Credit (Cont'd)

(5) (Cont'd)

Example 2

During Quarter 3, the Telephone Company calculates the customer's DS1 channel terminations and DS1 Transport Miles (excluding any channel terminations and miles which are disputed by the customer) during each such month of Quarter 3 as follows:

- Month 1 – 49,500 channel terminations; 186,000 miles, and
- Month 2 – 50,500 channel terminations; 186,000 miles, and
- Month 3 – 51,000 channel terminations; 186,000 miles.

This results in an average number of DS1 channel terminations for Quarter 3 of 50,333 DS1 channel terminations per month (i.e., an aggregate of 151,000 DS1 channel terminations for Quarter 3 divided by 3 months).

Based on this information, the customer would receive the applicable UNE Conversion Credit for all three months of Quarter 3 because the customer meets both the Minimum Special Access Quantities in Service criteria set forth in Section (I)(4) preceding (i.e., the average monthly DS1 channel terminations are greater than 50,000 and DS1 Transport Miles are greater than 185,000).

(6) Payment of UNE Conversion Credit

If the customer is eligible for a UNE Conversion Credit as set forth in this Option 51, then subject to the terms of this Option 51, no later than sixty (60) days after the end of each Quarter during the Service Period, the Telephone Company shall credit the customer's BANs with the applicable monthly UNE Conversion Credits as determined in accordance with the terms of this Option 51. The UNE Conversion Credit will be provided only in the MSAs that have achieved Phase I or Phase II pricing flexibility under this tariff, FCC1 and FCC14. (N)(x)

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32. Contract Tariffs (Cont'd)

32.52 Contract Tariff Option 51 (Cont'd) (N)

(J) Mergers and Acquisitions of the Customer

In the event that after subscription to this Option 51, 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 tariff, FCC1, FCC14, or FCC16. (x)

(1) The customer may not combine or include any DS1 or DS3 Transport Miles, Channel Mileage Rate Elements, or Channel Termination Rate Elements from the merged, acquiring, or acquired company, or assets of such merged, acquiring, or acquired company in determining whether or not the customer has qualified for, or the amount of any, Billing Credits provided for under this Option 51, Option 50 of FCC1 or Option 26 of FCC14. (x)

(2) The customer's DS1 Transport Miles, DS3 Transport Miles, Channel Mileage Rate Elements, and Channel Termination Rate Elements shall be calculated based on its business and revenue with the Telephone Company using the Customer ACNAs (as submitted by the customer in its subscription to this Option 51 and approved by the Telephone Company for inclusion in this Option 51), without adding the revenues and/or ACNAs attributable to expansion of the customer's purchase of 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 51 without liability if the customer does not adhere to the provisions of this Section (J). Termination of the customer's subscription to this Option 51 shall be an automatic termination of the customer's subscription to Option 50 of FCC1 and Option 26 of FCC14. (x)

(K) Sale of Verizon Operating Telephone Company

If some or all of the assets or stock of a Verizon Operating Telephone Company that provides Services which are used to determine the customer's Minimum DS1 and DS3 Transport Miles and/or Minimum Special Access Quantities in Service (i.e., the Channel Termination Rate Elements and the Channel Mileage Rate Elements of this tariff, FCC1, FCC14 and FCC16) are acquired by an unaffiliated third party during the Service Period, effective with the closing of such transaction, the Telephone Company will proportionally adjust the Minimum DS1 and DS3 Transport Miles, the Minimum Special Access Quantities in Service, and the related Billing Credits. (x) (N)

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32. Contract Tariffs (Cont'd)

32.52 Contract Tariff Option 51 (Cont'd) (N)

(L) Termination of Plan

(1) Termination

Subject to the terms set forth in this Section (L), the customer may terminate its subscription to this Option 51, Option 50 of FCC1 and Option 26 of FCC14 at any time during the Service Period. The customer must provide written notice of termination at least ninety (90) days prior to the requested date of termination. Termination of less than all of the Contract Tariffs (i.e., terminations of this Option 51, Option 50 of FCC1 or Option 26 of FCC14) shall be deemed to be an automatic termination of the customer's subscription to this Option 51, Option 50 of FCC1 and Option 26 of FCC14. If the customer terminates or cancels this Option 51, Option 50 of FCC1 and/or Option 26 of FCC14 at any time during the Service Period, then the customer shall pay to the Telephone Company by no later than sixty (60) days after such date of termination an amount equal to the following: (x) (x) (x) (x) (x)

(a) If termination occurs within the first twelve (12) months of the Service Period, seventy-five percent (75%) of all Transport Credits and UNE Conversion Credits paid up to the date of such termination under this Option 51, Option 50 of FCC1 and Option 26 of FCC14 (i.e., all Billing Credits paid since July 18, 2008). (x) (x)

(b) If termination occurs within the last twelve (12) months of the Service Period, fifty percent (50%) of all Transport Credits and UNE Conversion Credits paid up to the date of such termination under this Option 51, Option 50 of FCC1 and Option 26 of FCC14 (i.e., all Billing Credits paid since the Effective Date). (x) (x)

The customer will not receive any further Transport Credits or UNE Conversion Credits after receipt of notice of termination. (N)

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32. Contract Tariffs (Cont'd)

32.52 Contract Tariff Option 51 (Cont'd) (N)

(M) Changes in Price of Channel Termination and Channel Mileage Rate Elements

At the end of each month of the Service Period in which any MRCs or non-recurring charges (**NRCs**) for DS1 or DS3 Channel Termination Rate Elements, or DS1 or DS3 Channel Mileage Rate Elements, increase or decrease, a price change index (**Price Change Index**) comparing the aggregate MRCs and NRCs in the month in which the price increases and/or decreases occur and the aggregate MRCs and NRCs as of July 18, 2008 shall be calculated as described below.

If the Price Change Index for any month is equal to or greater than one hundred and two (102), then the Telephone Company will multiply the amount shown in (I)(3)(b) preceding by an equivalent percentage increase (i.e., a Price Change Index of one hundred and three (103) would result in a three percent (3%) increase in the amount shown in Section (I)(3)(b) preceding to $92.70), thereby increasing the UNE Conversion Credit payable with respect to that month of the Service Period.

The Price Change Index shall be computed as follows:

(Step 1) Calculate the average revenue per unit for Special Access DS1 and DS3 Channel Termination Rate Elements and DS1 and DS3 Channel Mileage Rate Elements purchased by the customer as of July 18, 2008 by dividing the aggregate MRCs and NRCs billed to the customer by the Telephone Company for all Special Access Channel Termination Rate Elements and Channel Mileage Rate Elements in-service in the month immediately preceding July 18, 2008;

(Step 2) Calculate the average revenue per unit for Special Access DS1 and DS3 Channel Termination Rate Elements and DS1 and DS3 Channel Mileage Rate Elements purchased by the customer for the month in which an increase or decrease in any MRCs or NRCs for DS1 or DS3 Channel Termination Rate Elements, or DS1 or DS3 Channel Milage Rate Elements, as compared to the MRCs and NRCs in effect as of July 18, 2008, is reflected in the billing, by dividing the aggregate MRCs and NRCs billed to the customer by the Telephone Company for all Special Access Channel Termination Rate Elements and Channel Mileage Rate Elements in-service in such month by total number of units in-service in such month;

(N)

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32. Contract Tariffs (Cont'd)

32.52 Contract Tariff Option 51 (Cont'd) (N)

(M) Changes in Price of Channel Termination and Channel Mileage Rate Elements (Cont'd)

(Step 3) Multiply the average revenue per unit calculated in Step 2 preceding for both DS1 and DS3 Channel Termination Rate Elements and DS1 and DS3 Channel Mileage Rate Elements by the corresponding units in-service determined in Step 1 preceding;

(Step 4) Sum the products of the calculations from Step 3 preceding to get the aggregate MRCs/NRCs at the new prices; and

(Step 5) Divide the result calculated in Step 4 preceding by the sum of the MRCs/NRCs for DS1 and DS3 Channel Termination Rate Elements and DS1 and DS3 Channel Mileage Rate Elements calculated in Step 1 preceding.

(Step 6) Multiply the result calculated in Step 5 by 100 to get the Price Change Index.

As an illustrative example:

Example 1:

Assume that as of July 18, 2008 the MRCs and NRCs, units in service, and average revenue per unit for Special Access DS1 and DS3 Channel Termination Rate Elements and DS1 and DS3 Channel Mileage Rate Elements are as follows: (Step 1):

Rate Element:	MRCs/NRCs (1)	Units in Service (2)	Average Revenue Per Unit (3) = (1)/(2)
Channel Termination			
DS1	$6,600,000	55,000	$120.00
DS3	$ 480,000	600	$800.00
Channel Mileage			
DS1	$2,720,000	160,000	$ 17.50
DS3	$1,150,000	10,000	$115.00
Total MRCs/NRCs (at July 18, 2008)	$10,950,000		

(N)

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32. Contract Tariffs (Cont'd)

32.52 Contract Tariff Option 51 (Cont'd) (N)

(M) Changes in Price of Channel Termination and Channel Mileage Rate Elements (Cont'd)

Example 1 (Cont'd):

Further assume that during month ten (10) of Plan Year 1 the Telephone Company changes the prices on the Channel Termination Rate Elements and the Channel Mileage Rate Elements and that the MRCs and NRCs, units in service, and average revenue per unit following the price changes are as follows (Step 2):

Rate Element:	MRCs/NRCs (1)	Units in Service (2)	Average Revenue Per Unit (3) = (1)/(2)
Channel Termination			
DS1	$7,380,000	605,000	$123.00
DS3	$ 530,000	650	$800.00
Channel Mileage			
DS1	$2,950,000	164,000	$ 18.00
DS3	$1,270,000	11,000	$115.00
Total MRCs/NRCs (Month 10-Plan Year 1)	$12,130,000		

Taking the average revenue per units calculated in Step 2 above times the units in service for Step 1 above would give the following results (Step 3):

DS1 Channel Termination Revenues =	$6,765,000	(55,000 x $123)
DS3 Channel Termination Revenues =	$ 480,000	(600 x $800)
DS1 Channel Mileage Revenue =	$2,880,000	(160,000 x $18)
DS3 Channel Mileage Revenue =	$1,150,000	(10,000 x $115)

The sum of the results from Step 3 would be $11,275,000 ($6,765,000 + $480,000 + $2,880,000 + 1,150,000) and the price change index would be 103.0 ($11,275,000 / $10,950,000 x 100). (N)

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32. Contract Tariffs (Cont'd)

32.53 Contract Tariff Option 52 (N)

(A) Scope

Contract Tariff Option 52 provides discounted monthly rates to customers who order Special Access High Capacity 1.544 Mbps Service (**DS1 Service**) in the New York and New Jersey Corridor and in accordance with the requirements set forth in (B) through (F) following.

(B) Eligibility

All of the following requirements must be met in order to be eligible for subscription to Option 52.

(1) A customer must subscribe to Option 52 by submitting a written authorization in a manner designated by the Telephone Company during the subscription period which begins on November 15, 2008 and ends on December 14, 2008 (**Subscription Period**).

(2) The customer must currently subscribe to Option 10 as set forth in Section 32.11 preceding.

(3) The customer must subscribe to a minimum of twelve (12) and up to a maximum of sixty-five (65) DS1 Service Corridor Channel Terminations (**DS1 Corridor CTs** as described in (E)(2) following) associated with DS1 Services where one end of the DS1 Services is located within the New York and New Jersey Corridor. A minimum of twelve (12) DS1 Corridor CTs must be maintained during the Initial Transferred Service Period (as described in (D)(1) following) and during the Extended Transferred Service Period of this Option 52 (as described in (D)(2) following). The following DS1 Corridor CTs may be subscribed to this Option 52.

(a) All DS1 Corridor Channel Terminations that are currently in billing under Option 10 preceding (**Transferred DS1 Corridor CTs**).

(b) Subject to (E)(1) following, newly installed DS1 Service Corridor Channel Terminations as provided herein (**New DS1 Corridor CTs**). Except as allowed under (a) preceding, a DS1 Corridor CT cannot be a channel termination that was disconnected from another contract tariff option or discount plan in order to subscribe that channel termination to this Option 52. (N)

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32. Contract Tariffs (Cont'd)

32.53 Contract Tariff Option 52 (Cont'd) (N)

(C) Serving Area

(1) The serving area of Option 52 is comprised of the following New York and New Jersey wire centers that are within the New York and New Jersey Corridor portion of the New York Metropolitan Statistical Area (**MSA#1**). The specific wire centers of MSA#1 that are included in this Option 52 are specified in (C)(2) following.

(2) The following Telephone Company wire centers of MSA#1 comprise the geographic area of the New York and New Jersey Corridor:

New York Wire Centers

NYCKNY14	NYCMNY42	NYCQNYFR
NYCKNY71	NYCMNY50	NYCQNYHS
NYCKNY77	NYCMNY56	NYCQNYIA
NYCKNYAI	NYCMNY73	NYCQNYJA
NYCKNYAL	NYCMNY79	NYCQNYLI
NYCKNYAR	NYCMNY97	NYCQNYLN
NYCKNYAU	NYCMNYBS	NYCQNYNJ
NYCKNYAY	NYCMNYBW	NYCQNYNW
NYCKNYBR	NYCMNYCA	NYCQNYOP
NYCKNYBU	NYCMNYMN	NYCQNYRH
NYCKNYCL	NYCMNYPS	NYCRNYND
NYCKNYFA	NYCRNYNS	NYCRNYSS
NYCKNYFT	NYCMNYTH	NYCRNYWS
NYCKNYKP	NYCMNYVS	NYCXNYCI
NYCKNYLA	NYCMNYWA	NYCXNYCR
NYCKNYRA	NYCMNYWS	NYCXNYGC
NYCKNYTY	NYCMNYZO	NYCXNYHO
NYCKNYWM	NYCQNYAS	NYCXNYJE
NYCMNY13	NYCQNYBA	NYCXNYKB
NYCMNY18	NYCQNYBH	NYCXNYMH
NYCMNY30	NYCQNYCO	NYCXNYTB
NYCMNY36	NYCQNYFH	NYCXNYTR
NYCMNY37	NYCQNYFL	(N)

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32. Contract Tariffs (Cont'd)

32.53 Contract Tariff Option 52 (Cont'd) (N)

(C) Serving Area (Cont'd)

(2) (Cont'd)

New Jersey Wire Centers

BYNNNJ02	JRCYNJBR	PSSCNJPS
BLVLNJBE	JRCYNJJO	PTSNNJAR
BLFDNJBL	KRNYNJKN	PLFDNJPF
CFTNNJCF	LNDNNJ01	RCPKNJ02
CLWLNJCW	LTFLNJLF	RGWDNJRW
CFPKNJCS	LTFYNJLF	RHWYNJRA
CLSTNJCO	LVTNNJLI	RMSYNJRM
CNFRNJCR	MLBNNJMB	RSLLNJRL
DUMTNJDM	MTCLNJMC	RVDLNJPL
ELZBNJEL	MTVWNJMV	RTFRNJRU
ENWDNJEN	NBRGNJNB	SORGNJSO
EORNNJEO	NWPVNJMH	UNCYNJ02
ERLKNJEL	NWRKNJ03	UNINNJUV
FRLNNJFL	NWRKNJIR	WMFRNJ01
FRFDNJFA	NWRKNJ02	WORNNJWO
FTLENJLE	NWRKNJWA	WSFDNJWS
HCKNNJHK	NFLDNJNF	WYCKNJWK
HLDNNJ01	NTLYNJNU	
HLDLNJWE	OKLDNJ01	
IVTNNJES	RVEDNJOR	

(3) The New York wire centers of MSA#1 are listed in Section 15.3 preceding. Any additions or changes to the wire centers included in MSA#1 that occur after November 15, 2008 will apply and be included in Option 52.

(D) Service Period

(1) Service Period for Transferred DS1 Corridor CTs

(a) The Service Period for Transferred DS1 Corridor CTs commences on the date that such Transferred DS1 Corridor CTs are in billing under this Option 52 and ends sixty (60) months later (**Initial Transferred Service Period**).

(b) At the end of the Initial Transferred Service Period, the customer may extend the service period by twenty-four (24) months (**Extended Transferred Service Period**). The Extended Transferred Service Period shall commence on the day following expiration of the Initial Transferred Service Period and continue for twenty-four (24) months. The Initial Transferred Service Period together with the Extended Transferred Service Period, if any, shall comprise the Service Period for the Transferred DS1 Corridor CTs of this Option 52. (N)

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32. Contract Tariffs (Cont'd)

32.53 Contract Tariff Option 52 (Cont'd) (N)

(D) Service Period

(2) Service Period of New DS1 Corridor CTs

(a) The Service Period for each New DS1 Corridor CT added subsequent to the customer's subscription to this Option 52 shall commence with the installation of such New DS1 Corridor CT and end sixty (60) months later (each an **Initial New Service Period**).

(b) At the end of the Initial New Service Period, the customer may extend the service period by twenty-four (24) months (each an **Extended New Service Period**). The Extended New Service Period shall commence on the day following expiration of the Initial New Service Period and continue for twenty-four (24) months. The Initial New Service Period together with the Extended New Service Period, if any, shall comprise the Service Period for each New DS1 Corridor CT of this Option 52.

(E) Terms and Conditions

(1) The customer may add New DS1 Corridor CTs up to the maximum number of DS1 Corridor CTs that can be subscribed to under this Option 52. Each New DS1 Corridor CT added shall have its own Service Period as specified in (D)(2) preceding.

(2) For each DS1 Service under this Option 52, a Corridor Channel Termination monthly rate and nonrecurring charge shall apply for the New York portion of the service and a Corridor Channel Termination monthly rate and nonrecurring charge shall apply for the New Jersey portion of the service.

The DS1 Corridor Channel Termination rate element recovers the portion of the communications path from the customer's designated premises to the interconnection point between the facilities of the two Exchange Telephone Companies, inclusive of the channel termination and any transport involved. Each Exchange Telephone Company shall bill its DS1 Corridor CT in accordance with the regulations for ordering, rating and billing where more than one Exchange Telephone Company is involved as set forth in Section 2.4.7 preceding.

(3) Except as set forth in this Section 32.53, all terms and conditions set forth in other sections of this tariff apply to the DS1 Services and channel terminations that are subscribed to under this Option 52. (N)

32. Contract Tariffs (Cont'd)

32.53 Contract Tariff Option 52 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(4) The customer must maintain a minimum of twelve (12) DS1 Corridor CTs (Transferred DS1 Corridor CTs, New DS1 Corridor CTs, or a combination of Transferred DS1 Corridor CTs and New DS1 Corridor CTs) during the Initial Transferred Service Period and during the Extended Transferred Service Period. Failure to maintain such minimum number will result in cancellation of the customer's subscription to this Option 52. In this case, service will continue at the 5-year Service Discount Plan rates for the DS1 Standard Channel Termination rate element and the DS1 Channel Mileage rate element (measured from the wire center serving the customer designated premises involved to the interconnection point as calculated in accordance with Section 2.4.7 preceding). The DS1 Standard Channel Termination and DS1 Channel Mileage rate elements apply in lieu of the flat rated DS1 Corridor CT rate element set forth herein.

(5) Termination Liability

In the event that one or more Transferred DS1 Corridor CTs are discontinued prior to the end of the Initial Transferred Service Period or one or more New DS1 Corridor CTs are discontinued prior to the end of the Initial New Service Period, termination liability applies in accordance with Section 7.4.10(C) preceding, except that the termination liability charge shall be calculated at fifty-five percent (55%) of the DS1 Corridor CT rate set forth in (F) following from the date of disconnection to the end of the Initial Transferred Service Period or Initial New Service Period, as applicable.

Minimum period charges as set forth in other sections of this tariff do not apply.

Termination liability does not apply to Transferred DS1 Corridor CTs during the Extended Transferred Service Period or to New DS1 Corridor CTs during the Extended New Service Period. (N)

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32. Contract Tariffs (Cont'd)

32.53 Contract Tariff Option 52 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(7) Expiration of the Service Period

Upon completion of the Service Period (Initial or Extended, as applicable), the customer must choose one of the following options:

(a) discontinue service without termination liability; or

(b) select any then offered term plan or contract tariff option for which the customer is eligible; or

(c) continue subscription to the services of this Option 52 on a month-to-month basis in accordance with Section 7.2.9 preceding and at the 5-year Service Discount Plan DS1 rates set forth in Section 30.7.9 preceding for price band rates and charges, or Section 31.7.9 preceding for all other rates and charges, as applicable, which apply in accordance with the application of rates set forth in Section 15.3 preceding. Such rates and charges shall apply as a DS1 Standard Channel Termination rate element and a DS1 Channel Mileage rate element between the wire center serving the customer designated premises involved and the interconnection point as calculated in accordance with Section 2.4.7 preceding. The DS1 Channel Standard Termination and DS1 Channel Mileage rate elements apply in lieu of the flat rated DS1 Corridor CT rate element set forth herein.

(d) In the event that the customer does not make an election of (a) through (c) preceding, the customer's subscription to the services will continue in accordance with (c) preceding.

(F) Rates and Charges

Rates apply per DS1 Corridor CT. The following rates apply in all New York rate zones and price bands as determined in Section 15.3 preceding.

Service	USOC	Monthly Rate	Nonrecurring Charge	
DS1 Corridor CT, each - 5 Year Term	-----	170.00	$1.00	(N)

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32. Contract Tariffs (Cont'd)

32.54 Contract Tariff Option 53 (N)

(A) Scope

Contract Tariff Option 53 provides Billing Credits to customers who subscribe to this Option 53 and satisfy the criteria set forth herein. 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).

(B) Eligibility

All of the following requirements must be met in order to be eligible for subscription to Option 53.

(1) Subscription Period

A customer must subscribe to Option 53 by submitting a written authorization in a manner designated by the Telephone Company during the thirty (30) day period which begins on March 1, 2009 and ends on March 30, 2009 (**Subscription Period**). Such subscription must include a list of Customer **ACNAs** which the Telephone Company agrees to, in writing, for inclusion in this Option 53.

(2) The customer must be a provider of Commercial Mobile Radio Services (**CMRS**) in each of the following Local Access and Transport Areas (**LATAs**): Western Massachusetts (LATA 126), Eastern Massachusetts (LATA 128), Rhode Island (LATA 130), New York Metropolitan (LATA 132), Atlantic Coast New Jersey (LATA 220), Delaware Valley New Jersey (LATA 222), North Jersey (LATA 224), Washington DC (LATA 236), and Baltimore Maryland (LATA 238).

(3) The customer, together with all its affiliates, must have: (i) achieved a minimum of $77,000,000 ($77M) in billed revenue during calendar year 2008 for all **Qualifying Services** purchased by the customer from the Telephone Company provided that (ii) no more than three percent (3%) of the revenue from such Qualifying Services is derived from the purchase of Telephone Company Facilities Management Service (**FMS**). The only revenues from Qualifying Services that count towards eligibility are NRC and MRC amounts that are paid in full by the customer. For purposes of this Option 53, **MRCs** shall mean billed monthly recurring revenues, and **NRCs** shall mean billed non-recurring revenues, both net of any discounts given under existing pricing plans, if applicable, for the Qualifying Services. Revenue from Qualifying Services does not include any revenues from taxes, termination fees, and billing credits or similar adjustments, other than as set forth above. **Qualifying Services** are comprised of:

(a) DS1 and DS3 Services as set forth in Section 7.2.9 preceding, Section 7.2.9 of Verizon's FCC Tariff No. 1 (**FCC 1**), Section 5.3.6 of Verizon's FCC Tariff No. 14 (**FCC 14**), and Section 7.11.1 of Verizon's FCC Tariff No. 16 (**FCC 16**), as the same may be amended from time to time. (x) (x) (N)

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32. Contract Tariffs (Cont'd)

32.54 Contract Tariff Option 53 (Cont'd) (N)

(B) Eligibility (Cont'd)

(3) Qualifying Services (Cont'd)

(b) FMS as set forth in Section 7.2.16 preceding and Section 7.2.13 of FCC 1. (x) (x)

Only DS1 Qualifying Services that are in Phase I and Phase II MSAs of this tariff are eligible for Billing Credits under this Option 55. All other services purchased by the customer from the Telephone Company or any affiliate of the Telephone Company and not listed in (B)(3)(a) or (B)(3)(b) preceding shall not be counted as Qualifying Services under this Option 53.

(4) The customer must commit at least three thousand three hundred (3,300) cell sites in LATAs 132 and 224 (**Eligible LATAs**) to this Option 53 and Option 55 of FCC 1 (**Base Cell Sites**). Included in the count of Base Cell Sites are those cell sites within the Eligible LATAs at which the customer and the Telephone Company mutually agree to a planned technology migration from DS1 Qualifying Services to Telephone Company provided Ethernet services during the Service Period (**Technology Migration Event**). As used in this Option 53, the Base Cell Sites that are part of such Technology Migration Event are **Eligible Cell Sites.** All Base Cell Sites that are not Eligible Cell Sites are **Non-Eligible Cell Sites.** The customer and the Telephone Company shall mutually agree to a list of the cell sites, by type (i.e., Eligible Cell Sites or Non-Eligible Cell Sites), in LATAs 132 and 224. (x)

(5) The customer may not concurrently subscribe DS1 Qualifying Services terminated at Base Cell Sites covered under this Option 53 to a Commitment Discount Plan (CDP)) or National Discount Plan (NDP), contract tariff option, special service arrangement, or Individual Case Basis (ICB) arrangement offered by the Telephone Company and available to the customer either currently or at any time during the Service Period, which CDP or NDP, 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. (N)

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32. Contract Tariffs (Cont'd)

32.54 Contract Tariff Option 53 (Cont'd) (N)

(C) Serving Area

(1) The serving area of Option 53 is comprised of the Metropolitan Statistical Areas (**MSAs**) that have achieved Phase I or Phase II pricing flexibility within the New York Metropolitan LATA (LATA 132) of this tariff and FCC 1, and within the North Jersey LATA (LATA 224) of FCC 1. Wire centers for the Phase II MSAs of LATA 132 are listed in Section 15.3 preceding. Wire centers for the Phase II MSAs of LATAs 132 and 224 are set forth in Section 14.7 of FCC 1. (x) (x) (x)

(2) Any additions of, or changes to, the MSAs set forth in Section 15.3 preceding of this tariff and Section 14.7 of FCC 1 (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 15.3 preceding of this tariff and Section 14.7 of FCC 1) that occur during the Service Period will apply. (x) (x) (x)

(3) No Billing Credits will be provided in the operating territories of FCC 14 and FCC 16. (x)

(D) Service Period

The **Service Period** of this Option 53 shall be for a period of eight (8) years commencing on March 1, 2009 and ending on the day before the eight (8)-year anniversary thereof.

(E) Terms and Conditions

(1) Rates for Qualifying Services shall be billed in accordance with rates, terms, and conditions set forth in this tariff, FCC 1, FCC 14, and FCC 16, as applicable. (x) (N) (x)

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32. Contract Tariffs (Cont'd)

32.54 Contract Tariff Option 53 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Billing Credits

(a) Billing Credits will be provided when the terms of this Option 53 are satisfied and only in the MSAs specified in (C) preceding. Except as set forth in (E)(7) following, the customer is entitled to receive a monthly billing credit of $257 (**Billing Credit**) to be assessed on each Eligible Cell Site at which there is at least one (1) DS1 Qualifying Service. The customer shall not be entitled to Billing Credits at Non-Eligible Cell Sites under this Option 53.

(b) For each Eligible Cell Site with more than one (1) DS1 Qualifying Service, the customer shall not receive more than the single Billing Credit amount per such cell site per month.

(c) The Billing Credit for each Eligible Cell Site shall be provided to the customer as follows:

(1) The Billing Credit for the first quarter of the Service Period (i.e., the period beginning March 1, 2009 and ending May 31, 2009) shall be calculated and applied within one hundred twenty (120) calendar days of the end of the first quarter.

(2) The Billing Credit will continue to be calculated and applied within one hundred twenty (120) calendar days of the end of each subsequent quarter until such time as the Telephone Company is able to calculate and apply the Billing Credit within one hundred twenty (120) calendar days of the end of each month, at which time calculation and application of the Billing Credit will continue monthly for the remainder of the Service Period. (N)

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32. Contract Tariffs (Cont'd)

32.54 Contract Tariff Option 53 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(3) Cell Site Requirements

(a) At the time of subscription to this Option 53, the Telephone Company will calculate the total MRCs associated with existing DS1 Qualifying Services at Non-Eligible Cell Sites (**Revenue Base**). For purposes of this (E)(3), **MRCs** shall mean billed monthly recurring revenues net of any discounts given under existing pricing plans, if applicable, for the DS1 Qualifying Services and does not include any revenues from taxes, termination fees, billing credits, or similar adjustments.

(b) The customer must maintain, at a minimum, the Revenue Base for each month of the Service Period.

(c) For any month of the Service Period where the customer fails to maintain the Revenue Base, the customer will be charged, and shall pay, an amount equal to the difference between the total MRCs calculated for that month for DS1 Qualifying Services and the Revenue Base (**DS1 MRC Amount**); provided that the number of DS1 Qualifying Services at any Non-Eligible Cell Site removed from this Option 53 and Option 55 of FCC 1 pursuant to the terms and conditions set forth herein shall be subtracted from the number of DS1 Qualifying Services used to calculate the DS1 MRC Amount. (x)

(4) Mergers and Acquisitions of Customer

In the event 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 during the Service Period, the following terms and conditions will apply in addition to any other terms and conditions set forth in this Option 53 and Option 55 of FCC 1. (x)

(a) The customer may not combine or include any DS1 Qualifying Services from the merged, acquiring, or acquired company, or assets of such merged, acquiring, or acquired company for the purposes of this Option 53 and/or Option 55 of FCC 1. (N)(x)

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32. Contract Tariffs (Cont'd)

32.54 Contract Tariff Option 53 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(4) Mergers and Acquisitions of Customer (Cont'd)

(b) The customer's DS1 Qualifying Services shall be determined using its business with the Telephone Company that is billed under the Customer ACNAs provided to the Telephone Company under (B)(1) preceding, without adding the services associated with the ACNAs obtained through merger, transfer, assignment, or acquisition.

(c) The customer's Base Cell Sites and/or Eligible Cell Sites shall not include any cell sites from merged, acquiring, or acquired company. Nor shall this Option 53 or any benefits hereunder apply to any such cell sites.

(d) The Telephone Company reserves the right to terminate this Option 53 and Option 55 of FCC 1 without liability if the customer does not adhere to the provisions of this Section (E)(4); provided, however, that any procedure to correct such non-adherence that the customer and Telephone Company may mutually agree to (**cure process**) shall apply. (x)

(5) Sale of Verizon Operating Telephone Company

If some or all of the assets or stock of a Verizon Operating Telephone Company are acquired by an unaffiliated third party, and the Telephone Company does not provide the DS1 Qualifying Services to the customer after such time, then the following terms and conditions shall apply, in addition to any other terms and conditions set forth in this tariff.

Affected cell sites shall be removed from the list of Base Cell Sites, Eligible Cell Sites, and/or Non-Eligible Cell Sites and shall no longer be part of, or eligible for, Billing Credits under this Option 53. (N)

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32. Contract Tariffs (Cont'd)

32.54 Contract Tariff Option 53 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(6) Disputes, Releases, and Waivers

In applying the Billing Credit, all of the following requirements shall apply:

(a) Any amounts, services, and cell sites that are included in the application of the Billing Credit will not be subject to any future claims or disputes by the customer unless otherwise agreed to by the customer and the Telephone Company.

(b) For the purpose of applying the Billing Credit, the Telephone Company shall not include any services provided during any periods before March 1, 2009.

(c) The amount of the Billing Credit shall in no event be subject to any interest payment or penalty.

(7) Termination

(a) Subject to the terms set forth in this Option 53, the customer may terminate this Option 53 at any time during the Service Period. Termination of this Option 53 shall be deemed to be an automatic termination of both this Option 53 and Option 55 of FCC 1. The customer shall forfeit all future Billing Credits under this Option 53 and Option 55 of FCC1, including any due to the customer for the partial ensuing billing credit period that have not be applied to the customer's account. (x) (x)

(b) In the event the customer terminates a Telephone Company provided Ethernet service at any Eligible Cell Site where there also is DS1 Qualifying Service(s), such cell site shall no longer be eligible for the Billing Credits under this Option 53. The customer shall forfeit all future Billing Credits at that cell site including any billing credits due to the customer for the partial ensuing billing credit period that have not been applied to the customer's account.

(8) Expiration of the Service Period

Upon expiration (or early termination) of the Service Period of this Option 53, the Billing Credits of this Option 53 shall cease. The customer's subscription to the Qualifying Services specified in (B)(3) preceding shall continue in accordance with the rates, terms, and conditions (e.g., termination liability) set forth in the applicable section(s) of this tariff. (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (N)

(A) Scope

Contract Tariff Option 54 (**Option 54**) provides Quarterly Billing Credits on certain Special Access Services if the customer maintains certain billed unit volumes for the Qualifying Services (as defined in (F) following) during each Plan Year. In this Option 54, 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).

(B) Specific Terms

Unless otherwise defined in this Option 54, the following terms are used in this Option 54.

(1) **BANs** shall mean the Billing Account Numbers of the customer.

(2) **Billed DS1 Unit** shall mean, with respect to each month during the Service Period, a DS1 Unit for which a DS1 Channel Termination, DS1 Special Access Line, or DS1 Circuit Termination (as defined collectively in (B)(8) following as a DS1 Channel Termination) was billed as a monthly recurring charge(s), using any of the applicable Universal Service Order Codes (**USOCs**) set forth following, to the customer under the Customer ACNAs (as defined in (B)(7) following) in the monthly recurring charge (**MRC**) section of Telephone Company's Access Service bill to the customer for that month.

1CF21	1CF22	1CF23	1CF25	1CF33	1CF35	1CF3W
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	1CFR8	1CFRJ	1CFS8	1CFSJ	1CFT8	1CFTJ
1CFU8	1CFUJ	1CFV8	1CFVJ	1CKDF	1CKDX	1X7VX
1XCDX	EU4DF	EU4DX	EU7VX	EUU21	EUU22	EUU23
EUU25	EUU33	EUU35	EUU3W	EUU41	EUU42	EUU43
EUU45	EUU51	EUU52	EUU53	EUU55	EUU61	EUU62
EUU63	EUU65	EUU71	EUU72	EUU73	EUU75	EUU81
EUU82	EUU83	EUU85	EUU91	EUU92	EUU93	EUU95
EUUA1	EUUA2	EUUA3	EUUA5	EUUB1	EUUB2	EUUB3
EUUB5	EUUC1	EUUC2	EUUC3	EUUC5	EUUR8	EUURJ
EUUS8	EUUSJ	EUUT8	EUUTJ	EUUU8	EUUUJ	EUUV8
EUUVJ	EUW	TMECS	TNJZX	TNT3X	TNT4X	TNT8X
TWTF6	TYF1X					

(N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(3) **Billed Multiplexed DS3 Unit** shall mean, with respect to each month during the Service Period, a Multiplexed DS3 Unit for which one or more MRCs, using any of the applicable USOCs set forth in (G)(2)(b) following, was billed to the customer under the Customer ACNAs (as defined in (B)(7) following) in the MRC section of the Telephone Company's Access Service bill to the customer for that month.

(4) **Billed PTP DS3 Unit** shall mean, with respect to each month during the Service Period, a point-to-point (**PTP**) DS3 Unit for which one or more MRCs, using any of the applicable USOCs set forth in (G)(2)(c) following, was billed to the customer under the Customer ACNAs (as defined in (B)(7) following) in the MRC section of the Telephone Company's Access Service bill to the customer for that month.

(5) **Billed Qualifying Service Revenue** shall mean each of Billed DS1 Qualifying Service Revenue, Billed Multiplexed DS3 Qualifying Service Revenue, and Billed PTP DS3 Qualifying Service Revenue as further described in (G) following, subject to the exclusions specified in (G)(2)(d) and (G)(3) following.

(6) **Billed Qualifying Service Unit(s)** shall mean Billed DS1 Units, Billed Multiplexed DS3 Units, and/or Billed PTP DS3 Units, subject to the exclusions set forth in (G)(2)(d) and (G)(3) following.

(7) **Customer ACNA(s)** shall mean the customer's Access Customer Name Abbreviations (ACNAs) that are provided to the Telephone Company by the customer in its subscription to this Option 54, Option 56 of FCC 1, and Option 28 of FCC 14 in accordance with (C)(2) following, which Customer ACNA(s) are agreed to by the Telephone Company in writing for inclusion in this Option 54, Option 56 of FCC 1, and Option 28 of FCC 14. (x) (x) (x) (x)

(8) **DS1 Unit** shall mean DS1 capacity (i.e., 1.544 Mbps) Qualifying Services that include at least one (1) of the following: (i) a DS1 Channel Termination as defined in Section 7.1.2(A) preceding of this tariff, (ii) a DS1 Channel Termination as defined in Section 7.1.2(A) of Tariff FCC No. 1 (**FCC 1**), (iii) a DS1 Special Access Line (SAL) as defined in Section 5.1.1(C) of Tariff FCC No. 14 (**FCC 14**), and (iv) a DS1 Circuit Termination as defined in Section 7.2(A) of Tariff FCC No. 16 (**FCC 16**) (collectively, DS1 Channel Terminations). Sub-rate DS1s (e.g., 128 kbps, 256 kbps, 384 kbps, 512 kbps, and 768 kbps) are not counted as DS1 Units. (x) (x) (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(9) **Flat Rate** shall mean the flat rate monthly recurring charge that applies per Billed Qualifying Service Unit, per service type (i.e., DS1, Multiplexed DS3, and PTP DS3), for a given Plan Year as calculated in accordance with (I)(1) following.

(10) **Groom(s)** shall mean a change in the connecting facility assignment (**CFA**) or termination point of a DS3 Service, and shall include any of the following types of moves, rearrangements, re-terminations, and disconnection and subsequent reconnection, to the DS3 Service: (i) a change in the CFA or termination point within a single Telephone Company wire center; (ii) a change in the CFA or termination point from one Telephone Company wire center to CFA in another Telephone Company wire center (CFA can be a facility provided by the Telephone Company or by a collocator under Section 28 preceding).

(11) **Initial Watermark** shall mean the initial quantity of Billed DS1 Units, the initial quantity of Billed Multiplexed DS3 Units, and the initial quantity of Billed PTP DS3 Units used to administer the terms and conditions of this Option 54 as calculated in accordance with (F) following, such quantities being as revised from time-to-time pursuant to (M) following for a third party merger, acquisition, divestiture, and other changes in control of the customer, and (N) following for a sale or acquisition of property of the Telephone Company.

(12) **Plan Year** shall mean each of the following periods during the Service Period: (1) Plan Year 1 shall commence on June 1, 2009 and end on December 31, 2009; (2) Plan Year 2 shall commence on January 1, 2010 and end on December 31, 2010; (3) Plan Year 3 shall commence on January 1, 2011 and end on December 31, 2011; (4) Plan Year 4 shall commence on January 1, 2012 and end on December 31, 2012; and (5) Plan Year 5 shall begin on January 1, 2013 and end on December 31, 2013. In the event of any extension(s) of the Service Period pursuant to Section (E) following, the term Plan Year may also be used to refer to an applicable calendar year (i.e., January 1 through December 31) subsequent to Plan Year 5. (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(13) **Multiplexed DS3 Unit** shall mean an individual 44.736 Mbps Qualifying Service that both: (i) has a unique circuit identifier that conforms to the Common Language Circuit Identifier (CLCI) facility format administered by Telcordia (e.g., 967 T3Z PITBPADTHPE PITBPADTK18), and (ii) is billed using one or more of the USOCs specified in (G)(2)(b) following.

IEF Service associated with a Multiplexed DS3 Unit (i.e. billed under the unique circuit identifier for that Multiplexed DS3 Unit) will not be counted as a unit separate from that Multiplexed DS3 Unit.

For purposes of administering the terms and conditions of this Option 54, all calculations involving Multiplexed DS3 Unit volumes shall exclude any portion of a circuit that is not used for Special Access. Where this calculation results in a fraction of a Multiplexed DS3 Unit, round to the nearest whole Multiplexed DS3 Unit. Thus, for example, if there were two (2) Shared Use Multiplexed DS3, and where one of the facilities is reduced to forty-five percent (45%) and the other facility is reduced to sixty-five percent (65%) in accordance with Section 5.2.7 preceding, then together they would count as only one (1) Multiplexed DS3 Unit (.45 + .65 = 1.10, rounded to the nearest integer, which in this case is one (1) Multiplexed DS3 Unit).

For purposes of administering the terms and conditions of this Option 54: (i) all DS1 FMS Services are converted to Multiplexed DS3 Units by dividing the total number of DS1 FMS Services by twenty-eight (28), and (ii) all DS3 FMS Services are quantified as either Multiplexed DS3 Units or PTP DS3 Units, depending on the format of the circuit identifier and the corresponding USOCs as described in the definitions of Multiplexed DS3 Unit and PTP DS3 Unit.

A Multiplexed DS3 facility that is provided by more than one (1) Exchange Telephone Company under Section 2.4.7 preceding using a single unique circuit identifier will count as one (1) Multiplexed DS3 Unit. (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(14) **PTP DS3 Unit** shall mean an individual 44.736 Mbps Qualifying Service that both: (i) has a unique circuit identifier that conforms to the CLCI serial number format administered by Telcordia (e.g., 95.HFGS.634683..NE) and (ii) is billed using one or more of the USOCs specified in (G)(2)(c) following.

IEF Service associated with a PTP DS3 Unit (i.e. billed under the unique circuit identifier for that PTP DS3 Unit) will not be counted as a unit separate from that PTP DS3 Unit.

For purposes of administering the terms and conditions of this Option 54, all DS3 FMS Services are quantified as either Multiplexed DS3 Units or PTP DS3 Units, depending on the format of the circuit identifier and the corresponding USOCs as described in the definitions of Multiplexed DS3 Unit and PTP DS3 Unit.

A PTP DS3 circuit that is provided by more than one (1) Exchange Telephone Company under Section 2.4.7 preceding using a single unique circuit identifier will count as one (1) PTP DS3 Unit.

(15) **Quarter** shall mean either of the following periods, as applicable: (i) the first Quarter of each Plan Year is the period beginning with the first date of the applicable Plan Year and ending on the last day of the second calendar month after the month in which the first date occurs (i.e., approximately ninety (90) calendar days thereafter), except for the initial Quarter of Plan Year 1 which shall commence on June 1, 2009 and end on June 30, 2009; or (ii) each consecutive three (3) month period thereafter commencing on the first day of the calendar month following the end of the prior Quarter and ending on the last day of the second calendar month after the month in which the first day occurs.

(16) **Quarterly Billing Credit** shall mean the quarterly credit that is calculated per service type (i.e., DS1, Multiplexed DS3, and PTP DS3) as described in (I) following. (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(C) Eligibility

The customer must meet all of the following criteria in order to be eligible to receive the Quarterly Billing Credits as set forth in (I) following and other benefits of this Option 54.

(1) During the twelve (12) month period ending on December 31, 2008, the customer must have achieved a minimum of six hundred fifty million ($650M) in aggregate billed monthly recurring charges for all Qualifying Services purchased by the customer from the Telephone Company.

(2) The customer must subscribe to Option 54 by submitting a written authorization in a manner designated by the Telephone Company during the period that begins May 31, 2009 and ends July 30, 2009. Such subscription must include a list of Customer ACNA(s) as defined in (B)(7) preceding.

(3) The customer must concurrently subscribe to this Option 54, Option 56 of FCC 1, and Option 28 of FCC 14. (x) (x)

(4) As of June 1, 2009, the customer must be concurrently subscribed, and must remain concurrently subscribed during the Service Period, to the Commitment Discount Plan (as set forth in Section 25.1 preceding and Section 25.1 of FCC 1, and the Eight-and Ten-Year DS1 Term and Volume Plan (ETTVP) as set forth in Section 5.6.14 of FCC 14), (collectively, **Existing Plans**). (x) (x)

(D) Terms and Conditions

(1) If the customer has met the eligibility criteria set forth in (C) preceding, then to receive the Quarterly Billing Credit in any Plan Year the customer must remain subscribed to the Existing Plans. If the customer fails to achieve the DS1 Initial Watermark, the Multiplexed DS3 Initial Watermark or the PTP DS3 Initial Watermark in any Plan Year other than Plan Year 1, the Telephone Company may terminate the customer's subscription to this Option 54 as set forth in (O)(2) following. Termination of the customer's subscription to this Option 54 is an automatic Termination of the customer's subscription to Option 56 of FCC 1 and Option 28 of FCC 14. (x) (N) (x)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(D) Terms and Conditions (Cont'd)

(2) If the customer is currently subscribed to a contract tariff option that provides a discount, credit, or other reduction in rates or terms based on achievement of revenue or volume targets/levels by the customer, the customer's subscription to such contract tariff option shall be cancelled coincident with the customer's subscription to this Option 54, Option 56 of FCC 1, and Option 28 of FCC 14, and the Telephone Company will conduct a final true-up of any billing credits the customer was entitled to through the date of cancellation. (x) (x)

(3) Except for the Existing Plans and any FMS Services to which the customer subscribes to as of June 1, 2009, the customer may not concurrently subscribe the Qualifying Services to any Alternative Tariff Arrangement (which shall mean, collectively, any other tariff arrangement, contract tariff option, specialized service or arrangement, or Individual Case Basis (**ICB**) arrangement offered by the Telephone Company under this tariff, FCC 1, or FCC 14 and available to the customer either currently or at any time during the Service Period, which tariff arrangement, contract tariff option, specialized service or 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 any of the Qualifying Services) during the Service Period, unless such Alternate Tariff Arrangement explicitly permits subscription to this Option 54, Option 56 of FCC 1, and Option 28 of FCC 14. Except as set forth in this (D)(3) and (D)(2) preceding, the customer's subscription to any such Alternate Tariff Arrangement as of June 1, 2009 shall be terminated upon subscription to this Option 54, Option 56 of FCC 1, and Option 28 of FCC 14. The Telephone Company shall perform any final review/true-up that it determines to be necessary to reconcile any credits and debits that remain outstanding under such Alternate Tariff Arrangement. (x) (x) (x) (x)

(4) To the extent the customer, as of June 1, 2009 or at any time during the Service Period, is not subscribed to the Existing Plans (i.e., with respect to the applicable Qualifying Services that the Telephone Company offers under the respective Existing Plans), the applicable Qualifying Services shall not be eligible to receive the Flat Rate pricing set forth in (I) following. (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(E) Service Period

(1) Subject to terms and conditions set forth in (E)(2) following and all other applicable terms set forth herein, the **Service Period** of this Option 54 shall commence on June 1, 2009 and end on December 31, 2013 (except that the Service Period shall include any extensions that take effect pursuant to (E)(2) following).

(2) At the expiration of Plan Year 5 of the Service Period, and unless otherwise terminated as set forth herein, the customer may elect to extend the Service Period for one (1) year beyond expiration of the initial five (5) Plan Years of the Service Period at the Flat Rates for Plan Year 5. Two (2) of such one (1) year extensions are permitted. The customer must notify the Telephone Company in writing of its election to extend the Service Period at least thirty (30) calendar days prior to the expiration date of Plan Year 5 or the end of first one (1) year extension period, as applicable. (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(F) Establishment of Initial Watermarks and Initial Watermark Adjustments

(1) Upon subscription to this Option 54, the Telephone Company will establish the annual quantities (Initial Watermarks) used to administer the terms and conditions of this Option 54 as follows:

(a) The Telephone Company will develop the DS1 Initial Watermark by summing the total number of DS1 Units (i.e., Channel Terminations) for which the customer was billed by the Telephone Company under this tariff, FCC 1, FCC 14 and FCC 16 for the months of August 2008, September 2008, and October 2008, and multiplying the result by four (4). (x)

(b) The Telephone Company will develop the Multiplexed DS3 Initial Watermark by summing the total number of Multiplexed DS3 Units for which the customer was billed by the Telephone Company under this tariff, FCC 1, FCC 14 and FCC 16 for the months of August 2008, September 2008, and October 2008, and multiplying the result by four (4). (x)

(c) The Telephone Company will develop the PTP DS3 Initial Watermark by summing the total number of PTP DS3 Units for which the customer was billed by the Telephone Company under this tariff, FCC 1, FCC 14 and FCC 16 for the months of August 2008, September 2008, and October 2008, and multiplying the result by four (4). (x)

(2) The Initial Watermark(s) may be adjusted as further described in (M) and (N) following. (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(G) Qualifying Services

(1) Qualifying Services will be comprised of the following:

(a) Special Access 1.544 Mbps Services as set forth in Section 7.2.9 preceding of this tariff, Section 7.2.9 of FCC 1, Section 5.3.6 of FCC 14, and Section 7.11.1 of FCC 16, in each case as the same may be amended from time to time (collectively, **DS1 Services**); and (x) (x)

(b) Special Access 44.736 Mbps Services as set forth in Section 7.2.9 preceding of this tariff, Section 7.2.9 of FCC 1, Section 5.3.6 of FCC 14, and Section 7.11.1 of FCC 16, in each case as the same may be amended from time to time (collectively, **DS3 Services**); and (x) (x)

(c) Special Access 1.544 Mbps and 44.736 Mbps Facilities Management Services, as described in Section 7.2.16 preceding of this tariff and Section 7.2.13 of FCC 1, in each case as the same may be amended from time to time (collectively, **FMS Services**). (x)

(d) Special Access IntelliLight Entrance Facilities Service with a 44.736 Mbps electrical interface, as described in section 26.1.4 preceding, Section 7.2.15 of FCC 1, Section 20.4 of FCC 14, Section 20.4 of FCC 16, in each case as the same may be amended from time to time (collectively, **IEF Services**). (x) (x)

Any services other than the services explicitly listed in this (G)(1) (including any Telephone Company provided SONET entrance facility service) are not included herein as a Qualifying Service. Additionally, Qualifying Services do not include any Switched Access Services.

For purposes of this Option 54: (i) all Qualifying Service volumes and revenues are quantified according to three categories (DS1 Units, Multiplexed DS3 Units, and PTP DS3 Units) as described further in (G)(2) following; and (b) subject to (G)(2)(d) and (G)(4) following, the USOCs set forth in (G)(2) following reflect the entire list of USOCs included in the definition of Qualifying Services and counted as contributory toward Billed Qualifying Service Revenue. (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(G) Qualifying Services (Cont'd)

(2) Revenues Included in Calculation of Billed Qualifying Service Revenue

Subject to the exceptions and requirements set forth in this Section (G), Billed Qualifying Service Revenue includes monthly recurring charges billed to the customer under the Customer ACNAs for Billed Qualifying Service Units in the operating territories of this tariff, FCC 1, FCC 14 and FCC 16. **Billed DS1 Qualifying Service Revenue** is described in (G)(2)(a) following, subject to (G)(2)(d) and (G)(3) following. **Billed Multiplexed DS3 Qualifying Service Revenue** is described in (G)(2)(b) following, subject to (G)(2)(d) and (G)(3) following. **Billed PTP DS3 Qualifying Service Revenue** is described in (G)(2)(c) following, subject to (G)(2)(d) and (G)(3) following. (x)

(a) Billed DS1 Units

With respect to Billed DS1 Units, Billed Qualifying Service Revenue includes only MRCs billed under rate elements using one or more of the following USOCs:

1A4YS	1A5ZS	1CF21	1CF22	1CF23	1CF25	1CF33
1CF35	1CF3W	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	1CFR8	1CFRJ	1CFS8	1CFSJ
1CFT8	1CFTJ	1CFU8	1CFUJ	1CFV8	1CFVJ	1CKDF
1CKDX	1J53S	1J54S	1L5LS	1L5XX	1LFMX	1LFSX
1OX1X	1OX2X	1OX3X	1OX5X	1OXTX	1T58S	1X7VX
1XCDX	1Y3AC	1YWPS	A1VA1	A1VXZ	AVY	C2X9A
C6H6X	C6H7X	CCO	CTG	DVA	EU4DF	EU4DX
EU7VX	EUU21	EUU22	EUU23	EUU25	EUU33	EUU35
EUU3W	EUU41	EUU42	EUU43	EUU45	EUU51	EUU52
EUU53	EUU55	EUU61	EUU62	EUU63	EUU65	EUU71
EUU72	EUU73	EUU75	EUU81	EUU82	EUU83	EUU85
EUU91	EUU92	EUU93	EUU95	EUUA1	EUUA2	EUUA3
EUUA5	EUUB1	EUUB2	EUUB3	EUUB5	EUUC1	EUUC2
EUUC3	EUUC5	EUUR8	EUURJ	EUUS8	EUUSJ	EUUT8
EUUTJ	EUUU8	EUUUJ	EUUV8	EUUVJ	EUW	HGV1X
HGVTX	MQ1	MQK	MXN12	MXN13	MXN15	MXN17
PR9PX	PR9SX	QMU	TJ4DX	TJ4DY	TJ4DZ	TMECS
TNJZX	TNT3X	TNT4X	TNT8X	TQ2KM	TRG	TSP
TWTF6	TYF1X	TZGHX	VPQSP			

(N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(G) Qualifying Services (Cont'd)

(2) Revenues Included in Calculation of Billed Qualifying Service Revenue (Cont'd)

(b) Billed Multiplexed DS3 Units

With respect to Billed Multiplexed DS3 Units, Billed Qualifying Service Revenue includes only MRCs billed under rate elements using one or more of the following USOCs:

1A4ZS	1A59S	1A5LX	1A5YS	1A87S	1A88S	1A89S
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	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	1CFL3	1CFL5	1CFL7	1CFM1
1CFM3	1CFM5	1CFM7	1CFN1	1CFN3	1CFN5	1CFN7
1CKMF	1CKNX	1CKPF	1CKSX	1L5LS	1L5RS	1L5XX
1LFSX	1U5PS	1Y3AD	1YA8S	1YAMS	1YWQS	A1VXG
ABVBA	B2CDP	B2CDV	B2CEP	B2CEV	B2CFP	BXCQX
C2X8A	CCO	DVA	EQUA3	EQUA5	EQUA7	EQUB3
EQUB5	EQUB7	EQUC3	EQUC5	EQUC7	EQUD3	EQUD5
EQUD7	EQUE3	EQUE5	EQUE7	EQUF3	EQUF5	EQUF7
EQUG3	EQUG5	EQUG7	EQUH3	EQUH5	EQUH7	EQUJ3
EQUJ5	EQUJ7	EQUK3	EQUK5	EQUK7	EU4MF	EU4NX
EU4PF	EU4SX	EUUD1	EUUD3	EUUD5	EUUD7	EUUE1
EUUE3	EUUE5	EUUE7	EUUF1	EUUF3	EUUF5	EUUF7
EUUG1	EUUG3	EUUG5	EUUG7	EUUH1	EUUH3	EUUH5
EUUH7	EUUJ1	EUUJ3	EUUJ5	EUUJ7	EUUK1	EUUK3
EUUK5	EUUK7	EUUL1	EUUL3	EUUL5	EUUL7	EUUM1
EUUM3	EUUM5	EUUM7	EUUN1	EUUN3	EUUN5	EUUN7
FQYU1	FQYU2	FQYU3	FQYU4	FQYU5	FQYU6	GMGX3
HKTJS	HKTJX	HKTLS	MKM	MQ3	MQ6	MXNF3
MXNF5	MXNFX	MXNM3	MXNM5	MXNMX	MXNRX	N2M
P8T33	P8T35	PR9SX	SLHA1	SLHA3	SLHA5	SLHA7
SLHB1	SLHB3	SLHB5	SLHB7	SLHC1	SLHC3	SLHC5
SLHC7	SLHD1	SLHD3	SLHD5	SLHD7	SLHE1	SLHE3
SLHE5	SLHE7	T8XJ5	TJ4EX	TJ4EY	TJ4EZ	TJ59X
TKTPX	TNW3X	TNW5X	TNWZX	TQ2LM	TRG	TSP
TUTPX	TWBNX	TWBPX	TWTF7	TYF3S	TYF3X	TYF8S
TYF8X	TYFLS	TYFLX	TYFMS	TYFMX	TYFNX	TYFOX
TYFPX	TYFQX	TYFRX	TYFSX	TYFTX	TYFUX	TYFVS
TYFVX	TYFWS	TYFWX				

IEF USOCs mapped to Billed Multiplexed DS3 Units will be included in the Billed Qualifying Service Revenue for those Units. (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(G) Qualifying Services (Cont'd)

(2) Revenues Included in Calculation of Billed Qualifying Service Revenue (Cont'd)

(c) Billed PTP DS3 Units

With respect to Billed PTP DS3 Units, Billed Qualifying Service Revenue includes only MRCs billed under rate elements using one or more of the following USOCs:

1A4ZS	1A5LX	1A87S	1A88S	1A89S	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
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	1CFL3	1CFL5	1CFL7	1CFM1	1CFM3	1CFM5
1CFM7	1CFN1	1CFN3	1CFN5	1CFN7	1CKMF	1CKNX
1CKPF	1CKSX	1L5LS	1L5RS	1L5XX	1LFSX	1U5PS
1Y3AD	1YA8S	1YAMS	1YWQS	A1VXG	ABVBA	B2CDP
B2CDV	B2CEP	B2CEV	B2CFP	BXCQX	C2X8A	CCO
DVA	EQUA3	EQUA5	EQUA7	EQUB3	EQUB5	EQUB7
EQUC3	EQUC5	EQUC7	EQUD3	EQUD5	EQUD7	EQUE3
EQUE5	EQUE7	EQUF3	EQUF5	EQUF7	EQUG3	EQUG5
EQUG7	EQUH3	EQUH5	EQUH7	EQUJ3	EQUJ5	EQUJ7
EQUK3	EQUK5	EQUK7	EU4MF	EU4NX	EU4PF	EU4SX
EUUD1	EUUD3	EUUD5	EUUD7	EUUE1	EUUE3	EUUE5
EUUE7	EUUF1	EUUF3	EUUF5	EUUF7	EUUG1	EUUG3
EUUG5	EUUG7	EUUH1	EUUH3	EUUH5	EUUH7	EUUJ1
EUUJ3	EUUJ5	EUUJ7	EUUK1	EUUK3	EUUK5	EUUK7
EUUL1	EUUL3	EUUL5	EUUL7	EUUM1	EUUM3	EUUM5
EUUM7	EUUN1	EUUN3	EUUN5	EUUN7	FQYU1	FQYU2
FQYU3	FQYU4	FQYU5	FQYU6	GMGX3	HKTJS	HKTJX
HKTLS	N2M	P8T33	P8T35	PR9SX	SLHA1	SLHA3
SLHA5	SLHA7	SLHB1	SLHB3	SLHB5	SLHB7	SLHC1
SLHC3	SLHC5	SLHC7	SLHD1	SLHD3	SLHD5	SLHD7
SLHE1	SLHE3	SLHE5	SLHE7	T8XJ5	TJ4EX	TJ4EY
TJ4EZ	TJ59X	TKTPX	TNW3X	TNW5X	TNWZX	TQ2LM
TRG	TSP	TUTPX	TWBNX	TWBPX	TWTF7	TYF3S
TYF3X	TYF8S	TYF8X	TYFLS	TYFLX	TYFMS	TYFMX
TYFNX	TYFOX	TYFPX	TYFQX	TYFRX	TYFSX	TYFTX
TYFUX	TYFVS	TYFVX	TYFWS	TYFWX		

IEF USOCs mapped to Billed PTP DS3 Units will be included in the Billed Qualifying Service Revenue for those Units. (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(G) Qualifying Services (Cont'd)

(2) Revenues Included in Calculation of Billed Qualifying Service Revenue (Cont'd)

(d) If any of the USOCs listed in (G)(2)(a) through (G)(2)(c) preceding bill both MRCs and other charges (e.g., NRCs), then only the MRC amounts (i.e., only those amounts appearing in the MRC section of the customer's bill from the Telephone Company) of such USOCs shall be counted towards the calculation of Billed Qualifying Service Revenue.

(3) Examples of Revenues Not Included in Calculation of Billed Qualifying Service Revenue

Billed Qualifying Service Revenue does not include (the following list being illustrative only) any of the following:

(a) any non-recurring charges (**NRCs**), surcharges, taxes, late payment charges, credits (including any credits provided herein), fractional debit/credit amounts, adjustments, minimum period charges, termination liabilities, or any other billings other than billed amounts that are applied on a recurring monthly basis for the applicable Quarter or Plan Year of the Service Period;

(b) taxes, or other charges imposed by a federal, state, local, or other governmental entity (e.g., Federal Universal Service Fund);

(c) service or administrative fees or charges imposed by the Telephone Company (e.g. interest penalty, late payment penalty);

(d) any amount that appears in the Other Charges and Credits section of the Telephone Company's bill to the customer (e.g., prorated charges);

(e) any other charges that are not applied on a monthly recurring basis and/or do not appear in the MRC section (typically labeled "Monthly Access Charges") of the Telephone Company's bill to the customer;

(f) any amount for which payment is being withheld by the customer;

(g) any amount billed under a particular bill for services provided outside of the service period that is ordinarily covered by such bill;

(h) shortfall or overage charges associated with Existing Plan scheduled reviews/true-ups (e.g., for failure to satisfy commitment levels pursuant to a CDP); (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(G) Qualifying Services (Cont'd)

(3) Examples of Revenues Not Included in Calculation of Billed Qualifying Service Revenue (Cont'd)

(i) billed amounts associated with any service (or any portion of a service) that is not a Qualifying Service;

(j) any Quarterly Billing Credits or other Credits that the customer receives in connection with (I), (J) or (Q) following.

(4) USOC Updates

If, during the Service Period, the Telephone Company revises Section 30 and/or Section 31 following of this tariff, Section 7 of FCC 1, Section 5 of FCC 14, or Section 7 of FCC 16 to (i) replace or substitute a USOC for a rate element of a Qualifying Service as set forth in (G)(2) preceding; or (ii) add a USOC for a rate element of a Qualifying Service as used herein that was inadvertently omitted from this tariff, then (effective as of the date on which such revision becomes effective) such new USOC shall be included in the definition of the applicable Qualifying Service(s) and such new USOC, provided it otherwise qualifies to be contributory under (G)(2) and (G)(3) preceding and all other terms set forth herein, will be counted as contributory towards Billed Qualifying Service Revenue. (x) (x)

(H) Serving Area

Notwithstanding any other provision set forth herein, any Quarterly Billing Credits or other credits will be provided only in the MSAs that have achieved Phase I or Phase II pricing flexibility under Section 15.3 preceding, Section 14.7 of FCC 1, and Section 19.1 of FCC 14. Wire centers for the Phase II MSAs are listed in Section 15.3 preceding, Section 14.7 of FCC 1, and Section 19.1 of FCC 14. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 15.3 preceding, Section 14.7 of FCC 1, and Section 19.1 of FCC 14) that occur during the Service Period will apply. No Quarterly Billing Credits or other credits will be provided in the operating territories of FCC 16. (x) (x) (x) (x) (N) (x)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(I) Calculation and Payment of Quarterly Billing Credits

The customer may receive Quarterly Billing Credits for DS1 Qualifying Service, PTP DS3 Qualifying Service and Multiplexed DS3 Qualifying Service based on the difference between the applicable Billed Qualifying Service Revenues and the applicable revenues derived from Flat Rate pricing described in (I)(1) following.

(1) Rate Calculation Methodology for Flat Rate Pricing

The Flat Rate pricing for Qualifying Services under this Option 54 shall be achieved by applying a discount to the average revenue per Billed DS1 Unit, per Billed Multiplexed DS3 Unit, and per Billed PTP DS3 Unit using the calculation [average revenue per Billed Qualifying Service Unit x (1 – discount)] as follows:

(a) DS1 Flat Rate Pricing

(Step 1) Calculate the average revenue per DS1 Unit (**DS1 ARPU**) by summing (i) the total MRC associated with the customer's Qualifying DS1 Services for which the customer was billed by the Telephone Company under this tariff, FCC 1, FCC 14 and FCC 16 for the months of August 2008, September 2008, and October 2008; and dividing by (ii) the total number of the DS1 Units for such DS1 Qualifying Services during the same period of time. (x)

The DS1 ARPU calculated in this Step 1 is used to determine the Flat Rate per DS1 Unit for each Plan Year of the Service Period.

(Step 2) To determine the Flat Rate per Billed DS1 Unit, multiply (i) the DS1 ARPU determined in Step 1; by (ii) 1 minus the discount for the applicable Plan Year from Table 1 below.

Table 1

Plan Year	Discount
1	10.4264%
2	15.0041%
3	19.5311%
4	24.0126%
5	28.2510%

(N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(I) Calculation and Payment of Quarterly Billing Credits (Cont'd)

(1) Rate Calculation Methodology for Flat Rate Pricing (Cont'd)

(a) DS1 Flat Rate Pricing (Cont'd)

Illustrative Example:

(i) Assume the total Billed DS1 Qualifying Service Revenue is $9,075,000 ($2,750,000 for August 2008 + $3,025,000 for September 2008 + $3,300,000 for October 2008).
(ii) Assume the total Billed Qualifying DS1 Units is 33,000 (10,000 for August 2008 + 11,000 for September 2008 + 12,000 for October 2008).
(iii) The DS1 ARPU for Plan Year 1 is $275.00 ($9,075,000 / 33,000).
(iv) The Flat Rate per Billed DS1 Unit for Plan Year 1 is $246.33 [$275 x (1 – .104264)].

(b) PTP DS3 Flat Rate Pricing

The Flat Rate per PTP DS3 Unit will be calculated as follows:

(Step 1) Calculate the total revenue for Non-IEF PTP DS3 Qualifying Services (including any PTP FMS DS3 Services) for which the customer was billed by the Telephone Company under this tariff, FCC 1, FCC 14 and FCC 16 for the months of August 2008, September 2008, and October 2008 by summing the total billed MRC associated with each of such services during this time period (**PTP Non-IEF Revenue**). (x)

(Step 2) Calculate the total revenue for Non-IEF Multiplexed DS3 Qualifying Services (including any Multiplexed FMS DS3 Services) for which the customer was billed by the Telephone Company under this tariff, FCC 1, FCC 14 and FCC 16 for the months of August 2008, September 2008, and October 2008 by summing the total billed MRC associated with each of such services during this time period (**Multiplexed Non-IEF Revenue**). (x) (x)

(Step 3) Determine the total revenue for Non-IEF DS3 Qualifying Services (excluding any IEF DS3 Services) by summing (i) the PTP Non-IEF Revenue in Step 1; and (ii) the Multiplexed Non-IEF Revenue in Step 2 (**Non-IEF DS3 Revenue**). (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(I) Calculation and Payment of Quarterly Billing Credits (Cont'd)

(1) Rate Calculation Methodology for Flat Rate Pricing (Cont'd)

(b) PTP DS3 Flat Rate Pricing (Cont'd)

(Step 4) Determine the percentage of Non-IEF DS3 Revenue that is associated with Non-IEF PTP DS3 Services by dividing (i) the PTP Non-IEF Revenue determined in Step 1; by (ii) the Non-IEF DS3 Revenue determined in Step 3 (**% of Non-IEF DS3 Revenue that is PTP Non-IEF Revenue**).

(Step 5) Calculate the total revenue for IEF DS3 Qualifying Service units by summing the total MRC associated with the customer's Qualifying IEF Services using DS3 interfaces for which the customer was billed by the Telephone Company under this tariff, FCC 1, FCC 14 and FCC 16 for the months of August 2008, September 2008, and October 2008 (**IEF DS3 Revenue**). (x) (x)

(Step 6) Determine the portion of IEF DS3 Revenue that is associated with IEF PTP DS3 Services by multiplying (i) the IEF DS3 Revenue calculated in Step 5; by (ii) the % of Non-IEF DS3 Revenue that is PTP Non-IEF Revenue calculated in Step 4 (**PTP IEF Revenue**).

(Step 7) Determine the total PTP DS3 revenue by summing (i) the PTP IEF Revenue calculated in Step 6; and (ii) the PTP Non-IEF Revenue calculated in Step 1 (**PTP DS3 Revenue**).

(Step 8) Calculate the total number of PTP DS3 Qualifying Service units (including any PTP DS3 FMS Services) for which the customer was billed by the Telephone Company under this tariff, FCC 1, FCC 14 and FCC 16 for the months of August 2008, September 2008, and October 2008 (**PTP DS3 Units**). (x)

(Step 9) Calculate the average revenue per PTP DS3 unit (**PTP DS3 ARPU**) by dividing (i) the PTP DS3 Revenue determined in Step 7 by the PTP DS3 Units determined in Step 8 (**PTP DS3 ARPU**). (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(I) Calculation and Payment of Quarterly Billing Credits (Cont'd)

(1) Rate Calculation Methodology for Flat Rate Pricing (Cont'd)

(b) PTP DS3 Flat Rate Pricing (Cont'd)

(Step 9) (Cont'd)

The PTP DS3 ARPU calculated in this Step 9 is used to determine the Flat Rate per Billed PTP DS3 Unit for each Plan Year of the Service Period.

(Step 10) To determine the Flat Rate per Billed PTP DS3 Unit, multiply (i) the PTP DS3 ARPU calculated in Step 9; by (ii) one (1) minus the discount for the applicable Plan Year from Table 2 below [PTP DS3 ARPU x (1 – discount)].

Table 2

Plan Year	Discount
1	23.3169%
2	24.9144%
3	26.5144%
4	28.2266%
5	30.2200%

(N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(I) Calculation and Payment of Quarterly Billing Credits (Cont'd)

(1) Rate Calculation Methodology for Flat Rate Pricing (Cont'd)

(b) PTP DS3 Flat Rate Pricing (Cont'd)

Illustrative Example:

(i) Assume the PTP Non-IEF Revenue is $4,888,921 ($1,551,860 for August 2008 + $1,628,990 for September 2008 + $1,708,071 for October 2008); and

(ii) Assume the Multiplexed Non-IEF Revenue is $4,856,579 ($1,548,140 for August 2008 + $1,616,010 for September 2008 + $1,692,429 for October 2008); and

(iii) Assume the IEF DS3 Revenue is $168,350 ($55,000 for August 2008 + $56,000 for September 2008 + $57,350 for October 2008); and

(iv) Assume the PTP DS3 Units are 1,575 (500 for August 2008 + 525 for September 2008 + 550 for October 2008).

Step 1 The PTP Non-IEF Revenue is $4,888,921.

Step 2 The Multiplexed Non-IEF Revenue is $4,856,579.

Step 3 The Non-IEF DS3 Revenue is $9,745,500 ($4,888,921 + $4,856,579).

Step 4 The % of Non-IEF DS3 Revenue that is PTP Non-IEF Revenue is 50.17% ($4,888,921 / $9,745,500).

Step 5 The IEF DS3 Revenue is $168,350.

Step 6 The PTP IEF Revenue $84,461 ($168,350 x 50.17%).

Step 7 The PTP DS3 Revenue is $4,973,382 ($4,888,921 + $84,461).

Step 8 The PTP DS3 Units are 1,575.

Step 9 The PTP DS3 ARPU is $3,157.70 ($4,973,382 / 1,575).

Step 10 For Plan Year 1, the Flat Rate per Billed PTP DS3 Unit is $2,421.42 [$3,157.70 x (1.233169)]. The Flat Rate per Billed PTP DS3 Unit in Plan Years 2-5 is calculated using the applicable discount from Table 2 preceding. (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(I) Calculation and Payment of Quarterly Billing Credits (Cont'd)

(1) Rate Calculation Methodology for Flat Rate Pricing Cont'd)

(c) Multiplexed DS3 Flat Rate Pricing

The Flat Rate per Multiplexed DS3 Unit will be calculated as follows:

(Step 1) Calculate the total revenue for Multiplexed Non-IEF DS3 Qualifying Services (including any Multiplexed FMS DS3 Services) for which the customer was billed by the Telephone Company under this tariff, FCC 1, FCC 14 and FCC 16 for the months of August 2008, September 2008, and October 2008 by summing the total MRC associated with each of such services during this time period (**Multiplexed Non-IEF Revenue**). (x) (x)

(Step 2) Calculate the total revenue for PTP Non-IEF DS3 Qualifying Services (including any PTP FMS DS3 Services) for which the customer was billed by the Telephone Company under this tariff, FCC 1, FCC 14 and FCC 16 for the months of August 2008, September 2008, and October 2008 by summing the total MRC associated with each of such services during this time period (**PTP Non-IEF Revenue**). (x) (x)

(Step 3) Determine the total revenue for Non-IEF DS3 Qualifying Services by summing (i) the Multiplexed Non-IEF Revenue in Step 1; and (ii) the PTP Non-IEF Revenue in Step 2 (**Non-IEF DS3 Revenue**).

(Step 4) Determine the percentage of Non-IEF DS3 Revenue that is associated with Non-IEF Multiplexed DS3 Services by dividing (i) the Multiplexed Non-IEF Revenue determined in Step 1; by (ii) the Non-IEF DS3 Revenue determined in Step 3 (**% of Non-IEF DS3 Revenue that is Multiplexed Non-IEF Revenue**).

(Step 5) Calculate the total revenue for IEF DS3 Qualifying Services by summing the total MRC associated with the customer's Qualifying IEF Services using DS3 interfaces for which the customer was billed by the Telephone Company under this tariff, FCC 1, FCC 14 and FCC 16 for the months of August 2008, September 2008, and October 2008 (**IEF DS3 Revenue**). (x) (x) (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(I) Calculation and Payment of Quarterly Billing Credits (Cont'd)

(1) Rate Calculation Methodology for Flat Rate Pricing (Cont'd)

(c) Multiplexed DS3 Flat Rate Pricing (Cont'd)

(Step 6) Determine the portion of the IEF DS3 Revenue that is associated with IEF Multiplexed DS3 Services by first multiplying (i) the DS3 IEF Revenue calculated in Step 5; by (ii) the % of Non-IEF DS3 Revenue that is Multiplexed Non-IEF Revenue determined in Step 4 (**Multiplexed IEF DS3 Revenue**).

(Step 7) Calculate the total revenue for FMS DS1 Qualifying Services by summing the total MRC associated with the customer's FMS DS1 Qualifying Services for which the customer was billed by the Telephone Company under this tariff, FCC 1, FCC 14 and FCC 16 for the months of August 2008, September 2008, and October 2008 (**FMS DS1 Revenue**). (x)

(Step 8) Calculate the total multiplexed DS3 revenue by summing the Multiplexed Non-IEF Revenue determined in Step 1; (ii) the Multiplexed IEF DS3 Revenue determined in Step 6; and (iii) the FMS DS1 Revenue determined in Step 7 (**Multiplexed DS3 Revenue**).

(Step 9) Calculate the total number of Multiplexed DS3 Units for which the customer was billed by the Telephone Company under this tariff, FCC 1, FCC 14 and FCC 16 for the months of August 2008, September 2008, and October 2008 (**Multiplexed DS3 Units**). (x)

(Step 10) Calculate the total number of FMS DS1 Units by summing the total number of the customer's FMS DS1 Units for which the customer was billed by the Telephone Company under this tariff, FCC 1, FCC 14 and FCC 16 for the months of August 2008, September 2008, and October 2008 (**FMS DS1 Units**). (x) (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(I) Calculation and Payment of Quarterly Billing Credits (Cont'd)

(1) Rate Calculation Methodology for Flat Rate Pricing (Cont'd)

(c) Multiplexed DS3 Flat Rate Pricing (Cont'd)

(Step 11) Convert the FMS DS1 Units determined in Step 10 to equivalent Multiplexed DS3 Units by dividing the result of Step 10 by twenty-eight (28) (**DS1s Converted to Multiplexed DS3 Units**).

(Step 12) Calculate the total number of Multiplexed DS3 Units by summing (i) the Multiplexed DS3 Units determined in Step 9; and (ii) the DS1s Converted to Multiplexed DS3 Units in Step 11 (**Total Multiplexed DS3 Units**).

(Step 13) Calculate the average revenue per Multiplexed DS3 Unit (**Multiplexed DS3 ARPU**) by dividing the Multiplexed DS3 Revenue determined in Step 8 by the Total Multiplexed DS3 Units determined in Step 12.

The Multiplexed DS3 ARPU calculated in this Step 13 is used to determine the Flat Rate per Billed Multiplexed DS3 Unit for each Plan Year of the Service Period.

(Step 14) To determine the Flat Rate per Billed Multiplexed DS3 Unit, multiply (i) the Multiplexed DS3 ARPU calculated in Step 13 by; (ii) one (1) minus the discount for the applicable Plan Year from the Table 3 below [Multiplexed DS3 ARPU x (1 – discount)]

Table 3

Plan Year	Discount
1	12.9005%
2	14.1864%
3	15.4526%
4	16.7016%
5	17.9302% (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(I) Calculation and Payment of Quarterly Billing Credits (Cont'd)

(1) Rate Calculation Methodology for Flat Rate Pricing (Cont'd)

(c) Multiplexed DS3 Flat Rate Pricing (Cont'd)

Illustrative Example:

(i) Assume the Multiplexed Non-IEF Revenue is $4,856,579 ($1,548,140 for August 2008 + $1,616,010 for September 2008 + $1,692,429 for October 2008); and

(ii) Assume the PTP Non-IEF Revenue is $4,888,921 ($1,551,860 for August 2008 + $1,628,990 for September 2008 + $1,708,071 for October 2008); and

(iii) Assume the IEF DS3 Revenue is $168,350 ($55,000 for August 2008 + $56,000 for September 2008 + $57,350 for October 2008); and

(iv) Assume the FMS DS1 Revenues are: $4,969,500 ($1,500,500 for August 2008 + $1,660,000 for September 2008 + $1,809,000 for October 2008); and

(v) Assume the FMS DS1 Services are 18,900 (5,600 for August 2008 + 6,300 for September 2008 + 7,000 for October 2008); and

(vi) Assume the Multiplexed DS3 Units are 4,800 (1,500 for August 2008 + 1,600 for September 2008 + 1,700 for October 2008).

Step 1 The Multiplexed Non-IEF Revenue is $4,856,579.

Step 2 The PTP Non-IEF Revenue is $4,888,921.

Step 3 The Non-IEF DS3 Revenue is $9,745,500 ($4,888,921 + $4,856,579).

Step 4 The % of Non-IEF DS3 Revenue that is Multiplexed Non-IEF Revenue is 49.83% ($4,856,579 / $9,745,500).

Step 5 The IEF DS3 Revenue is $168,350.

Step 6 The Multiplexed IEF DS3 Revenue is $83,889 ($168,350 x 49.83%).

Step 7 The FMS DS1 Revenue is $4,969,500. (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(I) Calculation and Payment of Quarterly Billing Credits (Cont'd)

(1) Rate Calculation Methodology for Flat Rate Pricing (Cont'd)

(c) Multiplexed DS3 Flat Rate Pricing (Cont'd)

Illustrative Example (Cont'd):

Step 8 The Multiplexed DS3 Revenue is $9,909,968 ($4,856,579 + $83,889 + $4,969,500).

Step 9 The total number of Multiplexed DS3 Units is 4,800.

Step 10 The total number of FMS DS1 Services is 18,900.

Step 11 The DS1s Converted to Multiplexed DS3 Units is 675 (18,900 / 28).

Step 12 The total number of Multiplexed DS3 Units is 5,475 (4,800 + 675).

Step 13 The Multiplexed DS3 ARPU is $1,810.04 ($9,909,968 / 5,475).

Step 14 For Plan Year 1, the Flat Rate per Billed Multiplexed DS3 Unit is $1,576.54 [$1,810.04 x (1 - .129005)]. The Flat Rate per Multiplexed DS3 Unit in Plan Years 2-5 is calculated using the applicable discount from Table 3 preceding. (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(I) Calculation and Payment of Quarterly Billing Credits (Cont'd)

(2) Calculation of Quarterly Billing Credit

To calculate the Quarterly Billing Credit:

Step 1 Determine the total number of Billed DS1 Units, Billed Multiplexed DS3 Units, and Billed PTP DS3 Units for the Quarter in accordance with (I)(1) preceding.

Step 2 Determine the Billed Qualifying Service Revenue for the Quarter for each Qualifying Service type (i.e., based on Billed DS1 Units, Billed Multiplexed DS3 Units, and Billed PTP DS3 Units) in accordance with (I)(1) preceding.

Step 3 Calculate the Flat Rate for each Qualifying Service type (DS1, Multiplexed DS3, and PTP DS3) in accordance with (I)(1) preceding.

Step 4 Calculate the Quarterly Billing Credit for each Qualifying Service type (DS1, Multiplexed DS3, and PTP DS3) by multiplying (i) the total number of the applicable Billed Qualifying Service Units determined in Step 1; by (ii) the applicable Flat Rate calculated in Step 3; and subtracting the result from (iii) the total of the applicable Billed Qualifying Service Revenue for the Quarter determined in Step 2.

Illustrative Example (using only Billed DS1 Units for illustrative purposes):

(i) Assume the customer's monthly Billed DS1 Units in the first Quarter of Plan Year 2 are 303,000.

(ii) Assume the total Billed Qualifying Service Revenue for DS1 Units in the first Quarter of Plan Year 2 is $83,325,000.

(iii) Assume the Flat Rate for DS1s calculated in accordance with (I)(1)(a) preceding is $246.33. (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(I) Calculation and Payment of Quarterly Billing Credits (Cont'd)

(2) Calculation of Quarterly Billing Credit (Cont'd)

Illustrative Example (Cont'd):

Based on the above assumptions:

Step 1 The total Billed DS1 Units for the first Quarter of Plan Year 2 are 303,000.

Step 2 The Billed Qualifying Service Revenue for DS1 Units is $83,325,000.

Step 3 The Flat Rate is $246.33.

Step 4 The Quarterly Billing Credit for Quarter 1 of Plan Year 2 is $8,687,010 [$83,325,000 - (303,000 x $246.33)].

(3) Payment of the Quarterly Billing Credits

The Telephone Company will provide the Quarterly Billing Credits on the customer's bills within one hundred twenty (120) calendar days after the end of the applicable Quarter.

(J) One-Time Revenue Performance Credit

If, as of June 1, 2009, the customer satisfies the eligibility criteria set forth in (C)(1) through (C)(3) preceding, then the customer shall be eligible for a One-Time Revenue Performance Credit in the amount of twenty million dollars ($20M). If the customer satisfies such eligibility criteria, then the Telephone Company shall apply such credits to the customer's applicable account(s) within ninety (90) calendar days after June 1, 2009. The Revenue Performance Credit is available only on a one-time basis for the period specified above, and no further Revenue Performance Credit shall be available to the customer in conjunction with its subscription to this Option 54, Option 56 of FCC 1, and Option 28 of FCC 14. The single One-Time Revenue Performance Credit is provided for the customer's collective subscription to this Option 54, Option 56 of FCC 1, and Option 28 of FCC 14 (i.e., the total One-Time Revenue Performance Credit is $20M per customer). (x) (x) (x) (x) (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(K) Limitation on Grooms

(1) Maximum Annual Grooms

During each Plan Year, if the customer orders more than four hundred (400) Grooms of DS3 Services per Plan Year (**Maximum Annual Grooms**), then the Telephone Company may terminate the customer's subscription to this Option 54, Option 56 of FCC 1, (x)
and Option 28 of FCC 14. The Maximum Annual Grooms for Plan Year (x)
1 shall apply on a pro-rated basis for the seven (7) month period of Plan Year 1 beginning June 1, 2009 and ending December 31, 2009 [(400 x (7 / 12) = 233]. The Telephone Company shall provide the customer with notice of any such termination within sixty (60) calendar days of the end of the subject Plan Year, and such termination shall be deemed effective as of the end of such Plan Year. Termination of this Option 54 shall be an automatic termination of Option 56 of FCC 1 and Option 28 of FCC 14. (x)

(2) Customer ACNAs Subject to Limitation on Grooms

The Maximum Annual Grooms limitation set forth in (K)(1) preceding shall apply to all Customer ACNAs. When determining the Maximum Annual Grooms limitation, the Telephone Company shall count all Grooms ordered during the Plan Year in all of the operating territories of this tariff, FCC 1, FCC 14 and FCC 16 (x)
for such Customer ACNAs. (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(K) Limitation on Grooms (Cont'd)

(3) Exceptions to the Maximum Annual Grooms

The following types of Grooms shall not be included in the Maximum Annual Grooms and shall be performed by the Telephone Company in accordance with its normal business practices:

(a) Any Groom initiated by the Telephone Company and not requested by the customer;

(b) Any Grooms where a DS3 Service rides a Telephone Company optical service provided to the customer, which optical service terminates at or, originates from, a Customer Point-of-Presence (POP);

(c) Any other Grooms that the customer and the Telephone Company mutually agree in writing to not include in the count of Maximum Annual Grooms, including Grooms associated with the elimination or decommissioning of a Customer POP.

(4) Other than as set forth herein, all Grooms shall remain subject to the terms set forth in this tariff, FCC 1, FCC 14 and FCC 16, as applicable. (x) Upon termination of the customer's subscription to this Option 54 as set forth in this Section (K), the Telephone Company shall not owe any credits under this Option 54, Option 56 (x) of FCC 1 and Option 28 of FCC 14 for any period after the (x) termination date described in (K)(1) preceding. Termination of this Option 54 shall be an automatic termination of Option 56 of (x) FCC 1 and Option 28 of FCC 14. (N)(x)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(L) Suspension of True-ups and Extension of Existing Plans During Service Period

During the Service Period, the customer's Existing Plans as defined in (C)(4) preceding, shall be subject to the following provisions (both as to Qualifying Services as well as all other services covered by such Existing Plans):

(1) Suspension of True-ups

The scheduled review/true-up requirements for the customer's Existing Plans, and FMS Plans, if applicable, including any shortfall payments or penalties that would otherwise result for failure to maintain volume commitments, shall be suspended during the Service Period. Upon termination of the customer's subscription to this Option 54, Option 56 of FCC 1, or Option 28 (x)
of FCC 14 for any reason, the review/true-up requirements shall (x)
be re-activated for the Existing Plans and new commitments shall be established in accordance with the regulations for the type of Existing Plan or FMS Plan involved. For Existing Plans, Time-In-Service-Credits (**TISC**), when applicable, will be granted based on credit already earned as of June 1, 2009 plus any additional credit earned during the customer's subscription to this Option 54, Option 56 of FCC 1, or Option 28 of FCC 14, which (x)
collectively shall not be greater than the TISC available under the terms of the applicable Existing Plan.

(2) Extension of Existing Plans

Subject to any early termination of the customer's subscription to this Option 54, Option 56 of FCC 1, or Option 28 of FCC 14, (x)
the Existing Plans are deemed extended as necessary to be coterminous with the Service Period. Upon expiration of the Service Period, the Existing Plans will be subject to the regulations for the type of Existing Plan involved that ordinarily apply upon expiration of the respective Existing Plans (including establishment of new commitments). TISC will be granted based on credit already earned as of June 1, 2009 plus any additional credit earned during the customer's subscription to this Option 54, Option 56 of FCC 1, or Option 28 of FCC 14, (x)
which collectively shall not be greater than the TISC available under the terms of the applicable Existing Plan. (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(L) Suspension of True-ups and Extension of Existing Plans During Service Period (Cont'd)

(3) Other Tariff Provisions

All other terms and conditions applicable to the Existing Plans (including discounts and minimum period requirements) remain unchanged by this Section (L).

(M) Mergers, Acquisitions, Divestitures, and Other Changes in Control of Customer

(1) Sale or Other Transfer of Ownership From the Customer to an Unaffiliated Third Party

If the customer sells to an unaffiliated third party, or otherwise transfers to an unaffiliated third party its ownership of (collectively, a **Third Party Sale**), one or more Customer ACNA(s), or a line of business, division, affiliate, or license to operate in a particular geographic area (e.g., a Commercial Mobile Radio Service (CMRS) license) (collectively, **Sold Properties**), then the terms and conditions set forth in this Section (M) shall apply to account for the effect of such Third Party Sale on this Option 54:

(a) No later than sixty (60) calendar days prior to closure of the Third Party Sale, the customer shall notify the Telephone Company of such Third Party Sale via a written notice that includes the following information:

(1) the date on which the Third Party Sale is expected to close; and

(2) the affected Customer ACNA(s); and

(3) the affected state(s) or other relevant geographic area(s); and

(4) Information sufficient to begin the identification process of the volumes and circuit identifiers of all DS1 Units, Multiplexed DS3 Units, and PTP DS3 Units associated with the Sold Properties that the customer will no longer obtain from the Telephone Company as a result of the Third Party Sale (**Sold Qualifying Units**). After sending this notification, the customer will work cooperatively with the Telephone Company (and the third-party carrier, if necessary) to complete the exchange of information that may be reasonably required to determine an adjustment to the applicable Initial Watermark(s). (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(M) Mergers, Acquisitions, Divestitures, and Other Changes in Control of Customer (Cont'd)

(1) Sale or Other Transfer of Ownership From the Customer to an Unaffiliated Third Party (Cont'd)

(b) If the customer provides notice as described in (M)(1)(a) preceding, then effective upon closure of the Third Party Sale if such closure occurs on the first day of a calendar month (or effective upon the first day of the calendar month following closure of the Third Party Sale if such closure occurs on a day other than the first day of a calendar month): (i) all Sold Qualifying Units shall not be counted as Billed Qualifying Service Units, shall not be eligible for the Quarterly Billing Credits, and shall cease to be covered by this Option 54 for all other purposes, and (ii) the Initial Watermarks shall be adjusted as set forth in (M)(1)(c) following.

(c) Initial Watermark Adjustment

Where required under (M)(1)(b) preceding, the Telephone Company shall adjust the Initial Watermarks set forth in (F) preceding as follows:

(1) For the Plan Year in which the Third Party Sale occurred:

(Step 1) Determine the volumes of Billed Qualifying Service Units per service type (i.e., DS1, Multiplexed DS3, and PTP DS3) generated by the Sold Properties for the three (3) full calendar months prior to the date of the closing of the Third Party Sale.

(Step 2) Divide the quarterly volumes determined in Step 1 by three (3) to arrive at an average monthly volume.

(Step 3) Multiply the amount determined in Step 2 by the number of full months remaining in the Plan Year (i.e., the Plan Year in which the Third Party Sale occurred) as of the closing date of the Third Party Sale.

(Step 4) Subtract the amount resulting from Step 3 above from the Initial Watermark to arrive at an adjusted Initial Watermark for the Plan Year in which the Third Party Sale occurred. (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(M) Mergers, Acquisitions, Divestitures, and Other Changes in Control of Customer (Cont'd)

(1) Sale or Other Transfer of Ownership From the Customer to an Unaffiliated Third Party (Cont'd)

(c) Initial Watermark Adjustment (Cont'd)

(2) For subsequent Plan Years:

(Step 1) Multiply the quarterly volume determined in Step 1 of (c)(1) preceding by four (4) to arrive at an annualized amount.

(Step 2) Subtract the amount resulting from Step 1 of this (c)(2) from the Initial Watermark. The result of such subtraction is the adjusted Initial Watermark for all Plan Years after the Plan Year in which the Third Party Sale occurred.

(2) Mergers and Acquisitions of the Customer

(a) In the event the customer merges with another company or acquires a company or a portion of the business of another company (including any ACNA(s) that are not Customer ACNAs) (the company with which the customer merges and the company or portion of the business thereof that the customer acquires (including an ACNA(s) that is not a Customer ACNA(s)) may be referred to collectively as the **Customer Acquired Properties** and such merger or acquisition may be referred to in either case as an **Acquisition**), and the Telephone Company provides any Qualifying Services in connection with such Customer Acquired Properties, then the customer shall notify the Telephone Company prior to the closing of the Acquisition and the Parties shall determine whether the Customer Acquired Properties shall be included in or excluded from the terms and conditions (including the calculation of Quarterly Billing Credits) of this Option 54, Option 56 of FCC 1 and Option 28 of FCC 14 in accordance with (M)(2)(c) and (M)(4) following. (x) (x) (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(M) Mergers, Acquisitions, Divestitures, and Other Changes in Control of Customer (Cont'd)

(2) Mergers and Acquisitions of the Customer (Cont'd)

(a) (Cont'd)

The Parties shall determine the Acquired Customer DS1 Unit Percentage in accordance with (b) following.

(1) For an Acquisition where the Acquired Customer DS1 Unit Percentage is no more than two percent (2%), the Parties shall automatically include the Customer Acquired Properties in the terms and conditions (including the calculation of Quarterly Billing Credits) of this Option 54, Option 56 of FCC 1 and Option 28 of FCC 14 in accordance with (M)(2)(c)(1) following. (x)

(2) For an Acquisition where the Acquired Customer DS1 Unit Percentage is greater than two percent (2%), the Parties may, but shall have no obligation to, include the Customer Acquired Properties in the terms and conditions (including the calculation of Quarterly Billing Credits) of this Option 54, Option 56 of FCC 1 and Option 28 of FCC 14 in accordance with (M)(2)(c)(2) following. (x) (N) (x)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(M) Mergers, Acquisitions, Divestitures, and Other Changes in Control of Customer (Cont'd)

(2) Mergers and Acquisitions of the Customer (Cont'd)

(b) Determination of Acquired Customer DS1 Unit Percentage

Upon the Telephone Company's receipt of the customer's notice under (a) preceding, the Telephone Company and the customer will work cooperatively to determine whether the number of DS1 Units generated by the Customer Acquired Properties is no more than or greater than two percent (2%) of the Existing Customer DS1 Unit Quantity (as defined in Step 1 below) using the steps shown below:

(Step 1) Determine the total volume of Billed DS1 Units that the customer purchased from the Telephone Company during the three (3) full calendar months prior to the date of the closing of the Acquisition. Divide such total by three (3) to arrive at an average monthly volume (such average monthly volume is the **Existing Customer DS1 Unit Quantity**).

(Step 2) Determine the total volume of Billed DS1 Units (purchased from the Telephone Company) that the Customer Acquired Properties generated during the three (3) full calendar months prior to the date of the closing of the Acquisition. Divide such total by three (3) to arrive at an average monthly volume (such average monthly volume is the **Existing Acquired DS1 Unit Quantity**).

(Step 3) Divide the Existing Acquired DS1 Unit Quantity determined in Step 2 by the Existing Customer DS1 Unit Quantity determined in Step 1. The resulting percentage is the **Acquired Customer DS1 Unit Percentage.** (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(M) Mergers, Acquisitions, Divestitures, and Other Changes in Control of Customer (Cont'd)

(2) Mergers and Acquisitions of the Customer (Cont'd)

(b) Determination of Acquired Customer DS1 Unit Percentage (Cont'd)

Illustrative Example:

Assume the following:

(i) the Acquisition closed on September 15; and

(ii) during the period of three (3) full calendar months prior to the date of the closing of the Acquisition (i.e., June, July and August), the Customer Acquired Properties purchased a total of 3,000 Billed DS1 Units from the Telephone Company; and

(iii) during that same period of three (3) full calendar months, the customer purchased a total of 600,000 Billed DS1 Units from the Telephone Company.

Based on the above assumptions, the Acquired Customer DS1 Unit Percentage would be one-half of one percent (0.5%) as follows: (3,000 ÷ 3 = 1,000) ÷ (600,000 ÷ 3 = 200,000) = .5%.

(c) Inclusion or Exclusion of the Customer Acquired Properties

(1) If, under (M)(2)(b) preceding, the Acquired Customer DS1 Unit Percentage is determined to be no more than two percent (2%), then the Telephone Company shall make a pro-rata increase to customer's applicable Initial Watermark(s) and such increase, and application of the applicable Flat Rates, will be effective as of the later of (a) the closing of the Acquisition if such closure occurs on the first day of a calendar month (or the first day of the calendar month following closure of the Acquisition if such closure occurs on a day other than the first day of a calendar month) and (b) the date specified by the Telephone Company, which shall be no later than the first day of the third calendar month after the date on which the Acquisition closes. The Telephone Company shall calculate such increase in the Initial Watermark(s) using the steps set forth in (M)(2)(d) following. (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(M) Mergers, Acquisitions, Divestitures, and Other Changes in Control of Customer (Cont'd)

(2) Mergers and Acquisitions of the Customer (Cont'd)

(c) Inclusion or Exclusion of the Customer Acquired Properties (Cont'd)

(2) If the Acquired Customer DS1 Unit Percentage is greater than two percent (2%), the customer may notify the Telephone Company in writing if, in its sole discretion, it seeks to include the Customer Acquired Properties in the terms and conditions (including the calculation of Quarterly Billing Credits) of this Option 54, Option 56 of FCC 1, and Option 28 of FCC 14. The Telephone Company may, in its sole discretion, agree in writing to such inclusion based upon a number of interrelated factors, including but not limited to (i) the amount by which the Acquired Customer DS1 Unit Percentage exceeds 2%; (ii) the amount of additional Quarterly Billing Credits that would result from such inclusion; and (iii) the impact on the Initial Watermarks. If the Telephone Company agrees in writing to such inclusion, then the Telephone Company shall increase the customer's applicable Initial Watermark(s) and such increase will be effective as of a mutually-agreed date no earlier than the first day of the first full month after the closing of the Acquisition. Effective as of such date, the Telephone Company will also begin application of the applicable Flat Rates. The Telephone Company shall calculate such increase in the Initial Watermark(s) using the steps set forth in (M)(2)(d) following. (x) (x)

(3) The effective date upon which the Telephone Company is to adjust the Initial Watermark(s) and implement the Flat Rates as described in (M)(2)(c)(1) preceding for an Acquisition where the Customer DS1 Unit Percentage is no more than two percent (2%), or as described in (M)(2)(c)(2) preceding for an Acquisition where the Acquired Customer DS1 Unit Percentage is greater than two percent (2%) and the Parties have agreed in writing to include the Customer Acquired Properties in the terms and conditions (including the calculation of Quarterly Billing Credits) of this Option 54, Option 56 of FCC 1 and Option 28 of FCC 14, shall be referred to herein as the **Property Adjustment Date**. (x) (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(M) Mergers, Acquisitions, Divestitures, and Other Changes in Control of Customer (Cont'd)

(2) Mergers and Acquisitions of the Customer (Cont'd)

(c) Inclusion or Exclusion of the Customer Acquired Properties (Cont'd)

(4) In the absence of the Parties' mutual written agreement to include the Customer Acquired Properties with an Acquired Customer DS1 Unit Percentage that is greater than two percent (2%) in the terms and conditions (including the calculation of Quarterly Billing Credits) of this Option 54, Option 56 of FCC 1 and Option 28 of FCC 14 as set forth in (M)(2)(c)(2) preceding, the following apply: (x)

(i) The Initial Watermarks shall remain unchanged.

(ii) The Flat Rates shall not apply to any Qualifying Service purchases attributable to the Customer Acquired Properties. The Customer Acquired Properties shall not otherwise receive the Flat Rates and shall not gain any other benefit of this Option 54, Option 56 of FCC 1 and Option 28 of FCC 14. (x) (x)

(iii) The customer may not combine or include any Qualifying Services (or revenues associated therewith) from the Customer Acquired Properties for the purposes of this Option 54, Option 56 of FCC 1 and Option 28 of FCC 14. (x)

(iv) The customer's Billed Qualifying Service Units and Billed Qualifying Service Revenue shall be determined using the customer's business with the Telephone Company using the Customer ACNAs, without adding the services and/or ACNAs attributable to expansion of the customer's purchase of services from the Telephone Company through the Acquisition.

(v) Without limiting any other right of the Telephone Company to terminate the customer's subscription to this Option 54, Option 56 of FCC 1, and Option 28 of FCC 14, if the Telephone Company determines that the customer has failed to comply with any of the provisions of this section (M)(2)(c)(4), then the Telephone Company, pursuant to mutually agreed dispute resolution provisions, may pursue all remedies available to it at law, in equity, or otherwise, including termination of the customer's subscription to this Option 54, Option 56 of FCC 1, and Option 28 of FCC 14. (x) (N) (x)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(M) Mergers, Acquisitions, Divestitures, and Other Changes in Control of Customer (Cont'd)

(2) Mergers and Acquisitions of the Customer (Cont'd)

(d) Initial Watermark Adjustment

In the event the Customer Acquired Properties are included in this Option 54, Option 56 of FCC 1 and Option 28 of FCC 14 pursuant to (M)(2)(c)(1) and (M)(2)(c)(2) preceding, the Telephone Company shall adjust the Initial Watermarks set forth in (F) preceding as follows: (x)

(1) For the Plan Year in which the Property Adjustment Date is to occur:

(Step 1) Determine the volumes of Billed Qualifying Service Units (per service type (i.e., DS1, Multiplexed DS3, and PTP DS3)) generated by the Customer Acquired Properties during the three (3) full calendar months prior to the date of the closing of the Acquisition.

(Step 2) Divide the quarterly volumes determined in Step 1 by three (3) to arrive at an average monthly volume.

(Step 3) Multiply the amount determined in Step 2 by the number of full months remaining in the Plan Year in which the Property Adjustment Date is to occur.

(Step 4) Add the amount resulting from Step 3 to the Initial Watermark for the subject Plan Year to arrive at an adjusted Initial Watermark for that Plan Year.

(2) For Subsequent Plan Years:

(Step 1) Multiply the quarterly volume determined in Step 1 of (d)(1) preceding by four (4) to arrive at an annualized amount.

(Step 2) Add the amount resulting from Step 1 of this (d)(2) to the Initial Watermark. The result of such addition is the adjusted Initial Watermark for all Plan Years after the Plan Year in which the Property Adjustment Date occurred. (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(M) Mergers, Acquisitions, Divestitures, and Other Changes in Control of Customer (Cont'd)

(2) Mergers and Acquisitions of the Customer (Cont'd)

(e) In the event the Customer Acquired Properties are included in this Option 54, Option 56 of FCC 1 and Option 28 of FCC 14 pursuant to (M)(2)(c)(1) and (M)(2)(c)(2) preceding, the customer shall, no later than ninety (90) calendar days after the date of closure of the subject Acquisition, complete such steps as are necessary to enroll the applicable Customer Acquired Properties into the customer's Existing Plans (as defined in (C)(4) preceding) and, upon such enrollment, the rates, terms, and conditions (including suspension of scheduled review/true-up, etc. under (L) preceding) shall apply to such enrolled Customer Acquired Properties. If the customer fails to complete such steps within the above-referenced ninety (90) day period, then the customer agrees that it shall be deemed to have authorized the Telephone Company to complete such steps on the customer's behalf. The enrollment requirement set forth in this (M)(2)(e) does not affect the Telephone Company's obligation to adjust the Initial Watermark(s) and implement the Flat Rates in accordance with the time periods described in (M)(2)(c)(1) and (M)(2)(c)(2) preceding. (x)

(3) The Parties shall work cooperatively and in good faith with each other to take such action as may be necessary to achieve the intent of this Section (M), and neither Party shall unreasonably withhold from the other Party any data that is necessary or reasonably required to achieve such intent. (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(N) Sale or Acquisition of Properties by the Telephone Company

(1) Sale of a Verizon Operating Telephone Company

(a) In the event that the Telephone Company sells all or part of one (1) of its operating telephone companies (a **Sold Operating Company**) that provides Qualifying Services under this tariff, FCC 1, FCC 14 or FCC 16 during the Service Period (a **Verizon Property Sale**), the terms and conditions set forth in this Section (N) shall apply. (x)

(b) Prior to closure of the Verizon Property Sale or as expeditiously as practical after such closure, the Telephone Company shall notify the customer of such Verizon Property Sale via a written notice, which shall include the date on which the Verizon Property Sale is expected to close (or has closed) and the affected state(s) or other relevant geographic area(s).

(c) Effective upon closure of the Verizon Property Sale if such closure occurs on the first day of a calendar month (or effective upon the first day of the calendar month following closure of the Verizon Property Sale if such closure occurs on a day other than the first day of a calendar month), all DS1 Units, Multiplexed DS3 Units, and PTP DS3 Units associated with the Sold Operating Company shall not be counted as Billed Qualifying Service Units, shall not be eligible for the Flat Rates, and shall cease to be covered by this Option 54, Option 56 of FCC 1 and Option 28 of FCC 14 for all other purposes, and the Initial Watermarks shall be adjusted as set forth in (d) following. (x) (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(N) Sale or Acquisition of Properties by the Telephone Company

(1) Sale of a Verizon Operating Telephone Company (Cont'd)

(d) Initial Watermark Adjustment

The Telephone Company shall adjust the Initial Watermarks set forth in (F) preceding as follows:

(1) For the Plan Year in which the Verizon Property Sale occurred:

(Step 1) Determine the volumes of Billed Qualifying Service Units (per service type) generated by the Sold Operating Company during the three (3) full calendar months prior to the date of the closing of the Verizon Property Sale.

(Step 2) Divide the quarterly volumes determined in Step 1 by three (3) to arrive at an average monthly volume.

(Step 3) Multiply the amount determined in Step 2 by the number of full months remaining in the Plan Year (i.e., the Plan Year in which the Verizon Property Sale occurred) as of the closing date of the Verizon Property Sale.

(Step 4) Subtract the amount resulting from Step 3 from the Initial Watermark to arrive at an adjusted Initial Watermark for the Plan Year in which the Verizon Property Sale occurred.

(2) For Subsequent Plan Years:

(Step 1) Multiply the quarterly volume determined in Step 1 of (d)(1) preceding by four (4) to arrive at an annualized amount.

(Step 2) Subtract the amount resulting from Step 1 of this (d)(2) from the original Initial Watermark. The result of such subtraction is the adjusted Initial Watermark for all Plan Years after the Plan Year in which the Verizon Property Sale occurred. (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(N) Sale or Acquisition of Properties by the Telephone Company

(1) Sale of a Verizon Operating Telephone Company (Cont'd)

Illustrative Example:

Assume the following information for the third quarter of Plan Year 2:

(i) The Initial Watermark is 600,000 Billed DS1 Units.

(ii) The Telephone Company sells Verizon New York Inc. (**Verizon NY**) to a third party at the end of month eight (8) of Plan Year 2.

(iii) During the three (3) full calendar months prior to the date of the closing of the Verizon Property Sale, Verizon NY accounted for 15,000 of the customer's Billed DS1 Units.

Based on the above assumptions:

(Step 1) The average monthly Billed DS1 Units for Verizon NY is 5,000 (15,000/3).

(Step 2) The number of months remaining in Plan Year 2 is four (4) months (12-month Plan Year minus 8 months).

(Step 3) The Initial Watermark for Billed DS1 Units for the remainder of the Plan Year 2 is reduced by 20,000 (5,000 x 4).

(Step 4) The adjusted Watermark for Plan Year 2 is 580,000 (600,000 – 20,000).

(Step 5) The Initial Watermark for all Plan Years subsequent to Plan Year 2 will be adjusted downward by 60,000 (4 x 15,000). The adjusted Initial Watermark for all Plan Years subsequent to Plan Year 2 is 540,000 (600,000 – 60,000). (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(N) Sale or Acquisition of Properties by the Telephone Company (Cont'd)

(2) Mergers and Acquisitions of the Telephone Company

In the event the Telephone Company 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 company with which the Telephone Company merges, the company or portion of the business thereof that the Telephone Company acquires, and the company that acquires the Telephone Company in whole or in part may be referred to collectively as the **Verizon Acquired Properties** and such merger or acquisition may be referred to in either case as a **Verizon Acquisition**), the Telephone Company shall determine whether such Verizon Acquired Properties shall be included in or excluded from the terms and conditions (including the calculation of Quarterly Billing Credits) of this Option 54, Option 56 of FCC 1, and Option 28 of FCC 14 in accordance with (a) and (b) following. (x) (x)

(a) The Telephone Company will determine whether it wishes to include the Verizon Acquired Properties in the terms and conditions (including the calculation of Quarterly Billing Credits) of this Option 54, Option 56 of FCC 1, and Option 28 of FCC 14 based upon factors such as those specified in Sections (N)(2)(b) and (N)(2)(c) following. If the Telephone Company is interested in doing so, then it will determine whether the number of DS1 Units (i.e., as defined in (B)(8) preceding, or the Verizon Acquired Property's equivalent 1.544 Mbps services using time division multiplexing technology) that the customer purchases from the Verizon Acquired Properties is greater than two percent (2%) of the Existing DS1 Unit Quantity Purchased from Verizon (as defined below) using the steps shown below: (x) (x)

(Step 1) Determine the total volume of DS1 Units that the customer purchased from the Verizon Acquired Properties during the three (3) full calendar months prior to the date of the closing of the Verizon Acquisition. Divide such total by three (3) to result in an average monthly volume (such average monthly volume, the **Existing DS1 Unit Quantity Purchased From Verizon Acquired Properties**). (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(N) Sale or Acquisition of Properties by the Telephone Company (Cont'd)

(2) Mergers and Acquisitions of the Telephone Company (Cont'd)

(a) (Cont'd)

(Step 2) Determine the total volume of Billed DS1 Units that the customer purchased from the Telephone Company during the three (3) full calendar months prior to the date of the closing of the Verizon Acquisition. Divide such total by three (3) to result in an average monthly volume (such average monthly volume, the **Existing DS1 Unit Quantity Purchased from Verizon**).

(Step 3) Divide the Existing DS1 Unit Quantity Purchased From Verizon Acquired Properties determined in Step 1 by the Existing DS1 Unit Quantity Purchased from Verizon determined in Step 2. The resulting percentage is the **Acquired Verizon DS1 Unit Percentage.**

Illustrative Example:

Assume the following:

(i) The Verizon Acquisition closed on September 15 of a particular Plan Year.

(ii) During the period of three (3) full calendar months prior to the date of the closing of the Verizon Acquisition, the customer purchased a total of 3,000 Billed DS1 Units from the Verizon Acquired Properties.

(iii) During that same period of three (3) full calendar months prior to the date of the closing of the Verizon Acquisition, the customer purchased a total of 600,000 DS1 Units from the Telephone Company.

Based on the above assumptions:

The Acquired Verizon DS1 Unit Percentage would be one-half of one percent (0.5%) as follows: (3,000 ÷ 3 = 1,000) ÷ (600,000 ÷ 3 = 200,000) = .5%. (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(N) Sale or Acquisition of Properties by the Telephone Company (Cont'd)

(2) Mergers and Acquisitions of the Telephone Company (Cont'd)

(b) If the Acquired Verizon DS1 Unit Percentage is no more than two percent (2%), then the Telephone Company may elect, in its sole discretion, to include the Verizon Acquired Properties in the terms and conditions (including the calculation of Quarterly Billing Credits) of this Option 54, Option 56 of FCC 1, and Option 28 of FCC 14. The Telephone Company may exercise such discretion based upon a number of interrelated factors, including but not limited to (i) the availability of pricing flexibility for the Verizon Acquired Properties; (ii) the likelihood of additional regulatory filing requirements; (iii) the cost structure of the Verizon Acquired Properties; (iv) the impact on the Initial Watermarks; and (v) the impact on the Quarterly Billing Credits. If the Telephone Company so elects, the Telephone Company shall provide the customer written notice of such inclusion. If the Verizon Acquired Properties are to be included, the Telephone Company shall make a pro-rata increase to the customer's applicable Initial Watermark(s) and such increase, and application of the applicable Flat Rates to Qualifying Services (or equivalent 1.544 Mbps and 44.736 Mbps services provided by the Verizon Acquired Properties using time division multiplexing technology) that the customer purchases from the Verizon Acquired Properties, will be effective as of the date specified in the Telephone Company's notice as determined by the Telephone Company, which date may not be earlier than the closing date of the Verizon Acquisition if such closure occurs on the first day of a calendar month (or the first day of the calendar month following closure of the Verizon Acquisition if such closure occurs on a day other than the first day of a calendar month). Effective as of such date specified in the Telephone Company's notice, the applicable Flat Rates shall apply to Qualifying Services (or the equivalent 1.544 Mbps or 44.736 Mbps services provided by the Verizon Acquired Properties using time division multiplexing technology) that the customer purchases from the Verizon Acquired Properties. The Telephone Company shall calculate such increase in the Initial Watermark(s) using the steps set forth in (N)(2)(e) following. (x) (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(N) Sale or Acquisition of Properties by the Telephone Company (Cont'd)

(2) Mergers and Acquisitions of the Telephone Company (Cont'd)

(c) If the Acquired Verizon DS1 Unit Percentage is greater than two percent (2%), then the Telephone Company may notify the customer if the Telephone Company in its sole discretion wishes to request to include the Verizon Acquired Properties in this Option 54, Option 56 of FCC 1, and Option 28 of FCC 14. The Telephone Company may exercise such discretion based upon a number of interrelated factors, including but not limited to (i) the availability of pricing flexibility for the Verizon Acquired Properties; (ii) the likelihood of additional regulatory filing requirements; (iii) the cost structure of the Verizon Acquired Properties; (iv) the impact on the Initial Watermarks; and (v) the impact on the Quarterly Billing Credits. The customer may, in its sole discretion, agree in writing to such inclusion. (x) (x)

If the customer agrees in writing to such inclusion, then the Telephone Company shall increase the customer's applicable Initial Watermark(s) and such increase will be effective as of a mutually-agreed date no earlier than the first day of the first full month following the date of closing of the Verizon Acquisition. Effective as of such date, the applicable Flat Rates shall apply to Qualifying Services (or the equivalent 1.544 Mbps or 44.736 Mbps services provided by the Verizon Acquired Properties using time division multiplexing technology) that the customer purchases from the Verizon Acquired Properties. The Telephone Company shall calculate such increase in the Initial Watermark(s) using the steps set forth in (e) following.

(d) The effective dates upon which the Telephone Company is to adjust the Initial Watermark(s) and implement the Flat Rates as described in (b) and (c) preceding shall be referred to herein as the (**Verizon Acquisition Property Adjustment Date**). (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(N) Sale or Acquisition of Properties by the Telephone Company (Cont'd)

(2) Mergers and Acquisitions of the Telephone Company (Cont'd)

(e) Initial Watermark Adjustment

If the Verizon Acquired Properties are included in the terms and conditions (including the calculation of Quarterly Billing Credits) of this Option 54, Option 56 of FCC 1, and (x)
Option 28 of FCC 14 as described in (b) and (c) preceding, (x)
then the Telephone Company shall adjust the Initial Watermarks set forth in (F) preceding as follows:

(1) For the Plan Year in which the Verizon Acquired Property Adjustment Date is to occur:

(Step 1) Determine the volumes of Billed Qualifying Service Units (which, for purposes of this Section (N)(2), shall be deemed to have the meaning set forth in (B)(6) preceding or, as applicable, the equivalent 1.544 Mbps or 44.736 Mbps service of the Verizon Acquired Properties using time division multiplexing technology) (per service type (i.e., DS1, Multiplexed DS3, and PTP DS3)) that the customer purchased from the Verizon Acquired Properties during the three (3) full calendar months prior to the date of the closing of the Verizon Acquisition.

(Step 2) Divide the quarterly volumes determined in Step 1 by three (3) to arrive at an average monthly volume.

(Step 3) Multiply the amount determined in Step 2 by the number of full months remaining in the Plan Year in which the Verizon Acquisition Property Adjustment Date is to occur.

(Step 4) Add the amount resulting from Step 3 to the Initial Watermark for the subject Plan Year to arrive at an adjusted Initial Watermark for that Plan Year.

(2) For subsequent Plan Years:

(Step 1) Multiply the quarterly volume determined in Step 1 of (e)(1) preceding by four (4) to arrive at an annualized amount.

(Step 2) Add the amount resulting from Step 1 of this (e)(2) to the Initial Watermark. The result of such addition is the adjusted Initial Watermark for all Plan Years after the Plan Year in which the Verizon Acquisition Property Adjustment Date occurred. (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(N) Sale or Acquisition of Properties by the Telephone Company (Cont'd)

(3) The Parties shall work cooperatively and in good faith and take such action as may be necessary to achieve the intent of this Section (N), and neither Party shall unreasonably withhold from the other Party any data that is necessary or reasonably required to achieve such intent.

(O) Termination

(1) Mutual Agreement

The Parties, by mutual written agreement in their sole discretion, may terminate the customer's subscription to this Option 54. Except as otherwise mutually agreed in writing by the Parties, any termination under this Section (O)(1) shall be effective as of the end of the Plan Year preceding the termination. Termination of the customer's subscription to this Option 54 shall be an automatic termination of the customer's subscription to Option 56 of FCC 1 and Option 28 of FCC 14. Upon (x)
any such termination, the customer shall be entitled to all Quarterly Billing Credits for the Plan Year preceding the termination, but shall not be eligible for any Quarterly Billing Credits for any period of time after the end of such Plan Year.

(2) Termination by the Telephone Company for Failure to Achieve Any Initial Watermark, or Failure to Comply with the Maximum Grooms Limitation

If the Telephone Company wishes to terminate the customer's subscription to this Option 54 for the customer's failure to achieve the Initial Watermark as to any service type (DS1, Multiplexed DS3, or PTP DS3) by the end of any Plan Year, or for failure to comply with the Maximum Grooms Limitation in any Plan Year, then the Telephone Company shall provide notice of termination of the customer's subscription to this Option 54 by no later than ninety (90) calendar days after the end of the applicable Plan Year. Termination of the customer's subscription to this Option 54 shall be an automatic termination of the customer's subscription to Option 56 of FCC 1 and Option 28 of (x)
FCC 14. Upon such termination, the customer shall be entitled to (x)
all Quarterly Billing Credits for such just-concluded Plan Year, but shall not be eligible for any Quarterly Billing Credits for any period of time after the end of such Plan Year. (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(P) Expiration of the Service Period

Upon expiration of Service Period (including any extensions permitted under (E)(2) preceding), the customer has the following options:

(1) continue with the services under the Existing Plans, in which case the review/true-up requirements shall be re-activated in accordance with (L)(1) preceding; or

(2) Subject to the re-activation of Existing Plans as set forth in (L) preceding, disconnect the services without the application of termination liability under this Option 54. In accordance with termination requirements set forth in the Existing Plans which the services are subscribed to, termination charges may apply under such Existing Plans upon any such disconnection.

(Q) Order Performance Credits

(1) Upon the customer's request at the end of each Quarter of a Plan Year, the Parties shall work cooperatively to determine the extent to which the customer's orders for installation or disconnection of DS1 Services and DS3 Services (in each case excluding FMS Services and IEF Services) did not post to the Telephone Company's billing system (and thus were not billed to the customer) until more than thirty one (31) calendar days after the "from" date (i.e., the date on which the customer began (in the case of an installation) or ceased (in the case of a disconnection) to incur monthly recurring charges for the subject service). Such orders may be referred to collectively as **Adjustable Late Posted Orders** and (i) an Adjustable Late Posted Order for installation of a DS1 Service may be referred to as an **Adjustable DS1 Late Posted Add Order**, (ii) an Adjustable Late Posted Order for disconnection of a DS1 Service may be referred to as an **Adjustable DS1 Late Posted Disconnect Order**, (iii) an Adjustable Late Posted Order for installation of a DS3 Service may be referred to as an **Adjustable DS3 Late Posted Add Order**, and (iv) an Adjustable Late Posted Order for disconnection of a DS3 Service may be referred to as an **Adjustable DS3 Late Posted Disconnect Order**. (N)

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32. Contract Tariffs (Cont'd)

32.55 Contract Tariff Option 54 (Cont'd) (N)

(Q) Order Performance Credits (Cont'd)

(2) If the volume of Adjustable DS1 Late Posted Add Orders in a particular Quarter exceeds the volume of Adjustable DS1 Late Posted Disconnect Orders in that Quarter, then the Parties shall determine by mutual agreement the volume of such excess Adjustable DS1 Late Posted Add Orders for which the customer shall receive a **DS1 Order Performance Credit** for that Quarter. Such DS1 Order Performance Credit shall be equal to the agreed volume of excess Adjustable DS1 Late Posted Add Orders multiplied by thirty-eight dollars and 57/100 ($38.57).

(3) If the volume of Adjustable DS3 Late Posted Add Orders in a particular Quarter exceeds the volume of Adjustable DS3 Late Posted Disconnect Orders in that Quarter, then the Parties shall determine by mutual agreement the volume of such excess Adjustable DS3 Late Posted Add Orders for which the customer shall receive a **DS3 Order Performance Credit** for that Quarter. Such DS3 Order Performance Credit shall be equal to the amount resulting from the following calculations: (i) where the Parties agree that the excess Adjustable DS3 Late Posted Add Orders are associated with Multiplexed DS3 Units, the DS3 Order Performance Credit is equal to the agreed volume of such Orders multiplied by one hundred eighty-eight dollars and 67/100 ($188.67), (ii) where the Parties agree that the excess Adjustable DS3 Late Posted Add Orders are associated with PTP DS3 Units, the DS3 Order Performance Credit is equal to the agreed volume of such Orders multiplied by six hundred forty dollars and 32/100 ($640.32).

(4) Any Credits owed to the customer under this Section (Q) shall be provided by the Telephone Company on the customer's bills within one hundred twenty (120) calendar days after the end of the applicable Quarter. (N)

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32. Contract Tariffs (Cont'd)

32.56 Contract Tariff Option 55 (N)

(A) Scope

Contract Tariff Option 55 (**Option 55**) provides a customer with certain Billing Credits (as defined below) on certain services offered by the Telephone Company when the customer satisfies the criteria as set forth in this Option 55.

(B) Specific Terms

Unless otherwise defined in this Section 32.56, the following terms are used in this Option 55:

(1) **Alternative Tariff Arrangement** shall mean, collectively, any other generally available tariff arrangement, contract tariff option, specialized service or arrangement, or Individual Case Basis (**ICB**) tariff arrangement offered by the Telephone Company and available to the customer pursuant to this tariff with respect to any of the services covered by this Option 55.

(2) **BANs** shall mean Billing Account Numbers of the customer which shall be used to provide the Billing Credits to the customer.

(3) **Billed DS1 Qualifying Service Revenue** shall mean the monthly recurring charge (**MRC**) amounts which are paid in full by the customer for the DS1 Qualifying Services for the applicable Quarter.

(4) **Billed DS1 Unit** shall mean, with respect to each month during the Service Period, a DS1 Unit for which a DS1 Channel Termination, a DS1 Special Access Line, or a DS1 Circuit Termination (each as defined in (B)(14) following), was billed to the customer for that month as a MRC, using any of the applicable Universal Service Order Codes (**USOCs**) specified in (E)(2)(a) following.

(5) **Billed FMS Revenue** shall mean the MRC amounts for Special Access Facilities Management Service (**FMS**) which were paid in full by the customer for the following USOCs:

B2CDP	B2CDV	B2CEP	B2CEV	B2CFP	BXCQX	N2M
1A59S	1A5YS	1A87S	1A88S	1A89S	1YAMS	MQ6
MXNF3	MXNF5	MXNFX	MXNM3	MXNM5	MXNMX	TNW3X
TNW5X	TNWZX					

(N)

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32. Contract Tariffs (Cont'd)

32.56 Contract Tariff Option 55 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(6) **Billed Multiplexed DS3 Qualifying Service Revenue** shall mean the MRC amounts which are paid in full by the customer for the Multiplexed DS3 Qualifying Services for the applicable Quarter.

(7) **Billed Multiplexed DS3 Unit** shall mean, with respect to each month during the Service Period, a multiplexed DS3 service for which one or more MRCs, using any of the applicable USOCs set forth in (E)(2)(b) following, was billed to the customer for that month.

(8) **Billed PTP DS3 Qualifying Service Revenue** shall mean the MRC amounts which are paid in full by the customer for the PTP DS3 Qualifying Services for the applicable Quarter.

(9) **Billed PTP DS3 Unit** shall mean, with respect to each month during the Service Period, a PTP DS3 service for which one or more MRCs, using any of the applicable USOCs set forth in (E)(2)(c) following, was billed to the customer for that month.

(10) **Billed Qualifying Service Revenue** shall mean each of Billed DS1 Qualifying Service Revenue, Billed Multiplexed DS3 Qualifying Service Revenue, and Billed PTP DS3 Qualifying Service Revenue.

(11) **Billed Qualifying Service Units** shall mean Billed DS1 Units, Billed Multiplexed DS3 Units, and Billed PTP DS3 Units.

(12) **Billing Credits** shall mean, collectively, the Quarterly DS1 Credit, the Quarterly Multiplexed DS3 Credit and the Quarterly point-to-point (**PTP**) DS3 Credit provided to the customer as a net credit on its monthly bill after each Quarter during the Service Period based on the applicable rates (as set forth in (H)(1) following) on the specific Qualifying Services offered to the customer pursuant to this Option 55. Calculation of the applicable Billing Credits is described in (H) following. (N)

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32. Contract Tariffs (Cont'd)

32.56 Contract Tariff Option 55 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(13) **DS1 Annual Watermark** shall mean the annual minimum required number of Billed DS1 Units. The DS1 Annual Watermark is established by (i) aggregating the number of Billed DS1 Units for the period February 1, 2009 through and including February 28, 2009 under this tariff, Tariff FCC No. 1 (**FCC 1**), Tariff FCC No. 14 (**FCC 14**), and (x)
Tariff FCC No. 16 (**FCC 16**); and (ii) multiplying the result by (x)
twelve (12).

(14) **DS1 Unit** shall mean a DS1 capacity (i.e., 1.544 Mbps) Qualifying Service that meets one of the following definitions: (i) a DS1 Channel Termination as defined in Section 7.1.2(A) preceding of this tariff, (ii) a DS1 Channel Termination as defined in Section (x)
7.1.2(A) of FCC 1, (iii) a DS1 Special Access Line (SAL) as defined in Section 5.1.1(C) of FCC 14, or (iv) a DS1 Circuit Termination as defined in Section 7.2(A) of FCC 16. Where the calculation of DS1 (x)
Units results in a fraction of a DS1 Unit, such fractions are not counted as a DS1 Unit.

(15) **Multiplexed DS3 Annual Watermark** shall mean the annual minimum required number of Billed Multiplexed DS3 Units. The Multiplexed DS3 Annual Watermark is established by (i) aggregating the number of Billed Multiplexed DS3 Units for the period February 1, 2009 through and including February 28, 2009 under this tariff, FCC 1, (x)
FCC 14, and FCC 16; and (ii) multiplying the result by twelve (12). (x)

(16) **Multiplexed DS3 Unit** shall mean an individual Qualifying Service of 44.736 Mbps bandwidth that both: (i) has a unique circuit identifier that conforms to the Common Language Circuit Identifier (CLCI) facility format administered by Telcordia (e.g., 967 T3Z PITBPADTHPE PITBPADTK18), and (ii) is billed using one or more of the USOCs specified in (E)(2)(b) following. (N)

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32. Contract Tariffs (Cont'd)

32.56 Contract Tariff Option 55 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(17) **Plan Year** shall mean each of the following periods during the Service Period: (i) Plan Year 1 shall commence on June 1, 2009 and end on February 28, 2010; (ii) Plan Year 2 shall commence on March 1, 2010 and end on February 28, 2011; (iii) Plan Year 3 shall commence on March 1, 2011 and end on February 29, 2012; (iv) Plan Year 4 shall commence on March 1, 2012 and end on February 28, 2013; and (v) Plan Year 5 shall begin on March 1, 2013 and end on February 28, 2014.

(18) **PTP DS3 Annual Watermark** shall mean the annual minimum required number of Billed PTP DS3 Units. The PTP DS3 Annual Watermark is established by (i) aggregating the number of Billed PTP DS3 Units for the period February 1, 2009 through and including February 28, 2009 under this tariff, FCC 1, FCC 14, and FCC 16; and (ii) multiplying the result by twelve (12). (x)

(19) **PTP DS3 Unit** shall mean an individual 44.736 Mbps Qualifying Service that both: (i) has a unique circuit identifier that conforms to the CLCI serial number format administered by Telcordia (e.g., 95.HFGS.634683..NE) and (ii) is billed using one or more of the USOCs specified in (E)(2)(c) following.

(20) **Quarter** shall mean either of the following periods, as applicable: (i) the first (1st) Quarter of each Plan Year is the period beginning with the first date of the applicable Plan Year and ending on the last calendar day of the second month after the month in which the first date occurs (i.e., approximately ninety (90) days thereafter); or (ii) each consecutive three (3) month period thereafter commencing on the first day of the calendar month following the end of the prior Quarter and ending on the last calendar day of the second month after the month in which the first day occurs.

(21) **Watermarks** shall mean the DS1 Annual Watermark, the Multiplexed DS3 Annual Watermark and the PTP DS3 Annual Watermark. Watermarks are subject to adjustment following the Sale of a Verizon Operating Telephone Company as described in (K) following. (N)

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32. Contract Tariffs (Cont'd)

32.56 Contract Tariff Option 55 (Cont'd) (N)

(C) Eligibility

The customer must meet all of the following criteria in order to be eligible to receive the Billing Credits and other benefits of this Option 55.

(1) On June 1, 2009, the customer must:

(a) have between twenty-five thousand (25,000) and sixty thousand (60,000) Billed DS1 Units; and

(b) have billing between sixty thousand (60,000) and one hundred fifty thousand (150,000) total transport miles consisting of Special Access DS1 transport miles, Special Access DS3 transport miles and Special Access FMS transport miles for DS1 or DS3 bandwidth; and

(c) be subscribed to Special Access FMS; and

(d) subject to the terms and conditions set forth in (M) following, be subscribed, and remain concurrently subscribed during the Service Period, to the Commitment Discount Plan as set forth in Section 25.1 following of this tariff and Section 25.1 of FCC 1, (x)
the DS1 Term Volume Plan as set forth in Section 5.6.14 of FCC 14, and the DS1 Term Payment Plan as set forth in Section 7.2.1(G) of FCC 16 (collectively, **Existing Plans**), provided each (x)
applicable Existing Plan remains generally available under this tariff, FCC 1, FCC 14 and/or FCC 16, as applicable; and (x)

(e) not have been required in connection with the most recent scheduled true-up or review of its Existing Plans to pay any shortfall payments or penalties as a result of a failure to maintain volume commitments, under any of the Existing Plans.

(2) Except for Existing Plans, the customer may not concurrently subscribe to an Alternative Tariff Arrangement which provides discounts, credits, or other reductions in rates or terms based upon the achievement of total billed revenue or mileage targets that include Special Access DS1 and/or DS3 fixed and per mile charges. If the customer wishes to subscribe to such an Alternative Tariff Arrangement, then the customer shall not receive any Billing Credits under this Option 55, and such subscription shall be considered a termination by the customer of its subscription to this Option 55, subject to (L)(3) and (L)(4)(b) following. (N)

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32. Contract Tariffs (Cont'd)

32.56 Contract Tariff Option 55 (Cont'd) (N)

(C) Eligibility (Cont'd)

(3) The customer must subscribe to this Option 55 in a manner designated by the Telephone Company during the thirty (30) day period beginning June 1, 2009 and ending June 30, 2009. Such subscription must include a list of the customer's access customer name abbreviations (**Customer ACNA(s)**) that the Telephone Company agrees to, in writing, for inclusion in this Option 55. Subscription to this Option 55 shall be an automatic subscription to Option 57 of FCC 1 and Option 29 of FCC 14. (x)

(D) Service Period

The Service Period of this Option 55 shall commence on June 1, 2009 and end on February 28, 2014.

(E) Qualifying Services

Subject to the terms and conditions set forth in this Option 55, Option 57 of FCC 1, and Option 29 of FCC 14, the Billing Credits (x)
shall be provided on the following Qualifying Services and the following rate elements, except that no Billing Credits will be provided in the operating territories of FCC 16: (x)

(1) Qualifying Services will be comprised of the following:

(a) Special Access DS1 Services and DS3 Services, each as set forth in Section 7.2.9 preceding of this tariff, Section 7.2.9 of FCC (x)
1, Section 5.3.6 of FCC 14, and Section 7.11.1 of FCC 16, in (x)
each case as the same may be amended from time to time, which Special Access DS1 Services and DS3 Services are billed by the Telephone Company during the Service Period and meet all of the criteria set forth in this Section (E) during each month of the Service Period; and

(b) Special Access FMS DS1 and FMS DS3 Services, as described in Section 7.2.16 preceding of this tariff and Section 7.2.13 of (x)
FCC 1, in each case as the same may be amended from time to (x)
time, which Special Access FMS DS1 and FMS DS3 Services are billed by the Telephone Company during the Service Period and meet all of the criteria set forth in this Section (E) during each month of the Service Period. (N)

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32. Contract Tariffs (Cont'd)

32.56 Contract Tariff Option 55 (Cont'd) (N)

(E) Qualifying Services (Cont'd)

(2) Rate Elements for Qualifying Services

If, during the Service Period, the Telephone Company files a revision that replaces or substitutes, in part or in whole, a USOC set forth in this Section (E), then (effective as of the date on which such revision becomes effective) such new USOC shall be included in the definition of the applicable Qualifying Service(s) and such new USOC, provided it otherwise qualifies as to be contributory under this Section (E) and all other terms of this Option 55, will be counted as contributory towards Billed Qualifying Service Revenue.

(a) DS1 Qualifying Services

Each DS1 Qualifying Service~~s~~ must have Rate Elements billing under at least one of the following USOCs:

1A5ZS	1CF21	1CF22	1CF23	1CF25	1CF35	1CF3W
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	1CFR8	1CFRJ	1CFS8	1CFSJ	1CFT8	1CFTJ
1CFU8	1CFUJ	1CFV8	1CFVJ	1CKDF	1CKDX	1J53S
1J54S	1L5LS	1L5XX	1LFMX	1LFSX	1OX1X	1OX2X
1OX3X	1OX5X	1OXTX	1T58S	1X7VX	1XCDX	CCO
C6H6X	C6H7X	CTG	DVA	EU4DF	EU4DX	EU7VX
EUU21	EUU22	EUU23	EUU25	EUU31	EUU33	EUU35
EUU3W	EUU41	EUU42	EUU43	EUU45	EUU51	EUU52
EUU53	EUU55	EUU61	EUU62	EUU63	EUU65	EUU71
EUU72	EUU73	EUU75	EUU81	EUU82	EUU83	EUU85
EUU91	EUU92	EUU93	EUU95	EUUA1	EUUA2	EUUA3
EUUA5	EUUB1	EUUB2	EUUB3	EUUB5	EUUC1	EUUC2
EUUC3	EUUC5	EUUR8	EUUS8	EUUT8	EUUU8	EUUV8
EUURJ	EUUSJ	EUUTJ	EUUUJ	EUUVJ	EUW	MQ1
MQK	MXN12	MXN13	MXN15	MXN17	PR9PX	PR9SX
QMU	TMECS	TNJZX	TNT3X	TNT4X	TNT8X	TRG
TSP	TZGHX					

(N)

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32. Contract Tariffs (Cont'd)

32.56 Contract Tariff Option 55 (Cont'd) (N)

(E) Qualifying Services (Cont'd)

(2) Rate Elements for Qualifying Services (Cont'd)

(b) Multiplexed DS3 Qualifying Services

Each Multiplexed DS3 Qualifying Service~~s~~ must have Rate Elements billing under at least one of the following USOCs:

1A59S	1A5YS	1A87S	1A88S	1A89S	1A5LX	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	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	1CFL3	1CFL5	1CFL7	1CFM1	1CFM3
1CFM5	1CFM7	1CFN1	1CFN3	1CFN5	1CFN7	1CKMF
1CKNX	1CKPF	1CKSX	1L5LS	1L5XX	1LFSX	1U5PS
1YA8S	1YAMS	ABVBA	B2CDP	B2CDV	B2CEP	B2CEV
B2CFP	BXCQX	EQUA3	EQUA5	EQUA7	EQUB3	EQUB5
EQUB7	EQUC3	EQUC5	EQUC7	EQUD3	EQUD5	EQUD7
EQUE3	EQUE5	EQUE7	EQUF3	EQUF5	EQUF7	EQUG3
EQUG5	EQUG7	EQUH3	EQUH5	EQUH7	EQUJ3	EQUJ5
EQUJ7	EQUK3	EQUK5	EQUK7	EU4MF	EU4NX	EU4PF
EU4SX	EUUD1	EUUD3	EUUD5	EUUD7	EUUE1	EUUE3
EUUE5	EUUE7	EUUF1	EUUF3	EUUF5	EUUF7	EUUG1
EUUG3	EUUG5	EUUG7	EUUH1	EUUH3	EUUH5	EUUH7
EUUJ1	EUUJ3	EUUJ5	EUUJ7	EUUK1	EUUK3	EUUK5
EUUK7	EUUL1	EUUL3	EUUL5	EUUL7	EUUM1	EUUM3
EUUM5	EUUM7	EUUN1	EUUN3	EUUN5	EUUN7	FQYU1
FQYU2	FQYU3	FQYU4	FQYU5	FQYU6	HKTJX	HKTJS
HKTLS	MKM	MQ3	MQ6	MXNF3	MXNF5	MXNFX
MXNM3	MXNM5	MXNMX	MXNRX	N2M	PR9SX	SLHA1
SLHA3	SLHA5	SLHA7	SLHB1	SLHB3	SLHB5	SLHB7
SLHC1	SLHC3	SLHC5	SLHC7	SLHD1	SLHD3	SLHD5
SLHD7	SLHE1	SLHE3	SLHE5	SLHE7	TRG	TKTPX
TNW3X	TNW5X	TNWZX	TUTPX	TYF8S	TYF8X	TYFLS
TYFLX	TYFMS	TYFMX	TYFNX	TYFOX	TYFPX	TYFQX
TYFRX	TYFSX	TYFTX	TYFUX	TYFVS	TYFVX	TYFWS
TYFWX						

(N)

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32. Contract Tariffs (Cont'd)

32.56 Contract Tariff Option 55 (Cont'd) (N)

(E) Qualifying Services (Cont'd)

(2) Rate Elements for Qualifying Services (Cont'd)

(c) PTP DS3 Qualifying Services

Each PTP DS3 Qualifying Service~~s~~ must have Rate Elements billing under at least one of the following USOCs:

1A5LX	1A59S	1A5YS	1A87S	1A88S	1A89S	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	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	1CFL3	1CFL5	1CFL7	1CFM1	1CFM3
1CFM5	1CFM7	1CFN1	1CFN3	1CFN5	1CFN7	1CKMF
1CKNX	1CKPF	1CKSX	1L5LS	1L5XX	1LFSX	1U5PS
1YA8S	1YAMS	ABVBA	B2CDP	B2CDV	B2CEP	B2CEV
B2CFP	BXCQX	EQUA3	EQUA5	EQUA7	EQUB3	EQUB5
EQUB7	EQUC3	EQUC5	EQUC7	EQUD3	EQUD5	EQUD7
EQUE3	EQUE5	EQUE7	EQUF3	EQUF5	EQUF7	EQUG3
EQUG5	EQUG7	EQUH3	EQUH5	EQUH7	EQUJ3	EQUJ5
EQUJ7	EQUK3	EQUK5	EQUK7	EU4MF	EU4NX	EU4PF
EU4SX	EUUD1	EUUD3	EUUD5	EUUD7	EUUE1	EUUE3
EUUE5	EUUE7	EUUF1	EUUF3	EUUF5	EUUF7	EUUG1
EUUG3	EUUG5	EUUG7	EUUH1	EUUH3	EUUH5	EUUH7
EUUJ1	EUUJ3	EUUJ5	EUUJ7	EUUK1	EUUK3	EUUK5
EUUK7	EUUL1	EUUL3	EUUL5	EUUL7	EUUM1	EUUM3
EUUM5	EUUM7	EUUN1	EUUN3	EUUN5	EUUN7	FQYU1
FQYU2	FQYU3	FQYU4	FQYU5	FQYU6	HKTJX	HKTJS
HKTLS	MXNF3	MXNF5	MXNFX	MXNM3	MXNM5	MXNMX
N2M	PR9SX	SLHA1	SLHA3	SLHA5	SLHA7	SLHB1
SLHB3	SLHB5	SLHB7	SLHC1	SLHC3	SLHC5	SLHC7
SLHD1	SLHD3	SLHD5	SLHD7	SLHE1	SLHE3	SLHE5
SLHE7	TRG	TKTPX	TNW3X	TNW5X	TNWZX	TUTPX
TYF8S	TYF8X	TYFLS	TYFLX	TYFMX	TYFMS	TYFNX
TYFOX	TYFPX	TYFQX	TYFRX	TYFSX	TYFTX	TYFUX
TYFVS	TYFVX	TYFWS	TYFWX			

(N

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32. Contract Tariffs (Cont'd)

32.56 Contract Tariff Option 55 (Cont'd) (N)

(E) Qualifying Services (Cont'd)

(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 55. Switched Access Services as set forth in Section 6 preceding are not Qualifying Services in this Option 55.

(4) If the rates or terms and conditions of a Qualifying Service under this tariff are amended from time to time, such amended rates or terms and conditions shall apply herein upon the effectiveness of such tariff amendment.

(F) Revenues Included in Calculation of Billed Qualifying Service Revenue

(1) The customer's Billed Qualifying Service Revenue under this tariff shall include **only** MRC amounts which are paid in full by the customer.

(a) For purposes of this Option 55, **MRCs** shall mean billed monthly recurring revenues, net of any discounts given under existing pricing plans, if applicable, for the Qualifying Services billed during any Quarter under the USOCs set forth in (E)(2) preceding, and excluding Disputed Charges.

(b) For purposes of this Option 55, **Disputed Charges** shall mean MRCs for the Qualifying Services billed during any Quarter, which amounts are under dispute regardless of whether or not they have been paid in full by the customer, as of the thirtieth (30th) calendar day following the end of the applicable Quarter in accordance with (H)(5) following. Amounts which have not been paid in full (regardless of whether or not such amounts are under dispute by the customer) shall not be included in the customer's Billed Qualifying Service Revenue for the applicable Quarter.

(c) For purposes of this Option 55, **paid in full** shall mean that the customer paid the billed amount without any offsets or reductions from the billed amount for the Qualifying Services, in accordance with the terms of this tariff. (N)

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32. Contract Tariffs (Cont'd)

32.56 Contract Tariff Option 55 (Cont'd) (N)

(F) Revenues Included in Calculation of Billed Qualifying Service Revenue (Cont'd)

(2) Examples of Revenue Not Included in Calculation of Billed Qualifying Service Revenue

Billed Qualifying Service Revenue under this tariff does not include (among other possible items, the following list being illustrative only) any revenue associated with other than the USOCs set forth in (E)(2) preceding, and the following types of charges are not included:

(a) Nonrecurring charges.

(b) Surcharges, late payment charges, credits (including any credits provided under this Option 55), fractional debit/credit amounts, adjustments, minimum period charges, termination liabilities, or any other billings other than billed amounts that are applied on a recurring monthly basis for the applicable Quarter of the Service Period.

(c) Any amount that appears in the Other Charges and Credits section of the Telephone Company's bill to the customer (e.g., prorated charges).

(d) Taxes, or other charges imposed by a federal, state, local, or other governmental entity (e.g. Federal Universal Service Fund).

(e) Service or administrative fees or charges imposed by the Telephone Company (e.g. Interest penalty, late payment penalty).

(f) Any other charges that are not applied on a recurring monthly basis and/or do not appear in the MRC section (typically labeled "Monthly Access Charges") of the Telephone Company's bill to the customer.

(g) 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. (N)

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32. Contract Tariffs (Cont'd)

32.56 Contract Tariff Option 55 (Cont'd) (N)

(F) Revenues Included in Calculation of Billed Qualifying Service Revenue (Cont'd)

(2) Examples of Revenue Not Included in Calculation of Billed Qualifying Service Revenue (Cont'd)

(h) Any debits or credits for Services rendered in prior Quarters or periods prior to June 1, 2009.

(i) Any amount billed under a particular bill period during the Service Period for services provided prior to June 1, 2009.

(j) Billed amounts associated with any service (or any portion of a service) that is not a Qualifying Service.

(k) Any Disputed Charges.

(l) Any other billed amount related to the Qualifying Services for which payment is being withheld or under dispute by the customer, subject to the terms of (H)(5) following hereof;

(m) Billing Credits.

(G) 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, FCC 1, and FCC 14. Wire (x)
centers for the Phase II MSAs are listed in Section 15.3 preceding
of this tariff, Section 14.7 of FCC 1, and Section 19.1 of FCC 14. (x)
Any additions of, or changes to, the MSAs (including changes to
wire centers or Level 1/Level 2 pricing status as described in
Section 15.3 preceding of this tariff, Section 14.7 of FCC 1, and (x)
Section 19.1 of FCC 14) that occur during the Service Period will (x)
apply. No Billing Credits will be provided in the operating
territories of FCC 16. (N)(x)

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32. Contract Tariffs (Cont'd)

32.56 Contract Tariff Option 55 (Cont'd) (N)

(H) Quarterly Review, Calculation of Billing Credits, and Payment of Billing Credits

(1) The Flat Rate pricing for the Qualifying Services is achieved by providing Quarterly Billing Credits.

(a) The DS1 Flat Rates for each Plan Year will be equal to a fixed percentage of the benchmark average revenue per DS1 unit (**DS1 ARPU**) as set forth in Table 1 below. The calculation of DS1 Flat Rates is further described in (H)(2)(a) following.

(b) The Multiplexed DS3 Flat Rate will be equal to a fixed percentage of the applicable PTP DS3 Flat Rate as set forth in Table 1 below. The calculation of PTP DS3 Flat Rates is further described in (H) (2)(b) following.

(c) The PTP DS3 Flat Rates for each Plan Year will be equal to a fixed percentage of the benchmark average revenue per PTP DS3 Unit (**PTP DS3 ARPU**) as set forth in Table 1 below. The calculation of PTP DS3 Flat Rates is further described in (H)(2)(b) following.

The Telephone Company shall determine on a Quarterly basis the Billed Qualifying Service Revenue and Billed Qualifying Service Units for each Qualifying Service. The Billing Credits for each of the three Qualifying Services (i.e., DS1 Qualifying Services, Multiplexed DS3 Qualifying Services and PTP DS3 Qualifying Services) will be an amount equal to the applicable Billed Qualifying Service Revenue (i.e., Billed DS1 Qualifying Service Revenue, Billed Multiplexed DS3 Qualifying Service Revenue and Billed PTP DS3 Qualifying Service Revenue) for the applicable Quarter **minus** the revenues derived from the Flat Rate pricing for the applicable Billed Qualifying Service Units (i.e., Billed DS1 Units, Billed Multiplexed DS3 Units, and Billed PTP DS3 Units) for the same Quarter. Shared Use as set forth in Section 5.2.7 preceding is allowed under this Option 55; however, only the Special Access portion of the Qualifying Service is included in the calculation of the Billing Credits. (N)

32. Contract Tariffs (Cont'd)

32.56 Contract Tariff Option 55 (Cont'd) (N)

(H) Quarterly Review, Calculation of Billing Credits, and Payment of Billing Credits

(1) (Cont'd)

Table 1

Qualifying Service	Plan Year 1 Flat Rate	Plan Year 2 Flat Rate	Plan Year 3 Flat Rate	Plan Year 4 Flat Rate	Plan Year 5 Flat Rate
DS1 Units	94.01% of DS1 ARPU	92.44% of DS1 ARPU	90.87% of DS1 ARPU	89.30% of DS1 ARPU	87.74% of DS1 ARPU
Multiplexed DS3 Units	57.22% of PTP DS3 Flat Rate	57.75% of PTP DS3 Flat Rate	58.29% of PTP DS3 Flat Rate	58.84% of PTP DS3 Flat Rate	59.41% of PTP DS3 Flat Rate
PTP DS3 Units	92.66% of PTP DS3 ARPU	91.38% of PTP DS3 ARPU	90.09% of PTP DS3 ARPU	88.80% of PTP DS3 ARPU	87.51% of PTP DS3 ARPU

(2) The benchmark ARPU will be established at the time of subscription to this Option 55 and will be calculated as follows:

(a) DS1 ARPU shall be calculated as follows:

Step 1 Sum the Billed DS1 Qualifying Service Revenue for January 2009, February 2009, and March 2009.

Step 2 Sum the Billed FMS Revenue for January 2009, February 2009, and March 2009.

Step 3 Multiply the total calculated in Step 2 by the percentage of Billed FMS Revenue that is attributable to DS1 transport and muxing.

Step 4 Sum the amounts calculated in Step 1 and Step 3.

Step 5 Sum the Billed DS1 Units for January 2009, February 2009, and March 2009.

Step 6 Divide the amount calculated in Step 4 by the amount calculated in Step 5. (N)

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32. Contract Tariffs (Cont'd)

32.56 Contract Tariff Option 55 (Cont'd) (N)

(H) Quarterly Review, Calculation of Billing Credits, and Payment of Billing Credits (Cont'd)

(2) (Cont'd)

(a) DS1 ARPU shall be calculated as follows (Cont'd)

Illustrative Example 1:

Assume the following for this illustrative example.

(i) The Billed Qualifying Service Revenue for the DS1 ARPU is $800,000 during January 2009, $800,000 during February 2009, and $800,000 during March 2009.

(ii) The Billed FMS Revenue is $50,000 during January 2009, $50,000 during February 2009, and $50,000 during March 2009.

(iii) The Billed FMS Revenue Allocation Percentage for the DS1 ARPU is 26.20%.

(iv) The Billed Qualifying Service Units for the DS1 ARPU is 33,000 during January 2009, 33,000 during February 2009, and 34,000 during March 2009.

Based on the above assumptions, the DS1 ARPU would be calculated as follows:

Step 1 Total Billed DS1 Qualifying Service Revenue is $2,400,000 ($800,000 + $800,000 + $800,000).

Step 2 Billed FMS Revenue is $150,000 ($50,000 + $50,000 + $50,000).

Step 3 Billed FMS Revenue allocated to DS1 transport and muxing is $39,300 ($150,000 x 26.20%).

Step 4 Total DS1 Revenue is $2,439,300 ($2,400,000 + $39,300).

Step 5 DS1 Billed Units are 100,000 (33,000 + 33,000 + 34,000).

Step 6 DS1 ARPU is $243.93 ($2,439,300 / 100,000). (N)

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32. Contract Tariffs (Cont'd)

32.56 Contract Tariff Option 55 (Cont'd) (N)

(H) Quarterly Review, Calculation of Billing Credits, and Payment of Billing Credits (Cont'd)

(2) (Cont'd)

(b) PTP DS3 ARPU shall be calculated as follows:

Step 1	Sum the Billed PTP DS3 Qualifying Service Revenue exclusive of amounts billed to USOCs included in the definition of Billed FMS Revenues for January 2009, February 2009, and March 2009.
Step 2	Sum the Billed FMS Revenue for January 2009, February 2009, and March 2009.
Step 3	Multiply the total calculated in Step 2 by the percentage of Billed FMS Revenue that is attributable to PTP DS3 transport and channel terminations.
Step 4	Sum the amounts calculated in Step 1 and Step 3.
Step 5	Sum the Billed PTP DS3 Units for January 2009, February 2009, and March 2009.
Step 6	Divide the amount calculated in Step 4 by the amount calculated in Step 5. (N)

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32. Contract Tariffs (Cont'd)

32.56 Contract Tariff Option 55 (Cont'd) (N)

(H) Quarterly Review, Calculation of Billing Credits, and Payment of Billing Credits (Cont'd)

(2) (Cont'd)

(b) PTP DS3 ARPU shall be calculated as follows (Cont'd):

Illustrative Examples 2:

Assume the following for this illustrative example.

(i) The Billed Qualifying Service Revenue for the PTP DS3 ARPU is $1,000,000 during January 2009, $1,000,000 during February 2009, and $1,000,000 during March 2009.

(ii) The Billed Multiplexed DS3 Qualifying Service Revenue from FMS USOCs is $10,000 during January 2009, $10,000 during February 2009, and $10,000 during March 2009.

(iii) The Billed FMS Revenue is $50,000 during January 2009, $50,000 during February 2009, and $50,000 during March 2009.

(iv) The Billed FMS Revenue Allocation Percentage for the PTP DS3 ARPU is 35.46%.

(v) The Billed Qualifying Service Units for the PTP DS3 ARPU is 300 during January 2009, 350 during February 2009, and 350 during March 2009.

Based on the above assumptions, the PTP DS3 ARPU would be calculated as follows:

Step 1 Total Billed PTP DS3 Qualifying Service Revenue exclusive of amounts billed to FMS USOCs is $2,970,000 [($1,000,000 x 3)-($10,000 x 3)].

Step 2 Billed FMS Revenue is $150,000 ($50,000 + $50,000 + $50,000).

Step 3 Billed FMS Revenue allocated to PTP DS3 transport and channel terminations is $53,190 ($150,000 x 35.46%)

Step 4 Total PTP DS3 Revenue is $3,023,190 ($2,970,000 + $53,190).

Step 5 PTP DS3 Billed Units are 1,000 (300 + 350 + 350).

Step 6 PTP DS3 ARPU is $3,023.19 ($3,023,190 / 1,000). (N)

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32. Contract Tariffs (Cont'd)

32.56 Contract Tariff Option 55 (Cont'd) (N)

(H) Quarterly Review, Calculation of Billing Credits, and Payment of Billing Credits (Cont'd)

(3) Subject to all of the terms of this Option 55, Option 57 of FCC 1, and Option 29 of FCC 14, the customer shall be eligible to receive the following Quarterly Billing Credits: (x) (x)

(a) Quarterly DS1 Billing Credit

The customer will receive the Quarterly DS1 Billing Credit based on the applicable discounted Flat Rate pricing as calculated in accordance with (H)(1) and (H)(2) preceding for all Billed DS1 Units during each Quarter of each Plan Year of the Service Period. The Billed DS1 Units shall be billed on a monthly recurring basis at the rates set forth in this tariff, FCC 1, FCC 14, and FCC 16, as applicable, and the Telephone Company shall provide the Quarterly DS1 Billing Credit equal to the difference between such rates and the Flat Rates calculated in accordance with (H)(1) and (H)(2) preceding. (x) (x)

Example of Calculation of Quarterly DS1 Billing Credit:

Assume the following information for Quarter 1 of Plan Year 3:

(i) The DS1 ARPU is $243.93 as calculated in Illustrative Example 1 of (H)(2)(a) preceding; and

(ii) The customer's Billed DS1 Units for the three months of Quarter 1 are 33,000, 33,000, and 34,000; and

(iii) The total Billed Qualifying DS1 Service Revenue for Quarter 1 is $25,000,000.

Based on the above assumptions:

(i) The Plan Year 3 Flat Rate for DS1 Units for Plan Year 3 is $221.66 ($243.93 x 90.87%); and

(ii) The total Billed DS1 Units for the Quarter are 100,000 (33,000 + 33,000 + 34,000); and

(iii) The total Quarterly DS1 Billing Credit due under this Option 55, Option 57 of FCC 1, and Option 29 of FCC 14 equals $2,834,000 [$25,000,000 – (100,000 x $221.66)]. (x) (N)

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32. Contract Tariffs (Cont'd)

32.56 Contract Tariff Option 55 (Cont'd) (N)

(H) Quarterly Review, Calculation of Billing Credits, and Payment of Billing Credits (Cont'd)

(3) (Cont'd)

(b) Quarterly Multiplexed DS3 Billing Credit

The customer will receive the Quarterly Multiplexed DS3 Billing Credit based on the applicable discounted Flat Rate pricing as calculated in accordance with (H)(1) and (H)(2) preceding for all Billed Multiplexed DS3 Units during each Quarter of each Plan Year of the Service Period. The Billed Multiplexed DS3 Units shall be billed on a monthly recurring basis at the rates set forth in this tariff, FCC 1, FCC 14, and FCC 16, as applicable, and the Telephone Company shall provide the Quarterly Multiplexed DS3 Billing Credit, which shall be a contra credit, or debit, equal to the positive difference between such rates and the Flat Rates calculated in accordance with (H)(1) and (H)(2) preceding. (x)

Example of Calculation of Quarterly Multiplexed DS3 Billing Credit:

Assume the following information for Quarter 1 of Plan Year 3:

(i) The Plan Year 3 Flat Rate per PTP DS3 Unit is $2,723.59 as calculated in the example in (H)(3)(c) following; and

(ii) The customer's Billed Multiplexed DS3 Units for the three months of Quarter 1 are 1,000, 1,000, and 1,000; and

(ii) The total Billed Qualifying Multiplexed DS3 Service Revenue for Quarter 1 is $4,000,000.

Based on the above assumptions:

(i) The Plan Year 3 Flat Rate for DS3 Units for Plan Year 3 is $1,587.58 ($2,723.59 x 58.29%); and

(ii) The total Billed Multiplexed DS3 Units for the Quarter are 3,000 (1,000 + 1,000 + 1,000); and

(iii) The total Quarterly Multiplexed DS3 Billing Credit due under this Option 55, Option 57 of FCC 1, and Option 29 of FCC 14 equals ($762,740) [$4,000,000 - (3,000 x $1,587.58)]. (x) (x) (N)

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32. Contract Tariffs (Cont'd)

32.56 Contract Tariff Option 55 (Cont'd) (N)

(H) Quarterly Review, Calculation of Billing Credits, and Payment of Billing Credits (Cont'd)

(3) (Cont'd)

(c) Quarterly PTP DS3 Billing Credit

The customer will receive the Quarterly PTP DS3 Billing Credit based on the applicable discounted Flat Rate pricing as calculated in accordance with Section (H)(1) and (H)(2) preceding for all Billed PTP DS3 Units during each Quarter of each Plan Year of the Service Period. The Billed PTP DS3 Units shall be billed on a monthly recurring basis at the rates set forth in this tariff, FCC 1, FCC 14, and FCC 16, as applicable, and the Telephone Company shall provide the Quarterly PTP DS3 Billing Credit equal to the difference between such rates and the Flat Rates calculated in accordance with (H)(1) and (H)(2) preceding. (x)

Example of Calculation of Quarterly PTP DS3 Billing Credit:

Assume the following information for Quarter 1 of Plan Year 3:

(i) The PTP DS3 ARPU is $3,023.19 as calculated in Illustrative Example 2 of (H)(2)(b) preceding; and

(ii) The customer's Billed PTP DS3 Units for the three months of Quarter 1 are 400, 500, and 600; and

(iii) The total Billed Qualifying PTP DS3 Service Revenue for Quarter 1 is $4,350,000.

Based on the above assumptions:

(i) The Plan Year 3 Flat Rate for PTP DS3 Units for Plan Year 3 is $2,723.59 ($3,023.19 x 90.09%); and

(ii) The total Billed PTP DS3 Units for the Quarter are 1,500 (400 + 500 + 600); and

(iii) The total Quarterly PTP DS3 Billing Credit due under this Option 55, Option 57 of FCC 1, and Option 29 of FCC 14 equals $264,615 [$4,350,000 - (1,500 x $2,723.59)]. (x) (x) (N)

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32. Contract Tariffs (Cont'd)

32.56 Contract Tariff Option 55 (Cont'd) (N)

(H) Quarterly Review, Calculation of Billing Credits, and Payment of Billing Credits (Cont'd)

(4) The Telephone Company shall provide the net Billing Credit for each Quarter on the customer's Carrier Access Billing System (**CABS**) bill no later than sixty (60) calendar days following the end of the applicable Quarter.

Continuing the Examples set forth in (H)(3) preceding, the net Billing Credit for Quarter 1 of Plan Year 3 is calculated as follows:

Based upon a Quarterly DS1 Billing Credit of $2,834,000, a Quarterly Multiplexed DS3 Billing Credit of ($762,740), and a Quarterly PTP DS3 Billing Credit of $264,615, in each case for Quarter 1 of Plan Year 3, a net Billing Credit for Quarter 1 of Plan Year 3 equals $2,335,875 ($2,834,000 - $762,740 + $264,615).

(5) In calculating the Billing Credits, all of the following requirements shall apply:

(a) The Telephone Company shall not include in the calculation of the Billing Credits any amounts which are unpaid and/or disputed by the customer as of the thirtieth (30th) calendar day following the end of each Quarter. For example, assume that the customer had MRCs which were billed in Quarter 1 of $3,000,000. Assume further that the customer disputed and did not pay $450,000 of such billed MRCs. Hence, in calculating the net Billing Credit under (H)(4) preceding, the MRCs would be calculated as $2,550,000 ($3,000,000 - $450,000).

(b) To the extent that the customer has any disputes, the customer must submit such disputes to the Telephone Company no later than the thirtieth (30th) calendar day following the end of each Quarter. Each dispute must be submitted on a claim description form as provided by the Telephone Company and must clearly state next to the circuit ID the amount under dispute with the following "Dispute Associated with 2009 Contract Tariff."

(c) Any amounts or Qualifying Services that are included in calculation of the Billing Credits will not be subject to any claims or disputes by the customer at any time in the future. (N)

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32. Contract Tariffs (Cont'd)

32.56 Contract Tariff Option 55 (Cont'd) (N)

(H) Quarterly Review, Calculation of Billing Credits, and Payment of Billing Credits (Cont'd)

(5) (Cont'd)

(d) For the purpose of calculating the Billing Credits, the Telephone Company shall not include in MRCs any credits or debits for Qualifying Services provided during any prior periods (regardless of whether such credits or debits were the result of a valid dispute by the customer or were the result of a billing error by the Telephone Company) or any prior Quarter other than the then current Quarter for which the Billing Credits are being calculated.

As an illustrative example,

(i) Assume that the customer had MRCs for DS1 Qualifying Services which were billed in Quarter 1 of $3,000,000.

(ii) Assume further that the customer disputed and did not pay $450,000 of such billed MRCs.

(iii) Hence, in calculating the Quarterly DS1 Billing Credit, the MRCs would be calculated as $2,550,000 ($3,000,000 - $450,000).

(iv) Assume further that in Quarter 2, the Telephone Company and the customer agree that such billing was partially in error and that the customer should have received a credit of $300,000 for DS1 Qualifying Services.

(v) Then, in Quarter 2, the Telephone Company shall not include such credit adjustment of $300,000 or the subsequent debit of $150,000 for purposes of calculating the customer's DS1 Quarterly Billing Credit in Quarter 2. (N)

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32. Contract Tariffs (Cont'd)

32.56 Contract Tariff Option 55 (Cont'd) (N)

(H) Quarterly Review, Calculation of Billing Credits, and Payment of Billing Credits (Cont'd)

(5) (Cont'd)

(e) Upon resolution of any Disputed Charges, or disputes raised after the determination of the Billing Credits, amounts may be credited to the customer if the customer prevails, however notwithstanding anything to the contrary herein, there shall be no adjustment to the Billing Credits, and the same shall apply regardless of the outcome of any Disputed Charges.

(f) If the Telephone Company bills amounts after the determination of the Billing Credits that would have otherwise been included in the determination of the Billing Credits, there in no event will be any adjustment to the Billing Credits.

(g) The Billing Credits as determined by the Telephone Company are not subject to dispute.

(h) The amount of the Billing Credits shall in no event be subject to any late payment, interest or penalty as set forth in Section 2.4.1 preceding of this tariff, Section 2.4.1 of FCC 1, or Section 2.4.1 of FCC 14. (N) (x)

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32. Contract Tariffs (Cont'd)

32.56 Contract Tariff Option 55 (Cont'd) (N)

(I) One-Time Credit

No later than thirty (30) days following the date of subscription, and subject to the terms and conditions set forth in this Option 55, Option 57 of FCC 1, and Option 29 of FCC 14, the Telephone Company will provide the customer with a One-Time Credit of seven hundred and fifty thousand dollars ($750,000), which credit shall be applied by the Telephone Company to specific BANs as mutually agreed to by the customer and the Telephone Company. This One-Time Credit shall not be included in the calculation of the Billing Credits set forth herein. The One-Time Credit is provided for the customer's collective subscription to this Option 55, Option 57 of FCC 1, and Option 29 of FCC 14 (i.e., the total One-Time Credit is $750,000 per customer). (x) (x) (x)

(J) Mergers and Acquisitions of Customer

In the event that 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 herein.

(1) The customer may not combine or include any Billed Qualifying Service Units or Billed Qualifying Services Revenues from the merged, acquiring, or acquired company, or assets of such merged, acquiring, or acquired company in determining whether or not the customer has qualified for, or the amount of any, Billing Credits provided for under this Option 55, Option 57 of FCC 1, and Option 29 of FCC 14. (x) (x)

(2) The customer's Billed Qualifying Service Units and Billed Qualifying Services Revenues shall be calculated based on its business and revenue with the Telephone Company using the Customer ACNAs provided under (C)(3) preceding, without adding the revenues, units, and/or ACNAs attributable to expansion of the customer's purchase of Qualifying Services from the Telephone Company through merger, transfer, assignment, or acquisition. (N)

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32. Contract Tariffs (Cont'd)

32.56 Contract Tariff Option 55 (Cont'd) (N)

(J) Mergers and Acquisitions of Customer (Cont'd)

(3) The Telephone Company reserves the right to terminate the customer's subscription to this Option 55 without liability if the customer does not adhere to the provisions of this Section (J). Subject to (L)(4)(b) following, termination of the customer's subscription to this Option 55 shall be an automatic termination of the customer's subscription to Option 57 of FCC 1 and Option 29 of FCC 14. (x) (x)

(K) Sale of Verizon Operating Telephone Company

If some or all of the assets or stock of a Verizon Operating Telephone Company that provides Qualifying Services are acquired by an unaffiliated third party during the Service Period, effective with the closing of such transaction, the Telephone Company will proportionally adjust each of the Watermarks.

Example:
Assume the following information for the third quarter of Plan Year 2:

(i) The current DS1 Annual Watermark is 369,000 Billed DS1 Units; and

(ii) The Telephone Company sells Verizon New York, Inc. to a third-party at the end of month eight (8) of Plan Year 2; and

(iii) During the three (3) month period prior to the sale, Verizon New York, Inc. provided 12,000 Billed DS1 Units to the customer.

Based on the above assumptions:

(i) The average Billed DS1 Units for Verizon New York, Inc. is 4,000 (12,000 / 3).

(ii) There are four (4) months remaining in Plan Year 2 (12 months – 8 months).

(iii) The Plan Year 2 DS1 Annual Watermark would be reduced by 16,000 (4,000 x 4).

(iv) The adjusted DS1 Annual Watermark for Plan Year 2 is 353,000 (369,000 – 16,000).

(v) The DS1 Annual Watermark for the remaining three Plan Years will be reduced by the 48,000 annualized Billed DS1 Units in Verizon New York, Inc. (4,000 x 12) resulting in a revised DS1 Annual Watermark of 321,000 Billed DS1 Units (369,000 - 48,000). (N)

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32. Contract Tariffs (Cont'd)

32.56 Contract Tariff Option 55 (Cont'd) (N)

(L) Termination

(1) Telephone Company Buy-Out Option

The Telephone Company has the option, upon completion of the determination of the Billing Credits for Qualifying Services achieved by the customer in respect of the fourth Quarter of any Plan Year of the Service Period, and upon providing thirty (30) calendar days written notice to the customer, to terminate the customer's subscription to this Option 55. Termination of the customer's subscription to this Option 55 shall be an automatic termination of the customer's subscription to Option 57 of FCC 1 (x)
and Option 29 of FCC 14. The suspensions associated with (x)
customer's Existing Plans as set forth in (M) following will be re-activated upon termination of this Option 55, Option 57 of FCC 1, (x)
and Option 29 of FCC 14. If the Telephone Company exercises this (x)
buy-out option, the Telephone Company shall pay to the customer, within sixty (60) calendar days of the date of the notice exercising this option, an amount equal to any Billing Credits due and payable in respect of the fourth Quarter of Plan Year just ended plus two hundred thousand dollars ($200,000) multiplied by the number of Plan Years left in the Service Period. The following illustrative example is presented:

Assume the following information pertains to this example:

(i) Assume the customer is owed $400,000 in Billing Credits for the fourth Quarter of Plan Year 3 of the Service Period; and

(ii) assume two (2) years are remaining in Service Period; and

(iii) at the end of Plan Year 3, the Telephone Company decides to exercise its buy-out.

Based on the above assumptions the Telephone Company owes the customer a buy-out payment equal to $400,000 + ($200,000 x 2) = $800,000.

Additionally, the customer will not be subject to termination liability under (L)(3) following. (N)

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32. Contract Tariffs (Cont'd)

32.56 Contract Tariff Option 55 (Cont'd) (N)

(L) Termination (Cont'd)

(2) Mutual Termination Option

Not withstanding any other provisions set forth herein or as mutually agreed upon by the Telephone Company and the customer, each of the Telephone Company and the customer (individually **Party** or collectively **the Parties**) have the option at the end of Plan Year 4 to terminate the customer's subscription to this Option 55 without the imposition of either a Buyout Payment as set forth in (L)(1) preceding or Termination Liability as set forth in (L)(3) following, provided the Party or the Parties exercising such option provide written notice to the other Party within thirty (30) calendar days of the end of Plan Year 4 of its intent to terminate the customer's subscription to this Option 55. Upon the providing of such notice, the Parties shall terminate this Option 55. The Telephone Company shall remain liable for Billing Credits owed to the customer for the period ending on the last day of Plan Year 4. Termination of the customer's subscription to this Option 55 shall be an automatic termination of the customer's subscription to Option 57 of FCC 1 and Option 29 of FCC 14. The suspensions (x)
associated with customer's Existing Plans as set forth in (M) following will be re-activated upon termination of this Option 55, Option 57 of FCC 1, and Option 29 of FCC 14. (N)(x)

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32. Contract Tariffs (Cont'd)

32.56 Contract Tariff Option 55 (Cont'd) (N)

(L) Termination (Cont'd)

(3) Termination by the Customer

The customer may terminate its subscription to this Option 55 at any time during the Service Period. The customer must provide written notice of termination at least ninety (90) calendar days prior to the requested date of termination. Except as allowed under (L)(2) preceding, if the customer terminates or cancels its subscription to this Option 55 at any time during the Service Period for any reason, or if the customer fails to comply with the terms or conditions set forth herein (and as further described in (L)(4)(b) following), then the customer shall pay to the Telephone Company by no later than thirty (30) calendar days after such date of termination or non-compliance an amount equal to the following percentage of all Billing Credits paid under this Option 55, Option 57 of FCC 1, and Option 29 of FCC 14 through the date of termination. (x) (x)

Month Terminated	Termination Percentage
1-12	100%
13-24	60%
25-36	40%
37-48	20%
49-60	10%

Termination of the customer's subscription to this Option 55 shall be an automatic termination of the customer's subscription to Option 57 of FCC 1 and Option 29 of FCC 14. Additionally, the customer will not receive any Billing Credits after the date that the Telephone Company receives the customer's notice of termination. (x)

The suspensions associated with customer's Existing Plans as set forth in (M) following will be re-activated upon termination of this Option 55, Option 57 of FCC 1, and Option 29 of FCC 14. (N)(x)

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32. Contract Tariffs (Cont'd)

32.56 Contract Tariff Option 55 (Cont'd) (N)

(L) Termination (Cont'd)

(4) Termination by the Telephone Company

(a) The Telephone Company may terminate customer's subscription to this Option 55 if the customer fails to achieve the DS1 Annual Watermark, the Multiplexed DS3 Annual Watermark or the PTP DS3 Annual Watermark in any Plan Year, commencing with Plan Year 2. The Telephone Company shall provide notice to the customer of its intent to terminate the customer's subscription to this Option 55 by no later than ninety (90) calendar days after the end of the applicable Plan Year. Termination of the customer's subscription to this Option 55 shall be an automatic termination of the customer's subscription to Option 57 of FCC 1 and to (x)
Option 29 of FCC 14. If such termination occurs, the customer (x)
shall be entitled to all earned Billing Credits for such Plan Year, but will not be eligible to earn any Billing Credits in subsequent Plan Years.

(b) The Telephone Company may terminate the customer's subscription to this Option 55 if the customer fails to comply with any of the terms and conditions of this Option 55, Option 57 of FCC 1, (x)
and/or Option 29 of FCC 14. Termination of the customer's (x)
subscription to this Option 55 shall be an automatic termination of the customer's subscription to Option 57 of FCC 1 and Option (x)
29 of FCC 14. The suspensions associated with customer's (x)
Existing Plans as set forth in (M) following will be re-activated upon termination of this Option 55, Option 57 of FCC (x)
1, and Option 29 of FCC 14. Termination liability as calculated (x)
in (L)(3) preceding applies to such termination. (N)

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32. Contract Tariffs (Cont'd)

32.56 Contract Tariff Option 55 (Cont'd) (N)

(M) Suspension of True-Ups During Service Period

During the Service Period of this Option 55, the Parties agree that the following reviews and penalties associated with the customer's Existing Plans will be suspended during the time the customer is subscribed to this Option 55, Option 57 of FCC 1, and Option 29 of FCC 14: (x) (x)

(i) Suspension of the customer's Commitment Discount Plan Bi-Annual Reviews as set forth in Section 25.1.7 preceding of this tariff and Section 25.1.7 of FCC 1, and any resulting penalties as set forth in Section 25.1.7 preceding of this tariff and Section 25.1.7 of FCC 1; and (x) (x)

(ii) Suspension of the customer's DS1 Term Volume Plan Annual Review as set forth in Section 5.6.14(G) of FCC 14, and any resulting penalties as set forth in Section 5.6.14(I) of FCC 14; and (x) (x)

(iii) Suspension of the customer's DS1 Term Payment Plan Annual Review as set forth in Section 7.2.1(G)(6) of FCC 16, and any resulting penalties as set forth in Section 7.2.1(G)(8) of FCC 16. (x) (x)

(N) Expiration of the Service Period

Upon expiration of the customer's subscription to this Option 55, Option 57 of FCC 1, and Option 29 of FCC 14, or at the end of the Service Period, whichever occurs first, the suspensions associated with customer's Existing Plans as set forth in (M) preceding shall resume. (x) (N)

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32. Contract Tariffs (Cont'd)

32.57 Contract Tariff Option 56 (N)

(A) Scope

Contract Tariff Option 56 (**Option 56**) allows a customer who orders Special Access High Capacity 1.544 Mbps (**DS1**) Services and/or Special Access High Capacity 44.736 Mbps (**DS3**) Services during the period that begins August 1, 2009 and ends October 31, 2009 to earn credits that the customer may apply towards payment of the nonrecurring charges (**NRCs**) and monthly recurring charges (**MRCs**) associated with the customer's DS1 Services (**DS1 Credits**) and DS3 Services (**DS3 Credits**) that are installed between January 1, 2010 and June 30, 2010 (**Redeem Period**). Credits are earned and redeemed in accordance with the terms and conditions set forth herein.

(B) Eligibility

(1) The customer must subscribe to this Option 56 in a manner designated by the Telephone Company during the thirty-one (31) day period that begins on August 1, 2009 and ends August 31, 2009 (**Subscription Period**).

(2) At the time of subscription to this Option 56, the customer may not be concurrently subscribed to any other contract tariff option in this Section 32 applicable to DS1 Services and/or DS3 Services purchased under this tariff.

(C) Serving Area

The Serving Area of this Option 56 where the customer may redeem credits is the Metropolitan Statistical Areas (**MSAs**) that have achieved Phase I or Phase II pricing flexibility under this tariff. Wire centers for the Phase II MSAs are listed in Section 15.3 preceding. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 15.3 preceding) that occur during the Subscription Period of this Option 56 will apply.

(D) Earning Period

The period during which the customer can earn credits begins August 1, 2009 and ends October 31, 2009 (**Earning Period**). (N)

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32. Contract Tariffs (Cont'd)

32.57 Contract Tariff Option 56 (Cont'd) (N)

(E) Qualifying Services

Qualifying services will be comprised of the following:

(1) Special Access 1.544 Mbps Service (DS1) as set forth in Section 7.2.9 preceding of this tariff.

(2) Special Access 45.736 Mbps Service (DS3) as set forth in Section 7.2.9 preceding of this tariff.

(F) Terms and Conditions

(1) Earning DS1 Credits and DS3 Credits

(a) At the time of subscription to this Option 56, the Telephone Company will calculate the following:

(1) Average Monthly Revenue Per DS1 Service

The customer's average monthly revenue per DS1 Service will be determined by dividing (i) the total MRCs associated with all of the customer's Special Access DS1 Services that were purchased under this tariff and that were included on the customer's June 2009 bill from the Telephone Company, by (ii) the number of Special Access DS1 Services provided under this tariff that were included on the customer's June 2009 bill from the Telephone Company (**DS1 Monthly $ Average**). The MRCs used in the above calculation include the MRCs associated with the channel termination, channel mileage, and optional features and functions rate elements. The Telephone Company will include in its acceptance of the customer's subscription to this Option 56, the DS1 Monthly $ Average as calculated in accordance with the provisions of this Option 56.

(2) Average Number of DS1 Installs Per Month

The average number of DS1 installs per month will be determined by dividing (i) the customer's total number of Special Access DS1 Services that were installed between January 1, 2009 and June 30, 2009, by (ii) six (6) (**DS1 Install Average)**. DS1 installs include only newly installed services. Rearrangements, coordinated reterminations, and conversions of existing services are excluded. Orders that were placed between January 1, 2009 and June 30, 2009, but cancelled prior to installation of such service, are excluded. (N)

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32. Contract Tariffs (Cont'd)

32.57 Contract Tariff Option 56 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(1) Earning DS1 Credits and DS3 Credits (Cont'd)

(a) (Cont'd)

(3) Average Monthly Revenue Per DS3 Service

The customer's average monthly revenue per DS3 Service will be determined by dividing (i) the total MRCs associated with all of the customer's Special Access DS3 Services that were purchased under this tariff and that were included on the customer's June 2009 bill from the Telephone Company, by (ii) the number of Special Access DS3 Services provided under this tariff that were included on the customer's June 2009 bill from the Telephone Company (**DS3 Monthly $ Average**). The MRCs used in the above calculation include the MRCs associated with the channel termination, channel mileage, and optional features and functions rate elements. The Telephone Company will include in its acceptance of the customer's subscription to this Option 56, the DS3 Average MRC as calculated in accordance with the provisions of this Option 56.

(4) Average Number of DS3 Installs Per Month

The average number of DS3 installs per month will be determined by dividing (i) the customer's total number of Special Access DS3 Services that were installed between January 1, 2009 and June 30, 2009, by (ii) six (6) (**DS3 Install Average**). DS3 Installs include only newly installed services. Rearrangements, coordinated reterminations, and conversions of existing services are excluded. Orders that were placed between January 1, 2009 and June 30, 2009, but cancelled prior to installation of such service, are excluded.

(5) The number of DS1 and DS3 Services ordered during the Earning Period will be determined from the Telephone Company's records. (N)

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32. Contract Tariffs (Cont'd)

32.57 Contract Tariff Option 56 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(1) Earning DS1 Credits and DS3 Credits (Cont'd)

(b) For any new DS1 Service or DS3 Service ordered during the Earning Period, the customer earns DS1 Credits or DS3 Credits, respectively (and collectively **Earned Credits**), for the month in which such DS1 Service or DS3 Service was ordered. New DS1 Services and DS3 Services include only newly installed services. Rearrangements, coordinated reterminations, and conversions of existing services are excluded. Orders that are placed between August 1, 2009 and October 31, 2009, but cancelled prior to installation of such service, are excluded. The greater the number of DS1 Services or DS3 Services the customer orders in a particular month, the greater the amount of DS1 Credits or DS3 Credits the customer can earn as further described in the Earning Table set forth in (F)(1)(e) following.

(c) When calculating average monthly revenue under (F)(1)(a) preceding, the Telephone Company will include only those MRC amounts which are paid in full by the customer and shall not include the following (the following list being illustrative only):

(1) All Nonrecurring charges; and
(2) Taxes, or other charges imposed by a federal, state, local, or other governmental entity (e.g. Federal Universal Service Fund); and
(3) Service or administrative fees or charges imposed by Verizon (e.g. Interest penalty, late payment penalty); and
(4) Any other charges which are not applied on a recurring monthly basis; and
(5) Credits or adjustments provided by Verizon that apply to any period other than June 2009 and to any services other than DS1 Services and DS3 Services; and
(6) Any debits or credits for DS1 Services and DS3 Services rendered prior to June 1, 2009 or after June 30, 2009; and
(7) Shortfall or overage charges associated with term plan true-ups; and
(8) Minimum period charges; and
(9) Any disputed charges; and
(10) Termination liabilities; and
(11) Adjustments.

(d) The revenue the Telephone Company uses to calculate the DS1 Monthly $ Average and the DS3 Monthly $ Average in accordance with this Section (F)(1) are not subject to dispute at any time. (N)

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32. Contract Tariffs (Cont'd)

32.57 Contract Tariff Option 56 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(1) Earning DS1 Credits and DS3 Credits (Cont'd)

(e) Earning Table

Month Ordered	Number of DS1/DS3 Ordered	Multiplier	Factor
August	Per DS1 ordered up to and including the DS1 Install Average	1% of DS1 Monthly $ Average	N/A
	Per DS1 ordered in excess of the DS1 Install Average	20% of DS1 Monthly $ Average	4
	Per DS3 ordered up to and including the DS3 Install Average	1% of DS3 Monthly $ Average	N/A
	Per DS3 ordered in excess of the DS3 Install Average	20% of DS3 Monthly $ Average	4
September	Per DS1 ordered up to and including the DS1 Install Average	1% of DS1 Monthly $ Average	N/A
	Per DS1 ordered in excess of the DS1 Install Average	20% of DS1 Monthly $ Average	3
	Per DS3 ordered up to and including the DS3 Install Average	1% of DS3 Monthly $ Average	N/A
	Per DS3 ordered in excess of the DS3 Install Average	20% of DS3 Monthly $ Average	3 (N)

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32. Contract Tariffs (Cont'd)

32.57 Contract Tariff Option 56 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(1) Earning DS1 Credits and DS3 Credits (Cont'd)

(e) Earning Table (Cont'd)

Month Ordered	Number of DS1/DS3 Ordered	Multiplier	Factor	
October	Per DS1 ordered up to and including the DS1 Install Average	1% of DS1 Monthly $ Average	N/A	
	Per DS1 ordered in excess of the DS1 Install Average	20% of DS1 Monthly $ Average	2	
	Per DS3 ordered up to and including the DS3 Install Average	1% of DS3 Monthly $ Average	N/A	
	Per DS3 ordered in excess of the DS3 Install Average	20% of DS3 Monthly $ Average	2	(N)

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32. Contract Tariffs (Cont'd)

32.57 Contract Tariff Option 56 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(1) Earning DS1 Credits and DS3 Credits (Cont'd)

(f) Illustrative Example

Assume the customer's DS1 Install Average is five (5) DS1s per month, and the customer's DS3 Install Average is one (1) DS3 per month; and

assume the customer's DS1 Monthly $ Average is $200 per month, and the customer's DS3 Monthly $ Average is $2,000 per month; and

assume the customer orders the following DS1 Services and DS3 Services during the Earning Period:

- In the month of August 2009, eight (8) DS1 Services and zero (0) DS3 Services.
- In the month of September 2009, five (5) DS1 Services and two (2) DS3 Services.
- In the month of October 2009, seven (7) DS1 Services and one (1) DS3 Service.

Based on the above assumptions, the customer's DS1 Credits are calculated as:

- For the month of August 2009, the first five (5) DS1 Services ordered are awarded $10.00 DS1 Credits [($200 x 1%) x 5 DS1 Services ordered], and the remaining three (3) DS1 Services ordered are awarded $480.00 DS1 Credits [(($200 x 20%) x 3 DS1 Services ordered) x Factor of 4]. The customer earned a total of $490.00 DS1 Credits in August 2009 ($10.00 + $480.00 = $490.00).

- For the month of September 2009, the first five (5) DS1 Services ordered are awarded $10.00 DS1 Credits [($200 x 1%) x 5 DS1 Services ordered]. The customer earned a total of $10.00 DS1 Credits in September 2009.

- For the month of October 2009, the first five (5) DS1 Services ordered are awarded $10.00 DS1 Credits [($200 x 1%) x 5 DS1 Services ordered], and the remaining two (2) DS1 Services ordered are awarded $160.00 DS1 Credits [(($200 x 20%) x 2 DS1 Services ordered) x Factor of 2]. The customer earned a total of $170.00 DS1 Credits in October 2009 ($10.00 + $160.00 = $170.00).

- For the months of August, September, and October 2009, the customer earned a total of $670.00 DS1 Credits ($490.00 + $10.00 + $170.00 = $670.00). (N)

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32. Contract Tariffs (Cont'd)

32.57 Contract Tariff Option 56 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(1) Earning DS1 Credits and DS3 Credits (Cont'd)

(f) Illustrative Example (Cont'd)

Based on the above assumptions, the customer's DS3 Credits are calculated as:

- For the month of August 2009, zero (0) DS3 Services ordered earns $0 DS3 Credits.

- For the month of September 2009, the first DS3 Service ordered is awarded $20.00 DS3 Credits [($2,000 x 1%) x 1 DS3 Service ordered], and the remaining one (1) DS3 Service ordered is awarded $1,200.00 DS3 Credits [(($2,000 x 20%) x 1 DS3 Service ordered) x Factor of 3]. The customer earned a total of $1,220.00 DS3 Credits in September 2009 ($20.00 + $1,200.00 = $1,220.00).

- For the month of October 2009, the first DS3 Service ordered is awarded $20.00 DS3 Credits [($2,000 x 1%) x 1 DS3 Service ordered]. The customer earned a total of $20.00 DS3 Credits in October 2009.

- For the months of August, September, and October 2009, the customer earned a total of $1,240.00 DS3 Credits ($0 + $1,220.00 + $20.00 = $1,240.00).

- For this illustrative example, the customer acquired $1,910.00 total DS1 Credits and DS3 Credits (collectively, Earned Credits) ($670.00 DS1 Credits + $1,240.00 DS3 Credits) during the Earning Period which the customer can use as credit towards its Telephone Company provided DS1 Services and DS3 Services that are installed between January 1, 2010 and June 30, 2010. (N)

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32. Contract Tariffs (Cont'd)

32.57 Contract Tariff Option 56 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(2) Redeeming DS1 Credits and DS3 Credits

(a) The customer can redeem Earned Credits (as calculated in (F)(1) preceding) towards its purchases of Telephone Company provided DS1 Services and DS3 Services which are installed between January 1, 2010 and June 30, 2010.

(b) Within sixty (60) business days of the close of the first quarter of calendar year 2010 (i.e., the period beginning January 1, 2010 and ending March 31, 2010, hereinafter referred to as **Q1 of 2010**), the Telephone Company will apply the customer's Earned Credits in the form of a credit to the customer's bill from the Telephone Company in the following order:

(1) Earned Credits will first be applied as a credit to the NRCs the customer was assessed for installation of DS1 Services and DS3 Services that were installed during Q1 of 2010. In accordance with (f) following, the customer must specify in writing which DS1 Services and/or DS3 Services are to receive such credit.

(2) Earned Credits will next be applied as a credit to the MRCs (i.e., channel termination, channel mileage and optional features and functions rate elements) assessed to the customer's DS1 Services and DS3 Services that were installed during Q1 of 2010, up to a maximum of ten percent (10%) of such MRCs for Q1 of 2010. In accordance with (f) following, the customer must specify in writing which DS1 Services and/or DS3 Services are to receive such credit.

(3) In no case will the amount of credit applied exceed the amount of Earned Credits. (N)

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32. Contract Tariffs (Cont'd)

32.57 Contract Tariff Option 56 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(2) Redeeming DS1 Credits and DS3 Credits (Cont'd)

(c) If the customer has Earned Credits remaining that were not applied as credit in Q1 of 2010 under (F)(2)(b) preceding, then, within sixty (60) business days of the close of the second quarter of 2010 (i.e., the period beginning April 1, 2010 and ending June 30, 2010, hereinafter referred to as **Q2 of 2010**), the Telephone Company will apply the customer's remaining Earned Credits to the DS1 Services and DS3 Services that were installed during Q2 of 2010 in the form of a credit to the customer's bill and in the same order set forth in (F)(2)(b) preceding until all of the customer's Earned Credits have been applied as a credit. In accordance with (f) following, the customer must specify in writing which DS1 Services and/or DS3 Services are to receive such credits. In no case will the amount of credit applied exceed the amount of Earned Credits.

(d) Earned Credits will only be applied as credit in the MSAs that have achieved Phase I and Phase II pricing flexibility under this tariff.

(e) Earned Credits that are not used prior to June 30, 2010 are no longer eligible to be applied as credit under this Option 56.

(f) The customer must notify the Telephone Company in writing within fifteen (15) business days of the close of each month which DS1 Services and/or DS3 Services should receive the application of Earned Credits and their order of priority (**Priority List**). If this information is not provided by the customer for any month, then no credit will be applied under this Option 56 for such month. (N)

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32. Contract Tariffs (Cont'd)

32.57 Contract Tariff Option 56 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(3) Length of Time DS1 and DS3 Services Required to be in Service

In order to qualify for the DS1 Credits and DS3 Credits provided under this Option 56, the applicable DS1 Service or DS3 Service for which the customer earned DS1 Credits or DS3 Credits, respectively, must remain in service for at least twelve (12) months. If a DS1 Service or DS3 Service is discontinued prior to the end of the 12-month period, the customer shall forfeit the corresponding Earned Credits for such DS1 Service or DS3 Service. The Earned Credits forfeited will first be those that were earned for installs in excess of the DS1 Install Average and DS3 Install Average. For example, if the customer had some DS1 Credits calculated in a given month using a multiplier of one percent (1%) (i.e., for a DS1 install at or below the DS1 Install Average) and some DS1 Credits calculated during that same month using a multiplier of twenty percent (20%) (i.e., for a DS1 install above the DS1 Install Average), the amount of Earned Credits forfeited would first be based on the DS1 Credit calculation using a multiplier of 20% (inclusive of the applicable factor set forth in the Earning Table of (F)(1)(e) preceding). If the customer's Earned Credits have already been applied as a credit under (F)(2) preceding, the Telephone Company will debit the customer's bill for the amount of Earned Credits forfeited.

(4) Except as specified in this Section 32.57, the terms and conditions and rates and charges set forth in other sections of this tariff apply to the DS1 Services and DS3 Services of this Option 56.

(5) At anytime during the Redeem Period specified in (A) preceding or Earning Period specified in (D) preceding, the customer may cancel its subscription to this Option 56, in which case the customer shall forfeit any Earned Credits that have not been redeemed at the time of cancellation. (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (N)

(A) Scope

Contract Tariff Option 57 (**Option 57**) provides certain discounts and Billing Credits on Qualifying Services (as defined in (F)(1) following) offered by the Telephone Company pursuant to this tariff, Tariff F.C.C. No. 1 (**FCC1**), Tariff F.C.C. No. 14 (**FCC14**), (x)
and Tariff F.C.C. No. 16 (**FCC16**). Option 57 also provides (x)
additional discounts and Billing Credits upon the conversion by the customer of a minimum of seventy-five percent (75%) of each of its in-service DS1 and DS3 Unbundled Loops, DS1 and DS3 Unbundled Transport, DS1 and DS3 EELs, and DS1 and DS3 Commingled EELs to Qualifying Services, subject to the requirements set forth herein. The customer's subscription to this Option 57 shall be an automatic subscription to Option 59 of FCC1 and Option 31 of FCC14. (x)

(B) Specific Terms

Unless otherwise defined in this Section 32.58, the following terms shall have the meanings set forth following.

(1) **2009 TBR Bonus Credit** shall mean five hundred thousand dollars ($500,000), which such 2009 TBR Bonus Credit shall be paid by the Telephone Company to the customer within thirty (30) calendar days of the customer's subscription to this Option 57, provided the customer has satisfied the eligibility criterion set forth in (C)(1) through (C)(3) following.

(2) **2009 UNE Conversion Adjustment Amount** shall mean a debit or credit, as applicable, equal to (i) the aggregate amount that would have been billed in respect of all DS1 and DS3 Unbundled Transport, DS1 and DS3 Unbundled Loops, DS1 and DS3 EELs, and DS1 and DS3 Commingled EELs purchased on or after October 1, 2009 through and including December 31, 2009 had such services been initially purchased as Qualifying Services minus (ii) the actual amounts billed or to be billed for such DS1 and DS3 Unbundled Transport, DS1 and DS3 Unbundled Loops, DS1 and DS3 EELs, and DS1 and DS3 Commingled EELs for the same period, which such 2009 UNE Conversion Adjustment Amount shall be debited or credited, as applicable, on the customer's BANs within ninety (90) calendar days of the customer's subscription to this Option 57. (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(3) **BANs** shall mean Billing Account Numbers of the customer which shall be used to provide the Billing Credits (if any) to the customer.

(4) **Billing Credits** shall mean, collectively, the (i) 2009 TBR Bonus Credit, (ii) the 2009 UNE Conversion Adjustment Amount, (iii) the UNE Conversion Credit provided to the customer Quarterly on its monthly bill from the Telephone Company after the end of each Quarter during each Plan Year during the Service Period and (iv) the IOF/TBR Credit, if any, provided to the customer annually on its monthly bill from the Telephone Company after the end of each of the first five (5) Plan Years during the Service Period. Calculation of the applicable Billing Credits is described in (F)(2)and (F)(3) following.

(5) **Channel Mileage Rate Elements** shall mean the following:

(a) the Special Access Channel Mileage rate elements, as such rate elements are described more particularly in Section 7.1.2(B) preceding of this tariff and Section 7.1.2(B) of FCC1; and (x)

(b) the Special Transport rate elements (excluding MetroLAN transport), as such rate elements are described more particularly in Section 5.1.1(B) of FCC14; and (x)

(c) the Circuit Mileage rate elements (excluding MetroLAN transport), as such rate elements are described more particularly in Section 7.2.1(B) of FCC16. (x)

The Channel Mileage Rate Elements are specified by USOC in more detail for each of the DS1 and DS3 Services in (F)(1)(b)(1) following. (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(6) **Channel Termination Rate Elements** shall mean the following:

(a) the Special Access Channel Termination rate elements, as such rate elements are more particularly described in Section 7.1.2(A) preceding of this tariff and Section 7.1.2(A) of FCC1; and (x)

(b) the Special Access Line rate elements, as such rate elements are described more particularly in Section 5.1.1(C) of FCC14; and (x)

(c) the Special Access Circuit Termination rate elements, as such rate elements are described more particularly in Section 7.2.1(A) of FCC16. (x)

The Channel Termination Rate Elements are specified by USOC in more detail for each of the DS1s and DS3 Services in (F)(1)(b)(2) following.

(7) **Commingled Enhanced Extended Loop (Commingled EEL)** shall mean the unbundled portion of a combination of Unbundled Loop with special access transport (with or without multiplexing) or the unbundled portion of a combination of special access channel termination with Unbundled Transport (with or without multiplexing).

(8) **Enhanced Extended Loop (EEL)** is a combination of Unbundled Loop and Unbundled Transport, including multiplexing as an option.

(9) **IOF/TBR Credit** shall mean the amounts (if any) provided annually to the customer as a credit after the end of each of the first five (5) Plan Years during the Service Period based upon the aggregate MRCs for the IOF TBR for Qualifying Services and the TBR for Qualifying Services. The IOF/TBR Credit shall be equal to the amount set forth in the applicable table in (F)(2) following for each of the first five (5) Plan Years during the Service Period where (if applicable) the IOF TBR for Qualifying Services and the TBR for Qualifying Services for such Plan Year intersect. Calculation of the applicable IOF/TBR Credit is described in (F)(2) following. (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(10) **Multiplexing Rate Element** shall mean the following:

(a) the Special Access Central Office Multiplexing rate element as such rate elements are more particularly described in:

(1) Section 7.2.9(D)(3)(a) preceding of this tariff for DS3 to DS1, Section 7.2.9(D)(3)(c) and Section 7.2.9(D)(3)(d) preceding of this tariff for DS1 to Voice; and

(2) Section 7.2.9(D)(3)(a) for DS3 to DS1, Section 7.2.9(D)(3)(c) for DS1 to Voice and Section 7.2.9(D)(3)(d) for DS1 to Digital in FCC1; and (x)

(3) Section 7.11.4(3)(b) for DS3 to DS1, Section 7.11.4(3)(e) for DS1 to Voice, and Section 7.11.4(3)(f) for DS1 to DS0 in FCC16; and (x)

(b) the Special Access Multiplexing Arrangement rate elements as such rate elements are more particularly described in Section 5.5(D) for DS1 to Voice, Section 5.5(G) for DS3 to DS1, and Section 5.5(J) for DS1 to Digital in FCC14. (x)

Multiplexing rate elements are as specified by USOC in more detail for each of DS1 and DS3 Services in (F)(1)(b)(2) following.

(11) **Plan Year** shall mean each of the following periods during the Service Period:

(a) Plan Year 1 shall commence on December 31, 2009 and end on September 30, 2010;

(b) Plan Year 2 shall commence on October 1, 2010 and end on September 30, 2011;

(c) Plan Year 3 shall commence on October 1, 2011 and end on September 30, 2012;

(d) Plan Year 4 shall commence on October 1, 2012 and end on September 30, 2013;

(e) Plan Year 5 shall commence on October 1, 2013 and end on September 30, 2014; and

(f) Plan Year 6 shall commence on October 1, 2014 and end on March 31, 2015. (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(12) **Quarter** shall mean either of the following periods, as applicable: (i) the first (1st) Quarter of each Plan Year is the period beginning with the first date of the applicable Plan Year and ending on the last calendar day of the month two (2) months after the month in which the first date occurs (i.e., approximately ninety (90) days thereafter), except for the first (1st) Quarter of Plan Year 1 which shall commence on December 9, 2009 and end on December 31, 2009, and shall include solely for purposes of calculating the discounts and the applicable Billing Credits in respect of such Quarter and Plan Year 1, the period beginning October 1, 2009 and ending December 8, 2009; or (ii) each consecutive three (3) month period thereafter commencing on the first day of the calendar month following the end of the prior Quarter and ending on the last calendar day of the month two (2) months after the month in which the first day occurs (i.e., approximately ninety (90) days thereafter).

(13) **Unbundled Loop** shall mean a transmission facility between a distribution frame (or its equivalent) in a Telephone Company central office and the loop demarcation point at an End User customer premises, and ordered by the customer as an unbundled network element.

(14) **Unbundled Transport** shall mean a transmission facility between wire centers or switches owned by the Telephone Company, or between wire centers or switches owned by the Telephone Company, including, but not limited to, DS1 and DS3 level services, dedicated to a particular customer or carrier, and ordered by the customer as an unbundled network element.

(15) **UNE Conversion Credit** shall mean a credit for converting certain UNE rate elements to Special Access Qualifying Service rate elements as calculated in accordance with Section (F)(3) following. (N)

32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(C) Eligibility

The customer must meet all of the following criteria in order to be eligible to receive the Billing Credits, rates, terms, and conditions under this Option 57. In this Option 57, 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).

(1) A customer must subscribe to Option 57 in a manner designated by the Telephone Company by January 31, 2010 (**Subscription Period**). Such subscription must include a list of customer ACNAs which the Telephone Company agrees to, in writing, for inclusion in this Option 57.

(2) During the twelve (12) month period ending on October 1, 2009, the customer must have: (i) achieved a minimum of seventy-four million dollars ($74.0M) in aggregate monthly recurring revenue for all Qualifying Services (as defined in (F)(1) following) purchased by the customer from the Telephone Company under this tariff, FCC1, FCC14 and FCC16, (x)
and (ii) been billed in aggregate no less than fifteen million dollars ($15.0M) for DS1 and DS3 Unbundled Loops, DS1 and DS3 Unbundled Transport, DS1 and DS3 EELs, and DS1 and DS3 Commingled EELs within the operating territories of this tariff, FCC1, FCC14 and FCC16. (x)

(3) The customer must have been billed a combined total of no less than nineteen thousand (19,000) miles of DS1 and DS3 Unbundled Transport (stand alone or as part of an EEL arrangement) within the operating territories of this tariff, FCC1, FCC14 and FCC16 during the month of September 2009. (x)

(4) In order to receive any IOF/TBR Credit (as determined in (F)(2) following) other than an IOF/TBR Credit of $0 under this Option 57 in any of the first five (5) Plan Years, the customer must achieve during the applicable Plan Year during the Service Period (as defined in (D) following) the minimum TBR for Qualifying Services and IOF TBR for Qualifying Services as set forth in the applicable Table in (F)(2) following for the applicable Plan Year. For purposes of this Option 57, IOF TBR for Qualifying Services shall mean the portion of the TBR for Qualifying Services billed under the USOCs set forth in (F)(1)(b)(1) following during the Service Period. (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(C) Eligibility (Cont'd)

(5) Other than Tariff arrangements that are (i) in effect as of December 9, 2009 or (ii) introduced after December 9, 2009 that permit the customer's subscription to such Tariff arrangements, 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. If the customer wishes to subscribe to any such Tariff arrangement, contract tariff option, special service arrangement, or ICB, then such subscription shall be considered a termination by the customer of this Option 57, subject to (J) following, and the customer shall not receive any additional discounts or additional Billing Credits under this Option 57.

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 57. The amount of the IOF/TBR 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 each of the first five (5) Plan Years during the Service Period, and such IOF/TBR Credit shall be calculated in accordance with the terms and conditions of this Option 57. The customer may not earn and the Telephone Company shall not pay any IOF/TBR Credit in respect of Plan Year 6. (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(D) Service Period

The Service Period of this Option 57 shall be for a period commencing on December 31, 2009 and ending on March 31, 2015.

(E) 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 (x)
centers for the Phase II MSAs are listed in Section 15.3 preceding of this tariff, Section 14.7 of FCC1, and Section 19.1 of FCC14. (x)
Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 15.3 preceding of this tariff, Section 14.7 of FCC1, and (x)
Section 19.1 of FCC14) that occur during the Service Period of this (x)
Option 57 will apply. No Billing Credits will be provided in the operating territories of FCC16. (x)

(F) Terms and Conditions

(1) Qualifying Services

(a) Description of Qualifying Services

Qualifying Services will be comprised of Special Access DS1 and DS3 Services as set forth in Section 7.2.9 preceding of this tariff, Section 7.2.9 of FCC1, Section (x)
5.3.6 of FCC14, and Section 7.11.1 of FCC16, as the same (x)
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. MetroLAN services in FCC14 and FCC16, and Facilities Management (x)
Service (FMS) in this tariff and FCC1 are not Qualifying (x)
Services. (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(1) Qualifying Services (Cont'd)

(b) Rate Elements Included

The rate elements must be billing one of the following Universal Service Order Codes (USOCs):

(1) Channel Mileage Rate Element USOCs

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

(2) Other Rate Element USOCs

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	1CFL3	1CFL5	1CFL7	1CFM1
1CFM3	1CFM5	1CFM7	1CFN1	1CFN3	1CFN5
1CFN7	1CFR8	1CFRJ	1CFS8	1CFSJ	1CFT8
1CFTJ	1CFU8	1CFUJ	1CFV8	1CFVJ	1CKDF
1CKDX	1CKMF	1CKNX	1CKPF	1CKSX	1X7VX
1XCDX	CCO	EQUA3	EQUA5	EQUA7	EQUB3 (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(1) Qualifying Services (Cont'd)

(b) Rate Elements Included (Cont'd)

(2) Other Rate Element USOCs (Cont'd)

EQUB5	EQUB7	EQUC3	EQUC5	EQUC7	EQUD3
EQUD5	EQUD7	EQUE3	EQUE5	EQUE7	EQUF3
EQUF5	EQUF7	EQUG3	EQUG5	EQUG7	EQUH3
EQUH5	EQUH7	EQUJ3	EQUJ5	EQUJ7	EQUK3
EQUK5	EQUK7	EU4DF	EU4DX	EU4MF	EU4NX
EU4PF	EU4SX	EU7VX	EUU21	EUU22	EUU23
EUU25	EUU41	EUU42	EUU43	EUU45	EUU51
EUU52	EUU53	EUU55	EUU61	EUU62	EUU63
EUU65	EUU71	EUU72	EUU73	EUU75	EUU81
EUU82	EUU83	EUU85	EUU91	EUU92	EUU93
EUU95	EUUA1	EUUA2	EUUA3	EUUA5	EUUB1
EUUB2	EUUB3	EUUB5	EUUC1	EUUC2	EUUC3
EUUC5	EUUD1	EUUD3	EUUD5	EUUD7	EUUE1
EUUE3	EUUE5	EUUE7	EUUF1	EUUF3	EUUF5
EUUF7	EUUG1	EUUG3	EUUG5	EUUG7	EUUH1
EUUH3	EUUH5	EUUH7	EUUJ1	EUUJ3	EUUJ5
EUUJ7	EUUK1	EUUK3	EUUK5	EUUK7	EUUL1
EUUL3	EUUL5	EUUL7	EUUM1	EUUM3	EUUM5
EUUM7	EUUN1	EUUN3	EUUN5	EUUN7	EUUR8
EUURJ	EUUS8	EUUSJ	EUUT8	EUUTJ	EUUU8
EUUUJ	EUUV8	EUUVJ	EUW	HKTJS	HKTJX
HKTLS	PR9SX	SLHA1	SLHA3	SLHA5	SLHA7
SLHB1	SLHB3	SLHB5	SLHB7	SLHC1	SLHC3
SLHC5	SLHC7	SLHD1	SLHD3	SLHD5	SLHD7
SLHE1	SLHE3	SLHE5	SLHE7	TKTPX	TMECS
TNJZX	TNT3X	TNT4X	TNT8X	TUTPX	TVJ7X
TVJPX	TVJQX	TVJRX	TVJSX	TYF8S	TYF8X
TYFLS	TYFLX	TYFMS	TYFMX	TYFNX	TYFOX
TYFPX	TYFQX	TYFRX	TYFSX	TYFTX	TYFUX
TYFVS	TYFVX	TYFWS	TYFWX	TZGHX	

(N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(1) Qualifying Services (Cont'd)

(b) Rate Elements Included (Cont'd)

All other services purchased by the customer from the Telephone Company or any affiliate of the Telephone Company and not listed in this Section (F)(1) shall not be eligible for inclusion as Qualifying Services under this Option 57. If the Telephone Company, subsequent to December 9, 2009, determines that one or more USOC(s) were omitted from the preceding list in error, the Telephone Company shall amend the list to include such USOC(s) for all purposes hereunder. If the Telephone Company replaces or changes any of the USOC(s) listed preceding, or creates any new USOC(s), in each case that fit within the description of the Qualifying Services set forth in this (F)(1), the Telephone Company shall amend the list preceding to include such USOC(s) for all purposes hereunder as of the date of the replacement, changing or creation of such USOC(s), as applicable. If the rates or terms and conditions of a Qualifying Service under this tariff, FCC1, FCC14 or FCC16 are amended from time to time, such amended rates or terms and conditions shall apply herein upon the effectiveness of such tariff amendment; provided, however, that if such amendment results in the exclusion of such Qualifying Services from the TBR for Qualifying Services and IOF TBR for Qualifying Services, irrespective of whether such excluded Qualifying Services continue to be provided under this tariff subject to comparable discounts as provided under this Option 57, taken in its entirety, the Telephone Company shall adjust the TBR for Qualifying Services and IOF TBR for Qualifying Services in a manner consistent with the methodology utilized for a sale of a Verizon operating telephone company in (I) following where such Qualifying Services that are excluded from the TBR for Qualifying Services and IOF TBR for Qualifying Services are deemed to no longer be provided by the Telephone Company as of the effectiveness of such tariff amendment or, if mutually agreed to by the customer and the Telephone Company in each of their sole discretion, in a manner mutually agreed upon by the parties; and provided further, however, that if the customer and the Telephone Company do not mutually agree on a different methodology, the methodology set forth in this Section (F)(1)(b)shall apply in all respects. (x) (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(1) Qualifying Services (Cont'd)

(b) Rate Elements Included (Cont'd)

Notwithstanding the foregoing, if: (i) the Telephone Company and the customer are not able to mutually agree on a manner in which to adjust the TBR for Qualifying Services and IOF TBR for Qualifying Services as provided for preceding; (ii) the customer is not satisfied in its sole discretion with utilizing the methodology provided for in this Section (F)(1)(b); and (iii) the MRCs for Qualifying Services excluded from the TBR for Qualifying Services and IOF TBR for Qualifying Services are greater than thirty percent (30%) of either of the MRCs included in the TBR for Qualifying Services or IOF TBR for Qualifying Services based upon the MRCs included in the month prior to such amendment, the customer may terminate its subscription to this Option 57 by providing written notice of termination within ninety (90) calendar days of the date of such amendment, such termination to be effective as of the date of such amendment, subject to the following conditions: (a) Termination of this Option 57 shall be deemed to be an automatic termination of Option 59 of FCC1 and Option 31 of FCC14; (b) the customer will not be entitled to the payment of any additional Billing Credits, pro rated or otherwise, after the date of such amendment; (c) the customer, to the extent it desires to do so, may convert at its own cost and consistent with normal process for converting Special Access Services to UNEs, any remaining in-service Qualifying Services converted from DS1 or DS3 Unbundled Transport, DS1 or DS3 Unbundled Loops, DS1 or DS3 EELs, and/or DS1 or DS3 Commingled EELs pursuant to the requirements of (F)(3)(a)(1) following back to DS1 or DS3 Unbundled Transport, DS1 or DS3 Unbundled Loops, DS1 or DS3 EELs, and/or DS1 or DS3 Commingled EELs; and (d) the customer shall not be liable for any termination liability payment as provided for in (J) following. (x) (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(1) Qualifying Services (Cont'd)

(c) 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 MRC amounts which are paid in full by the customer.

(1) For purposes of this Option 57, **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 (F)(1)(b) preceding, and excluding Disputed Charges; provided, however, that certain minimum period charges and early termination charges (as specifically described in Sections 7.4.4, 7.4.10(C), and 25.1.12 preceding of this tariff, Sections 7.4.4, 7.4.13(D), 7.4.17(D), 25.1.10, and 25.2.3 of FCC1, (x)
Sections 3.2.4 and 5.6.19(M) of FCC14, and Sections (x)
7.2.2 and 7.2.6(E) of FCC16) based solely on unpaid (x)
MRCs shall be included as MRCs solely in each of the months included in the calculation of the minimum period charges and/or early termination charges in an amount equal to such charges.

(2) For purposes of this Option 57, **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 each of the first five (5) Plan Years during the Service Period in accordance with (F)(2) following. Amounts which have not been paid in full, as of the forty-fifth (45th) calendar day following the end each of the first five (5) Plan Years during 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 for the applicable Plan Year. (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(1) Qualifying Services (Cont'd)

(c) Revenues Included in Calculation of TBR for Qualifying Services and IOF TBR for Qualifying Services (Cont'd)

(3) For purposes of this Option 57, "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 this tariff, FCC1, FCC14 and FCC16, as applicable. In the event that the customer disputes some but not all charges on its monthly bill from the Telephone Company, the charges that are not disputed shall, upon payment thereof, be considered "paid in full" for purposes of this Option 57. (x)

(4) For purposes of determining the MRCs included in the Calculation of TBR for Qualifying Services and IOF TBR for Qualifying Services, no MRCs for Qualifying Services originally ordered and placed in service as UNEs prior to October 1, 2009 and converted from DS1 or DS3 Unbundled Transport, DS1 or DS3 Unbundled Loops, DS1 or DS3 EELs, and/or DS1 or DS3 Commingled EELs pursuant to the requirements of (F)(3)(a)(1) following shall be included.

(d) Additional Revenues Not Included in Calculation of TBR for Qualifying Services or IOF TBR for Qualifying Services

TBR for Qualifying Services and IOF TBR for Qualifying Services do not include any revenues other than the revenues as set forth in (F)(1) preceding, and the following types of charges are not included:

(1) non-recurring charges;

(2) surcharges;

(3) taxes, or other charges imposed by a federal, state, local, or other governmental entity (e.g., Federal Universal Service Fund);

(4) service or administrative fees or charges imposed by the Telephone Company (e.g., Interest penalty, late payment penalty);

(5) except for minimum period or early termination charges as specified in ((F)(1)(c)(1)) preceding, any other charges which are not applied on a monthly recurring basis; (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(1) Qualifying Services (Cont'd)

(d) Additional Revenues Not Included in Calculation of TBR for Qualifying Services or IOF TBR for Qualifying Services (Cont'd)

(6) 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;

(7) any debits or credits for Services rendered in prior Quarters or periods prior to December 31, 2009;

(8) fractional debit/credit amounts;

(9) Shortfall or overage charges associated with term plan true-ups;

(10) minimum period charges other than as set forth in (F)(1)(c)(1) preceding;

(11) any Disputed Charges;

(12) termination liabilities other than as set forth in (F)(1)(c)(1) preceding; or

(13) Billing Credits/adjustments.

As an example of inclusion of minimum period and termination liability as a MRC, if a Qualifying Service with a three year term commitment commencing on December 31, 2009, has a $200 MRC, and a minimum period charge of 100% for the first year of the commitment period and 25% for the balance of the commitment period is terminated at the end of month eleven (11) of the first year of the commitment period/Plan Year 1, for purposes of calculating the TBR for Qualifying Services and IOF TBR for Qualifying Services, and provided such amounts are billed and paid in full, $200 shall be included as a MRC in respect of month twelve (12) of Plan Year 1 and $50 shall be included as a MRC for each of the months for Plan Years 2 and 3 as if paid in full in such months. (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(2) Calculation of TBR and IOF/TBR Credit

(a) Calculation of the TBR for Qualifying Services and IOF TBR for Qualifying Services at the End of Each of the First Five (5) Plan Years During the Service Period

(1) No later than the sixtieth (60th) calendar day following the end of each of the first five (5) Plan Years during the Service Period, the Telephone Company shall calculate the total TBR for Qualifying Services and IOF TBR for Qualifying Services (i.e., by calculating the total MRCs for Qualifying Services, which MRCs for Qualifying Services shall not include any Disputed Charges) achieved by the customer during the applicable Plan Year during the Service Period in accordance with the terms and condition set forth in this Option 57. Subject to any reductions and adjustments as set forth herein, the customer shall be eligible to receive the applicable IOF/TBR Credit set forth in the IOF/TBR Credit Table for the applicable Plan Year (**IOF/TBR Credit**), which IOF/TBR Credit may be $0 or $0.2M or more depending on the customer's TBR for Qualifying Services and IOF TBR for Qualifying Services during each Plan Year during the Service Period.

(2) The TBR for Qualifying Services shall include all eligible monthly recurring Special Access DS1 and DS3 revenues for the USOCs listed in (F)(1)(b)(1) and (F)(1)(b)(2) preceding of this Option 57. The Special Access DS1 and DS3 monthly recurring revenues carrying any USOCs not listed in (F)(1)(b)(1) or (F)(1)(b)(2) preceding of this Option 57 will not be included. Non-Special Access DS1 and DS3 services carrying any of the USOCs listed in (F)(1)(b)(1) or (F)(1)(b)(2) preceding of this Option 57 will also not be included.

The IOF TBR for Qualifying Services shall include all eligible monthly recurring Special Access DS1 and DS3 revenues for the USOCs listed in (F)(1)(b)(1) preceding of this Option 57. The Special Access DS1 and DS3 monthly recurring revenues not carrying one of the USOCs listed in (F)(1)(b)(1) preceding of this Option 57 will not be included. Non-Special Access DS1 and DS3 services carrying any of the USOCs listed in (F)(1)(b)(1) preceding of this Option 57 will also not be included. (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(2) Calculation of TBR and IOF/TBR Credit

(a) Calculation of the TBR for Qualifying Services and IOF TBR for Qualifying Services at the End of Each of the First Five (5) Plan Years During the Service Period (Cont'd)

(3) In order to calculate the applicable IOF/TBR Credit for the Plan Year, the Telephone Company will locate the customer's TBR for Qualifying Services and IOF TBR for Qualifying Services in the IOF/TBR Credit Table for the applicable Plan Year as set forth in (F)(2)(a)(6) following under the headings "TBR for Qualifying Services" and "IOF TBR for Qualifying Services," respectively. The IOF/TBR Credit (if any) that the customer is eligible to receive is set forth in the cell where the TBR for Qualifying Services and the IOF TBR for Qualifying Services intersect on the IOF/TBR Credit Table for the applicable Plan Year. If the customer has not achieved both a TBR for Qualifying Services and an IOF TBR for Qualifying Services that intersect in one of the cells of the IOF/TBR Credit Table for the applicable Plan Year, then the customer shall not receive any Billing Credit (i.e., a Billing Credit of $0).

(4) The Telephone Company shall credit the customer's BANs with the applicable IOF/TBR Credit as determined in accordance with the terms of this Option 57 on the next billing cycle after the sixty (60) calendar day calculation period provided there are at least ten (10) business days before the close of the next billing cycle. If there are not at least ten (10) business days before the close of the next billing cycle, then such credit shall be applied in the following billing cycle. The IOF/TBR Credits will be provided only in the MSAs that have achieved Phase I or Phase II pricing flexibility under this tariff, FCC1 and FCC14. In no event will the customer be (x) eligible for any IOF/TBR Credit unless both their TBR for Qualifying Services and IOF TBR for Qualifying Services intersect in one of the cells set forth in the IOF/TBR Credit Table following for the applicable Plan Year. (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(2) Calculation of TBR and IOF/TBR Credit

(a) Calculation of the TBR for Qualifying Services and IOF TBR for Qualifying Services at the End of Each of the First Five (5) Plan Years During the Service Period (Cont'd)

(5) Illustrative Example

The following example illustrates the calculation of the TBR for Qualifying Services, the IOF TBR for Qualifying Services, and the IOF/TBR Credit:

First assume in Plan Year 1, the customer's eligible monthly recurring Special Access DS1 and DS3 revenues as described in (F)(1)(a), (F)(1)(b)(1) and (F)(1)(b)(2) preceding are $85M.

Further assume in Plan Year 1, the customer's eligible monthly recurring IOF Special Access DS1 and DS3 revenues as described in (F)(1)(a) and (F)(1)(b)(1) preceding are $21M.

Further assume that the amount of Qualifying Services still under dispute forty five (45) calendar days after the end of Plan Year 1 is $1M, none of which relate to IOF Special Access DS1 and DS3 revenues as described in (F)(1)(a) and (F)(1)(b)(1) preceding.

Further assume that the amount of eligible total minimum period and/or early termination charges as described in (F)(1)(c)(1) preceding and applied in Plan Year 1 is $500,000.

Further assume that the amount of eligible IOF minimum period and/or early termination charges as described in (F)(1)(c)(1) preceding is $200,000. (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(2) Calculation of TBR and IOF/TBR Credit

(a) Calculation of the TBR for Qualifying Services and IOF TBR for Qualifying Services at the End of Each of the First Five (5) Plan Years During the Service Period (Cont'd)

(5) Illustrative Example (Cont'd)

The Telephone Company shall calculate the TBR for Qualifying Services by (i) subtracting the Disputed Charges from the eligible monthly recurring Special Access DS1 and DS3 revenues described in (F)(1)(a), (F)(1)(b)(1) and (F)(1)(b)(2) preceding and (ii) adding the total minimum period and/or early termination charges in manner described in (F)(1)(c)(1) preceding. [($85M - $1M) + $500,000 = $84.5M]

The Telephone Company shall calculate the IOF TBR for Qualifying Services by adding the eligible monthly recurring IOF Special Access DS1 and DS3 revenues described in (F)(1)(a) and (F)(1)(b)(1) preceding to the eligible IOF minimum period and/or early termination charges in the manner described in (F)(1)(c)(1) preceding. [$21M + $200,000 = $21.2M]

The Telephone Company shall calculate the IOF/TBR Credit by finding the cell in the Plan Year 1 IOF/TBR Credit Table where the TBR for Qualifying Services amount ($84.5M) and the IOF TBR for Qualifying Services amount ($21.2M) intersect, which would be $500,000.

(6) IOF/TBR Credit Tables

(a) Plan Year 1 IOF/TBR Credit Table

Plan Year 1 IOF TBR for Qualifying Services	TBR for Qualifying Services $83.0M to $84.99M	$85.0M to $87.99M	$88.0M to $90.99M	$91.0M to $93.99M	$94.0M to $96.99M	$97.0M and Over
$20.4M-$20.89M	$0.20M	$0.50M	$1.25M	$2.00M	$2.75M	$3.50M
$20.9M-$21.39M	$0.50M	$0.80M	$1.55M	$2.30M	$3.05M	$3.80M
$21.4M-$21.89M	$0.80M	$1.10M	$1.85M	$2.60M	$3.35M	$4.10M
$21.9M-$22.89M	$1.05M	$1.35M	$2.10M	$2.85M	$3.60M	$4.35M
$22.9M and Over	$1.55M	$1.85M	$2.60M	$3.35M	$4.10M	$4.85M (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(2) Calculation of TBR and IOF/TBR Credit

(a) Calculation of the TBR for Qualifying Services and IOF TBR for Qualifying Services at the End of Each of the First Five (5) Plan Years During the Service Period (Cont'd)

(6) IOF/TBR Credit Tables (Cont'd)

(b) Plan Year 2 IOF/TBR Credit Table

Plan Year 2 IOF TBR for Qualifying Services	TBR for Qualifying Services $90.4M to $92.39M	$92.4M to $95.39M	$95.4M to $98.39M	$98.4M to $101.39M	$101.4M to $104.39M	$104.4M and Over
$21.7M - $22.19M	$0.30M	$0.60M	$1.35M	$2.10M	$2.85M	$3.60M
$22.2M - $22.69M	$0.60M	$0.90M	$1.65M	$2.40M	$3.15M	$3.90M
$22.7M - $23.19M	$0.90M	$1.20M	$1.95M	$2.70M	$3.45M	$4.20M
$23.2M - $24.19M	$1.20M	$1.50M	$2.25M	$3.00M	$3.75M	$4.50M
$24.2M and Over	$1.80M	$2.10M	$2.85M	$3.60M	$4.35M	$5.10M

(c) Plan Year 3 IOF/TBR Credit Table

Plan Year 3 IOF TBR for Qualifying Services	TBR for Qualifying Services $98.2M to $100.19M	$100.2M to $103.19M	$103.2M to $106.19M	$106.2M to $109.19M	$109.2M to $112.19M	$112.2M and Over
$23.5M - $23.99M	$0.40M	$0.70M	$1.45M	$2.20M	$2.95M	$3.70M
$24.0M - $24.49M	$0.70M	$1.00M	$1.75M	$2.50M	$3.25M	$4.00M
$24.5M - $24.99M	$1.00M	$1.30M	$2.05M	$2.80M	$3.55M	$4.30M
$25.0M - $25.99M	$1.30M	$1.60M	$2.35M	$3.10M	$3.85M	$4.60M
$26.0M and Over	$1.90M	$2.20M	$2.95M	$3.70M	$4.45M	$5.20M (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(2) Calculation of TBR and IOF/TBR Credit

(a) Calculation of the TBR for Qualifying Services and IOF TBR for Qualifying Services at the End of Each of the First Five (5) Plan Years During the Service Period (Cont'd)

(6) IOF/TBR Credit Tables (Cont'd)

(d) Plan Year 4 IOF/TBR Credit Table

Plan Year 4 IOF TBR for Qualifying Services	TBR for Qualifying Services $107.2M to $109.19M	$109.2M to $112.19M	$112.2M to $115.19M	$115.2M to $118.19M	$118.2M to $121.19M	$121.2M and Over
$25.7M - $26.19M	$1.05M	$1.35M	$2.10M	$2.85M	$3.60M	$4.35M
$26.2M - $26.69M	$1.35M	$1.65M	$2.40M	$3.15M	$3.90M	$4.65M
$26.7M - $27.19M	$1.65M	$1.95M	$2.70M	$3.45M	$4.20M	$4.95M
$27.2M - $28.19M	$1.95M	$2.25M	$3.00M	$3.75M	$4.50M	$5.25M
$28.2M and Over	$2.55M	$2.85M	$3.60M	$4.35M	$5.10M	$5.85M

(e) Plan Year 5 IOF/TBR Credit Table

Plan Year 5 IOF TBR for Qualifying Services	TBR for Qualifying Services $116.7M to $118.69M	$118.7M to $121.69M	$121.7M to $124.69M	$124.7M to $127.69M	$127.7M to $130.69M	$130.7M and Over
$28.0M - $28.49M	$2.00M	$2.30M	$3.05M	$3.80M	$4.55M	$5.30M
$28.5M - $28.99M	$2.30M	$2.60M	$3.35M	$4.10M	$4.85M	$5.60M
$29.0M - $29.49M	$2.60M	$2.90M	$3.65M	$4.40M	$5.15M	$5.90M
$29.5M - $30.49M	$2.90M	$3.20M	$3.95M	$4.70M	$5.45M	$6.20M
$30.5M and Over	$3.50M	$3.80M	$4.55M	$5.30M	$6.05M	$6.80M (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(3) UNE Conversion Credit

(a) Conditions Precedent to UNE Conversion Credit

Subject to the provisions of (F)(3)(a)(1) following related to the conversion of DS1 and DS3 Unbundled Transport, DS1 and DS3 Unbundled Loops, DS1 and DS3 EELs, and DS1 and DS3 Commingled EELs to Special Access Qualifying Services, the customer shall be eligible to receive a UNE Conversion Credit.

(1) UNE Conversion Requirements

In order to qualify for the UNE Conversion Credit, the customer must satisfy all of the following criteria:

(a) Request conversion, such conversion to be effective as of December 31, 2009, of a minimum of seventy-five percent (75%) of each of the customer's in-service DS1 and DS3 Unbundled Transport, DS1 and DS3 Unbundled Loops, DS1 and DS3 EELs, and DS1 and DS3 Commingled EELs, as well as for any in-progress orders for the same to be installed after December 31, 2009, in which case such conversion shall be effective as of the actual install date, to Qualifying Services of an equivalent configuration and equivalent number; and

(b) Agree that the customer's subscription to this Option 57, Option 59 of FCC1 and Option 31 of FCC14, which such subscription shall specify the percentage of each of the customer's in-service DS1 and DS3 Unbundled Transport, DS1 and DS3 Unbundled Loops, DS1 and DS3 EELs, and DS1 and DS3 Commingled EELs, as well as for any in-progress orders for the same to be installed after December 31, 2009, that the customer desires to convert to Qualifying Services, constitutes the customer's authorization of the conversions in (a) preceding to occur contemporaneously with the effectiveness of such subscription as well as providing for the same billing effective date as the effective date of such subscription or, for those in-progress orders, the actual install date; and (x) (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(3) UNE Conversion Credit (Cont'd)

(a) Conditions Precedent to UNE Conversion Credit (Cont'd)

(1) UNE Conversion Requirements (Cont'd)

(c) The customer may not purchase any DS1 or DS3 Unbundled Transport, DS1 or DS3 Unbundled Loops, DS1 or DS3 EELs, or DS1 or DS3 Commingled EELs on or after December 31, 2009 through and including the end of Plan Year 5; provided that any orders for any of the preceding shall be handled in accordance with (F)(3)(f) following.

(2) UNE Conversion Credit Amount

The UNE Conversion Credit shall be calculated, beginning with the month immediately following the month in which the requirements set forth in (F)(3)(a) preceding are satisfied, as described in more detail in (F)(3)(b) following.

(b) Calculation of UNE Conversion Credit

The UNE Conversion Credit shall be comprised of credit amounts or debit amounts, as applicable, for each Qualifying Service associated with a specific circuit ID (i.e., the Qualifying Service specific circuit ID that replaces the specific circuit ID for DS1 or DS3 Unbundled Transport, DS1 or DS3 Unbundled Loop, DS1 or DS3 EEL and/or DS1 or DS3 Commingled EEL that was converted pursuant to the requirements of (F)(3)(a)(1) preceding) that remains in service during any month of the Service Period, as calculated in accordance with this Section (F)(3)(b).

(1) In order to determine the UNE Conversion Credit to be applied during each Quarter during the Service Period, the Telephone Company shall first calculate the aggregate monthly recurring revenue for September 2009 at a circuit ID level and specifically including all UNE Rate Element Monthly Recurring Charges (as reflected in Column A in the UNE Conversion Credit Support Table set forth in (F)(3)(b)(6) following) for such circuit IDs (**UNE Circuit Base MRCs**). The UNE Rate Elements reflected in Column A include only the DS1 or DS3 Unbundled Loops, DS1 or DS3 Unbundled Transport, DS1 or DS3 EELs, or DS1 or DS3 Commingled EELs being converted pursuant to the requirements of (F)(3)(a)(1) preceding. (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(3) UNE Conversion Credit (Cont'd)

(b) Calculation of UNE Conversion Credit (Cont'd)

(2) At the end of each month during the Service Period, the Telephone Company shall calculate the aggregate MRCs for such month, by circuit ID, associated with the remaining in-service Qualifying Services (i.e., the DS1 or DS3 Unbundled Loop, DS1 or DS3 Unbundled Transport, DS1 or DS3 EEL, and DS1 or DS3 Commingled EEL converted to Qualifying Services pursuant to (F)(3)(a)(1) preceding that remain in-service during that month) and specifically including all Special Access Rate Element Monthly Recurring Charges (as reflected in Column B in the UNE Conversion Credit Support Table set forth in (F)(3)(b)(6) following) billing under such circuit IDs (**Qualifying Service Circuit MRCs**).

(3) The Telephone Company shall then calculate the difference, whether positive or negative, between each of the Qualifying Service Circuit MRCs and the corresponding UNE Circuit Base MRCs for such month.

(4) The Telephone Company shall then determine the UNE Conversion Credit for such month by aggregating all amounts, whether positive or negative, calculated in (3) preceding and multiplying such amount by: (i) one hundred percent (100%) for Plan Years 1 and 2; (ii) ninety percent (90%) for Plan Year 3; (iii) eighty-five percent (85%) for Plan Year 4; and (iv) seventy-five percent (75%) for Plan Years 5 and 6.

(5) The UNE Conversion Credit to be applied to the customer's BANs for each Quarter of the Service Period is equal to the sum of the UNE Conversion Credits calculated in (4) preceding for each month of such Quarter. (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(3) UNE Conversion Credit (Cont'd)

(b) Calculation of UNE Conversion Credit (Cont'd)

(6) UNE Conversion Credit Support Table

Column A UNE Rate Element Monthly Recurring Charges	Column B Special Access Rate Element Monthly Recurring Charges
Loop (stand alone or as a part of an EEL arrangement), EEL Loop Test, Clear Channel, SS7, Fixed Mileage (stand alone or as a part of an EEL arrangement), Per Mile Mileage (stand alone or as a part of an EEL arrangement), and Multiplexing.	As specified in (F)(1)(b)(1) and (F)(1)(b)(2) preceding.

USOCs Included:

69420	69479	EUW	U4D1X
ULC1X	CCO	URC7G	URCTB
U4D3X	ULC3X	EU4PF	URC7H
1UMYS	TRG	ULYXX	1LFSX
ULNXS	ULYHX	ULNHS	ULYJX
ULNJS	MQ1	UM4CX	M6W0U
MQ3	UM43X	M6W3U	

(N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(3) UNE Conversion Credit (Cont'd)

(b) Calculation of UNE Conversion Credit (Cont'd)

(7) Illustrative Example of Calculations Described in (F)(3)(b) Preceding for Quarter 3 of Plan Year 3 Assuming Three (3) UNE Circuits Originally Converted to Qualifying Services

In order to establish the UNE Circuit Base MRCs for the each of the three (3) UNE circuits converted pursuant to the requirements of (F)(3)(a)(1) preceding, assume the following:

(a) During the month of September 2009, the customer had three (3) UNE circuit IDs, one configured as a DS1 Unbundled Loop UNE, one as a DS1 Unbundled Transport UNE, and one as an EEL. The monthly charges at a circuit level for each such UNE circuit ID using the applicable UNE Rate Element Monthly Recurring Charges associated with the USOCs listed in Column A of the UNE Conversion Credit Support Table set forth in (F)(3)(b)(6) preceding were as follows:

Circuit ID #1
A DS1 Unbundled Loop UNE billing a total of $90 (comprised of $89 for USOC U4D1X and $1 for USOC URCTB)

Circuit ID #2
A DS1 Unbundled Transport UNE billing a total of $100 (comprised of $100 for USOC 1UMYS)

Circuit ID #3
A DS1 EEL billing a total of $190 (comprised of $89 for USOC U4D1X, $1 for USOC URCTB, $2 for USOC URC7G, and $98 for USOC 1UMYS)

(b) Each of the three (3) UNE circuits associated with circuit IDs #1, #2, and #3 preceding was converted to a Qualifying Service with new circuit IDs #1A, #2A and #3A, respectively, for each such resultant Qualifying Service. (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(3) UNE Conversion Credit (Cont'd)

(b) Calculation of UNE Conversion Credit (Cont'd)

(7) Illustrative Example of Calculations Described in (F)(3)(b) Preceding for Quarter 3 of Plan Year 3 Assuming Three (3) UNE Circuits Originally Converted to Qualifying Services (Cont'd)

(c) During the months of April, May and June, 2012, the monthly recurring charges at the circuit level for such Qualifying Services (Circuit IDs #1A, #2A and #3A) using the applicable Special Access Rate Element Monthly Recurring Charges associated with the USOCs cross-referenced in Column B of the UNE Conversion Credit Support Table set forth in (F)(3)(b)(6) preceding (Qualifying Service Circuit MRCs) was as follows:

April 2012:
Circuit ID #1A
A Special Access DS1, consisting of a Channel Termination, billing a total of $180 (comprised of $180 for USOC TMECS)

Circuit ID #2A
A Special Access DS1, consisting of Channel Mileage, billing a total of $110 (comprised of $110 for USOC 1T58S)

Circuit ID #3A
A Special Access DS1, consisting of a Channel Termination and Channel Mileage, billing a total of $280 (comprised of $180 for USOC TMECS and $100 for USOC 1T58S)

May 2012:
Assume a monthly recurring rate decrease occurred for the rates billed under the TMECS and 1T58S USOCs resulting in the following reduced billing associated with the three Circuit IDs for May 2012:

Circuit ID #1A
Total billing is reduced from $180 to $170

Circuit ID #2A
Total billing is reduced from $110 to $107

Circuit ID #3A
Total billing is reduced from $280 to $267 (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(3) UNE Conversion Credit (Cont'd)

(b) Calculation of UNE Conversion Credit (Cont'd)

(7) Illustrative Example of Calculations Described in (F)(3)(b) Preceding for Quarter 3 of Plan Year 3 Assuming Three (3) UNE Circuits Originally Converted to Qualifying Services (Cont'd)

(c) (Cont'd)

June 2012:
Assume the customer disconnected Circuit ID #3A resulting in the following:
Circuit ID #1A
Billing remains at $170

Circuit ID #2A
Billing remains at $107

Circuit ID #3A
No longer eligible for UNE Conversion Credit (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(3) UNE Conversion Credit (Cont'd)

(b) Calculation of UNE Conversion Credit (Cont'd)

(7) Illustrative Example of Calculations Described in (F)(3)(b) Preceding for Quarter 3 of Plan Year 3 Assuming Three (3) UNE Circuits Originally Converted to Qualifying Services (Cont'd)

Based on the above monthly recurring charges, the Telephone Company will calculate the UNE Conversion Credit for each such Qualifying Service that remains in-service by:

Step 1
Calculating for each circuit the difference between the monthly recurring billed amount as a Qualifying Service (**Qualifying Service Circuit MRCs**) and the monthly recurring billed amount as UNE in September 2009 for the comparable UNE circuit (**UNE Circuit Base MRCs**):

	Charges As Qualifying Service	Charges As UNE in September 2009	Difference
April 2012:			
Circuit ID #1/1A	$180	$90	$ 90
Circuit ID #2/2A	$110	$100	$ 10
Circuit ID #3/3A	$280	$190	$ 90
Total			$190
May 2012:			
Circuit ID #1/1A	$170	$90	$ 80
Circuit ID #2/2A	$107	$100	$ 7
Circuit ID #3/3A	$267	$190	$ 77
Total			$164
June 2012:			
Circuit ID #1/1A	$170	$90	$ 80
Circuit ID #2/2A	$107	$100	$ 7
Circuit ID #3/3A	No longer eligible for UNE Conversion Credit		$ 0
Total			$ 87 (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(3) UNE Conversion Credit (Cont'd)

(b) Calculation of UNE Conversion Credit (Cont'd)

(7) Illustrative Example of Calculations Described in (F)(3)(b) Preceding for Quarter 3 of Plan Year 3 Assuming Three (3) UNE Circuits Originally Converted to Qualifying Services (Cont'd)

Step 2
Calculate the UNE Conversion Credit for the three (3) Qualifying Services for the Quarter by aggregating all amounts calculated in Step 1 preceding and multiplying such amount by the Plan Year 3 percentage of 90% (all amounts are rounded to the nearest dollar)

	Total Difference	Plan Year 3 Percentage Multiplier	UNE Conversion Credit
April 2012:			
Month 1	$190	x 90%	$171
Month 2	$164	x 90%	$148
Month 3	$ 87	x 90%	$ 78
Total			$397

The customer is owed, subject to the terms and conditions of this Option 57, including this Section (F)(3), a UNE Conversion Credit for the three (3) Qualifying Services for Quarter 3 of Plan Year 3 of $397.00. (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(3) UNE Conversion Credit (Cont'd)

(c) Revenues Included in Calculation of UNE Conversion Credits

In calculating the UNE Conversion Credit, only MRC amounts which are paid in full by the customer shall be included in the calculation set forth in (F)(3)(b)(4) preceding.

(1) For purposes of this Option 57, "**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 (F)(1)(b) preceding, and excluding Disputed Charges; provided, however, that certain minimum period charges and early termination charges (as specifically described in Sections 7.4.4, 7.4.10(C), and 25.1.12 preceding of this tariff, Sections 7.4.4, 7.4.13(D), 7.4.17(D), 25.1.10, and 25.2.3 of FCC1, (x) Sections 3.2.4 and 5.6.19(M) of FCC14, and Sections (x) 7.2.2 and 7.2.6(E) of FCC16) based solely on unpaid (x) MRCs shall be included as MRCs solely in each of the months included in the calculation of the minimum period charges and/or early termination charges in an amount equal to such charges.

(2) For purposes of this Option 57, "**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 each of the Plan Years during the Service Period in accordance with this Section (F)(3). Amounts which have not been paid in full, as of the forty-fifth (45th) calendar day following the end each of the Plan Years during the Service Period (regardless of whether or not such amounts are under dispute by the customer), shall not be included when determining the UNE Conversion Credit.

(3) For purposes of this Option 57, "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 this tariff, FCC1, FCC14 and FCC16, as applicable. In the event (x) that the customer disputes some but not all charges on an invoice, the charges that are not disputed shall, upon payment thereof, be considered "paid in full" for purposes of this Option 57. (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(3) UNE Conversion Credit (Cont'd)

(c) Revenues Included in Calculation of UNE Conversion Credits (Cont'd)

(4) For purposed of determining the UNE Conversion Credit, the UNE Conversion Credit shall not include in its calculation MRCs for Qualifying Services originally ordered and placed in service as UNEs on or after October 1, 2009 and that were converted from DS1 and DS3 Unbundled Transport, DS1 and DS3 Unbundled Loops, DS1 and DS3 EELs and/or DS1 and DS3 Commingled EELs pursuant to the requirements of (F)(3)(a)(1) preceding.

(d) Additional Revenues Not Included in Calculation of UNE Conversion Credits

In calculating the UNE Conversion Credit, no revenues other than the revenues as set forth in (F)(3)(c) preceding shall be included, and the following types of charges are not included:

(1) non-recurring charges;
(2) surcharges;
(3) taxes, or other charges imposed by a federal, state, local, or other governmental entity (e.g., Federal Universal Service Fund);
(4) service or administrative fees or charges imposed by the Telephone Company (e.g., Interest penalty, late payment penalty);
(5) except for minimum period or early termination charges as specified in (F)(1)(c)(1) preceding, any other charges which are not applied on a monthly recurring basis;
(6) credits or adjustments provided by Verizon that apply to any period other than the Service Period and to any services other than the Qualifying Services;
(7) any debits or credits for Services rendered in prior Quarters or periods prior to December 31, 2009;
(8) fractional debit/credit amounts;
(9) Shortfall or overage charges associated with term plan true-ups;
(10) minimum period charges other than as set forth in (F)(1)(c)(1) preceding;
(11) any Disputed Charges;
(12) termination liabilities other than as set forth in (F)(1)(c)(1) preceding; or
(13) Billing Credits/adjustments. (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(3) UNE Conversion Credit (Cont'd)

(e) Payment of UNE Conversion Credit

If the customer is eligible for a UNE Conversion Credit as set forth in this Option 57, then no later than the sixtieth (60th) calendar day following the end of each Quarter during each Plan Year during the Service Period, the Telephone Company shall calculate the aggregate UNE Conversion Credit earned for the previous Quarter and, subject to the terms of this Option 57, credit the customer's BANs with the UNE Conversion Credit as determined in accordance with the terms of this Option 57 on the next billing cycle after the sixty (60) calendar day calculation period provided there are at least ten (10) business days before the next billing cycle. If there are not at least ten (10) business days before the close of the next billing cycle, such credit shall be applied in the following billing cycle. The UNE Conversion Credit will be provided only in the MSAs that have achieved Phase I or Phase II pricing flexibility under this tariff, FCC1 and FCC14. Notwithstanding any (x) other provisions of this Option 57 to the contrary, the Telephone Company and the customer acknowledge and agree that the conversions of circuits pursuant to (F)(3)(a)(1) preceding may not have been completed in time to satisfy the conditions necessary to be able to accurately and fully calculate the UNE Conversion Credit in connection with the first four (4) Quarters in which such UNE Conversion Credit will be due and payable on the timing set forth in this Section (F)(3)(e). Accordingly, the Telephone Company and the customer acknowledge and agree that one or more true-ups may be required during the first four (4) Quarters in which such UNE Conversion Credit will be due and payable to effectuate the accurate payment of the UNE Conversion Credit as contemplated by this Option 57. (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(F) Terms and Conditions (Cont'd)

(3) UNE Conversion Credit (Cont'd)

(f) Orders for Unbundled Network Elements After December 31, 2009

The customer, as a material condition of the Telephone Company providing the UNE Conversion Credit, may not purchase any DS1 or DS3 Unbundled Transport, DS1 or DS3 Unbundled Loops, DS1 or DS3 EELs, or DS1 or DS3 Commingled EELs from any of operating territories of this tariff, FCC1, FCC14 or FCC16 during the first five (5) Plan Years (x) of the Service Period. Accordingly, the Telephone Company and the customer agree that any orders for DS1 or DS3 Unbundled Loops, DS1 or DS3 Unbundled Transport, DS1 or DS3 EELs, or DS1 or DS3 Commingled EELs that occur on or after December 31, 2009 through and including the end of Plan Year 5 are errors and shall be treated for all purposes as if initially ordered as Qualifying Services. If either Party discovers that DS1 or DS3 Unbundled Loop, DS1 or DS3 Unbundled Transport, DS1 or DS3 EELs, and/or DS1 or DS3 Commingled EELs have been ordered by the customer through and including the end of Plan Year 5, such Party shall notify the other Party and the customer shall promptly request conversion of such DS1 or DS3 Unbundled Loop, DS1 or DS3 Unbundled Transport, DS1 or DS3 EELs, and/or DS1 or DS3 Commingled EELs to a Qualifying Service, which such conversion shall be completed at no charge to the customer. The Telephone Company shall reasonably assist in this effort.

(G) Disputes, Releases and Waivers

(1) In calculating the Billing Credits, all of the following requirements shall apply:

(a) The Telephone Company shall not include in the calculation of the Billing Credits any Disputed Charges remaining as of the forty-fifth (45th) calendar day following the end of the applicable Quarter (UNE Conversion Credit) or Plan Year (IOF/TBR Credit).

(b) For the purpose of calculating the Billing Credits, the Telephone Company shall not include in MRCs any credits or debits for Services provided during any periods prior to December 31, 2009 (regardless of whether such credits or debits were the result of a valid dispute by the customer or were the result of a billing error by the Telephone Company). (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(G) Disputes; Releases and Waivers (Cont'd)

(1) (Cont'd)

(c) With respect to any dispute for Qualifying Services, the customer must provide sufficient claim detail to enable the Telephone Company to appropriately assess the dispute, including but not limited to, the Billing Account Number (BAN), circuit ID, USOC detail, amount in dispute, appropriate tariff references, and a full explanation regarding why the customer believes it was billed in error.

(d) The customer agrees to undertake a good faith effort to review, within thirty (30) calendar days of receipt, each bill received from the Telephone Company that includes amounts to be included in the TBR for Qualifying Services, the IOF TBR for Qualifying Services or included in the calculation of the UNE Conversion Credit and at such time that the customer determines there is a dispute to promptly raise the dispute(s) with the Telephone Company. The customer is not obligated or required to raise billing disputes within thirty (30) calendar days of receipt of a bill.

(e) Upon resolution of any Disputed Charges, or disputes raised after the issuance of the Billing Credits in respect of amounts included in the TBR for Qualifying Services, the IOF TBR for Qualifying Services or in the calculation of the UNE Conversion Credit, amounts may be credited to the customer if the customer prevails, however notwithstanding anything to the contrary herein, there shall be no adjustment to the Billing Credits, the TBR for Qualifying Services or the IOF TBR for Qualifying Services calculated preceding, and the same shall apply regardless of the outcome of any Disputed Charges.

(f) There will not be any adjustment to the Billing Credits, the TBR for Qualifying Services or the IOF TBR for Qualifying Services if the Telephone Company bills amounts after the determination of the Billing Credits that would have otherwise been included in the TBR for Qualifying Services, the IOF TBR for Qualifying Services or the UNE Conversion Credit calculated preceding. (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(G) Disputes; Releases and Waivers (Cont'd)

(1) (Cont'd)

(g) The Billing Credits as determined by the Telephone Company and agreed to by the customer are not subject to dispute; provided, however, that the foregoing prohibition against disputing the Billing Credits shall not be deemed to apply in a situation where the Telephone Company applies a Billing Credit(s) that does not match the mutually agreed upon Billing Credit(s).

(h) The amount of the Billing Credits shall in no event be subject to any late payment, interest or penalty as set forth in Section 2.4.1 preceding of this tariff, Section 2.4.1 preceding of FCC1, and Section 2.4.1 preceding of FCC14. (x) (x)

(H) Mergers and Acquisitions of Customer

In the event that after the date of subscription to this Option 57, 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 tariff, FCC1, FCC14 and FCC16. (x)

(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 the 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 included with the customer's subscription to this Option 57 under (B)(1) preceding, without adding the revenues and/or ACNAs attributable to expansion of the customer's purchase of Services from the Telephone Company through merger, transfer, assignment, or acquisition.

(3) If the customer intentionally and willfully violates the provisions of this Section (H), the Telephone Company reserves the right to terminate the customer's subscription to this Option 57 without liability. (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(H) Mergers and Acquisitions of Customer (Cont'd)

(4) The customer will provide timely notice to the Telephone Company of any anticipated customer merger, transfer, assignment or acquisition so that each of the customer and the Telephone Company can assess their respective rights and responsibilities under this Option 57. The Telephone Company recognizes that the customer requires the flexibility to manage its business in the manner that it sees fit, including ordering Qualifying Services under the appropriate ACNAs consistent with the manner in which it desires to manage its business. Notwithstanding the manner in which the customer orders Qualifying Services, the customer and the Telephone Company have agreed to the terms set forth in (H)(1) and (H)(2) of this Section (H) for purposes of determining the TBR for Qualifying Services and the IOF TBR for Qualifying Services for each Plan Year after 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 customer and the Telephone Company may mutually agree to modify the customer's subscription to the Option 57 to include one or more of the ACNAs and related revenue attributable to expansion of the customer's purchase of Qualifying Services from the Telephone Company as a result of a customer merger, transfer, assignment, or acquisition, with both parties taking into consideration whether such revenues represent new and unanticipated, or existing, revenues to the Telephone Company; provided, however, that if the customer and the Telephone Company do not mutually agree on any such modifications, the terms and conditions of this Section (H) shall apply in all respects and the customer shall use commercially reasonable efforts to provide the Telephone Company the necessary information to calculate the TBR for Qualifying Services and the IOF TBR for Qualifying Services consistent with this Section (H). (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(I) Sale of Verizon Operating Telephone Company

If some or all of the assets or stock of a Verizon Operating Telephone Company of this tariff, FCC1, FCC14 or FCC16 (**Acquired VZ Telco**) are acquired by an unaffiliated third party and Verizon does not provide the Qualifying Services to the customer after such time, then the following terms and conditions shall apply, in addition to any other terms and conditions set forth in this tariff, FCC1, FCC14, or FCC16, as applicable. (x) (x)

(1) Each range or tier of the TBR for Qualifying Services and IOF TBR for Qualifying Services set forth in the IOF/TBR Credit Table for the applicable Plan Year in (F)(2)(a)(6) preceding shall be proportionately reduced by the TBR Acquisition Reduction Amount and IOF TBR Acquisition Amount (each as defined following), respectively; and

(2) All the Billing Credits set forth in the IOF/TBR Credit Table for the applicable Plan Year in (F)(2)(a)(6) preceding shall be reduced by a percentage which shall be calculated by dividing the TBR Acquisition Reduction Amount by $83M if in Plan Year 1, $90.4M if in Plan Year 2, $98.2M if in Plan Year 3, $107.2M if in Plan Year 4, or $116.7M if in Play Year 5.

(a) The TBR Acquisition Reduction Amount for the Plan Year in which the Acquired VZ Telco ceases to provide the Qualifying Services shall be calculated for the Qualifying Services as follows:

(1) calculate the TBR for Qualifying Services purchased by the customer from the Acquired VZ Telco during the twelve (12) months prior to the time that the Acquired VZ Telco ceases to provide the such Services; (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(I) Sale of Verizon Operating Telephone Company (Cont'd)

(2) (Cont'd)

(a) (Cont'd)

(2) calculate the average monthly amount of the TBR for Qualifying Services purchased by the customer from the Acquired VZ Telco by dividing the number in (1) preceding by twelve (12); and

(3) multiply the average monthly amount of the TBR for Qualifying Services calculated in (2) preceding by the number of months remaining in the Plan Year in which the Acquired VZ Telco ceases to provide the Services.

For the remaining Plan Years through and including Plan Year 5, the TBR Acquisition Reduction Amount shall equal the amount calculated in (1) preceding.

(b) The IOF TBR Acquisition Reduction Amount for the Plan Year in which the Acquired VZ Telco ceases to provide the Services shall be calculated for the Qualifying Services as follows:

(1) calculate the IOF TBR for Qualifying Services purchased by the customer from the Acquired VZ Telco during the twelve (12) months prior to the time that the Acquired VZ Telco ceases to provide the Services;

(2) calculate the average monthly amount of the IOF TBR for Qualifying Services purchased by the customer from the Acquired VZ Telco by dividing the number in (1) preceding by twelve (12) (For purposes of this Option 57, IOF Qualifying Services shall mean the portion of the Qualifying Services billed under the USOCs set forth in (F)(1)(b)(1) preceding); and

(3) multiply the average monthly amount of the IOF TBR for Qualifying Services calculated in (2) preceding by the number of months remaining in the Plan Year in which the Acquired VZ Telco ceases to provide the Services.

For the remaining Plan Years through and including Plan Year 5, the IOF TBR Acquisition Reduction Amount shall equal the amount calculated in (1) preceding. (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(I) Sale of Verizon Operating Telephone Company (Cont'd)

(2) (Cont'd)

Illustrative Example:

* Assume Verizon sells Verizon Delaware LLC. Sale is finalized with two (2) months remaining in Plan Year 2.

* Customer's TBR for Qualifying Services purchased by the customer from Verizon Delaware LLC during the previous 12 months = $24M

* Average monthly amount of the TBR for Qualifying Services purchased by the customer from Verizon Delaware LLC = $2M [$24M/12]

* Tiers for the TBR for Qualifying Services for Plan Year 2 are reduced by $4M [$2M x 2 months]

* Tiers for the TBR for Qualifying Services for Plan Years 3 through and including Plan Year 5 are reduced by $24M each year

* The customer's IOF TBR for Qualifying Services purchased by the customer from Verizon Delaware LLC during the previous 12 months = $12M

* Average monthly amount of the IOF Qualifying Services purchased by the customer From Verizon Delaware LLC = $1M [$12M/12]

* Tiers for the IOF TBR for Qualifying Services for Plan Year 2 are reduced by = $2M [$1M x 2]

* Tiers for the IOF TBR for Qualifying Services for Plan Years 3 through and including Plan Year 5 are reduced by $12M each year

* Billing Credits are reduced by 4.4% [$4M / [$90.4M]] for Plan Year 2

* Billing Credits are reduced by 24.4% [$24M/$98.2M], 22.4% [$24M/ $107.2M], and 20.6% [$24M/116.7M] for each of Plan Years 3, 4 and 5, respectively. (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(I) Sale of Verizon Operating Telephone Company (Cont'd)

(3) The UNE Conversion Credit shall be calculated on and after the closing of such transaction, such that any Qualifying Services converted from DS1 or DS3 Unbundled Transport, DS1 or DS3 Unbundled Loops, DS1 or DS3 EELs, and/or DS1 or DS3 Commingled EELs pursuant to the requirements of (F)(3)(a)(1) preceding that Verizon no longer provides as a result of such transaction shall be treated as if disconnected by the customer as of the date of such transaction and is no longer eligible for any UNE Conversion Credit.

(4) Notwithstanding anything to the contrary in this Section (I), if an unaffiliated third party (**Third Party Purchaser**) purchases an Acquired VZ Telco on or after June 30, 2011 and does not put in place a comparable contract tariff(s) that, when taken as a whole with this Option 57, Option 59 of FCC1 (x) and Option 31 of FCC14, provides the customer with a (x) comparable: (i) overall deal, including an IOF/TBR Credit, analyzed solely as of the date of the close of such transaction, if such contract tariff(s) were taken together with this Option 57, Option 59 of FCC1 and Option 31 of FCC14 (x) as one deal; (ii) remaining Service Period; and (iii) UNE Conversion Credit for the remaining Service Period, the customer, in its sole discretion, may terminate its subscription to such new contract tariff(s), in which case the customer shall not be bound by the terms of such new contract tariff(s), including any otherwise applicable termination liability, nor entitled to any of the benefits of, such new contract tariff(s), as applicable, and may convert any remaining in-service Qualifying Services converted from DS1 or DS3 Unbundled Transport, DS1 or DS3 Unbundled Loops, DS1 or DS3 EELs, and/or DS1 or DS3 Commingled EELs to Qualifying Services pursuant to the requirements of Section (F)(3)(a)(1) preceding in the service territory of such Third Party Purchaser, back to DS1 or DS3 Unbundled Transport, DS1 or DS3 Unbundled Loops, DS1 or DS3 EELs, and/or DS1 or DS3 Commingled EELs, as applicable, with a billing effective date the same as the close of such transaction. (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(J) Termination of Plan

Subject to the terms set forth in this Section (J), the customer may terminate its subscription to this Option 57 at any time during the Service Period. The customer must provide written notice of termination at least ninety (90) calendar days prior to the requested date of termination of its subscription to this Option 57. Termination of this Option 57 shall be deemed to be an automatic termination of Option 59 of FCC1 and Option 31 of FCC14. (x)
Excluding a termination solely pursuant to (K) following, if the customer terminates its subscription to this Option 57, and/or Option 59 of FCC1 and/or Option 31 of FCC14 at any time during the (x)
Service Period, the customer will not be entitled to the payment of any additional Billing Credits, pro rated or otherwise, after receipt of notice of termination, and shall pay to the Telephone Company by no later than sixty (60) calendar days after such date of termination if such termination occurs during the first five (5) Plan Years: (i) if terminated during Plan Year 1, an amount equal to one hundred percent (100%) of all Billing Credits paid from December 31, 2009 through and including the termination date, but excluding any UNE Conversion Credits; (ii) if terminated during Plan Year 2, an amount equal to seventy-five percent (75%) of all Billing Credits paid from December 31, 2009 through and including the termination date, but excluding any UNE Conversion Credits; (iii) if terminated during Plan Year 3, an amount equal to fifty percent (50%) of all Billing Credits paid from December 31, 2009 through and including the termination date, but excluding any UNE Conversion Credits; (iv) if terminated during Plan Year 4, an amount equal to twenty-five percent (25%) of all Billing Credits paid from December 31, 2009 through and including the termination date, but excluding any UNE Conversion Credits; and (v) if terminated during Plan Year 5, an amount equal to ten percent (10%) of all Billing Credits paid from December 31, 2009 through and including the termination date, but excluding any UNE Conversion Credits. All obligations under this tariff, FCC1, (x)
FCC14 and FCC16, as applicable, with respect to the Qualifying (x)
Services shall continue to apply. (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(J) Termination of Plan (Cont'd)

If the customer terminates a Qualifying Service(s) during the Service Period, minimum period and termination liability charges shall apply in accordance with the applicable term plan under which such Qualifying Service(s) is being billed; provided, however, that all DS1 and DS3 Unbundled Transport, DS1 and DS3 Unbundled Loops, DS1 and DS3 EELs, and DS1 and DS3 Commingled EELs converted to Qualifying Services pursuant to the requirements of Section (F)(3)(a)(1) preceding shall be granted ten and one-half months time in service credit for purposes of any applicable minimum period and/or early termination charges.

(K) Changes in Price of Channel Termination and Channel Mileage Rate Elements

At the end of each month during the first five (5) Plan Years of the Service Period in which any MRCs for DS1 or DS3 Channel Termination Rate Elements, or DS1 or DS3 Channel Mileage Rate Elements, decrease, a price change index (**Price Change Index**) comparing the aggregate MRCs in the month in which the price decrease(s) occurs and the aggregate MRCs as of December 31, 2009 shall be calculated as described below. If the Price Change Index for any month is equal to or less than ninety-seven (97) (or such lower Price Change Index, in the event that each of the parties has the right to terminate the customer's subscription to this Option 57, Option 59 of FCC1 and Option 31 of FCC14 based upon the Price Change Index, but neither the customer nor the Telephone Company exercises such right and the Price Change Index triggering such right to terminate is reduced, consistent with (5) following), then the customer or the Telephone Company, in each of their sole discretion, may terminate the customer's subscription to this Option 57, Option 59 of FCC1 and Option 31 of FCC14, subject to the following requirements. (x) (x)

(1) The parties shall have one hundred twenty (120) calendar days from the end of the month in which the rate decrease(s) occurred to review, assess and discuss the implications of the decrease in MRCs for any DS1 or DS3 Channel Termination Rate Elements, or any DS1 or DS3 Channel Mileage Rate Elements.

(2) If either party desires to terminate the customer's subscription to this Option 57, Option 59 of FCC1 and Option 31 of FCC14, such party shall provide written notice by not later than the end of the one hundred twenty (120) calendar day period set forth in (1) preceding, and the effective date of such termination shall be the end of the month in which such written notice is received (**Price Change Termination Date**). (x) (x) (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(K) Changes in Price of Channel Termination and Channel Mileage Rate Elements (Cont'd)

(3) If the customer exercises its termination right as set forth in this Section (K), the following conditions shall apply:

(a) The customer may convert any remaining in-service Qualifying Services converted from DS1 or DS3 Unbundled Transport, DS1 or DS3 Unbundled Loops, DS1 or DS3 EELs, and/or DS1 or DS3 Commingled EELs to Qualifying Services pursuant to the requirements of (F)(3)(a)(1) preceding back to DS1 or DS3 Unbundled Transport, DS1 or DS3 Unbundled Loops, DS1 or DS3 EELs, and/or DS1 or DS3 Commingled EELs, as applicable, with a billing effective date the same as the Price Change Termination Date; and

(b) The customer shall pay to the Telephone Company a one-time termination charge by no later than sixty (60) calendar days after the Price Change Termination Date based upon the Plan Year in which the Price Change Termination Date occurs: (a) five hundred thousand dollars ($500,000) in each of Plan Years 1 and 2; (b) two hundred fifty thousand dollars ($250,000) in Plan Year 3; (c) one hundred twenty five thousand dollars ($125,000) in Plan Year 4; and (d) fifty thousand dollars ($50,000) in Plan Year 5.

(4) If the Telephone Company exercises its termination right as set forth in this Section (K), the following conditions shall apply:

(a) The Telephone Company shall conduct a true-up and calculate any applicable Billing Credits, each as pro-rated for the period of time from the beginning of the applicable Quarter (UNE Conversion Credit) or Plan Year (IOF/TBR Credit) of the Service Period to the Price Change Termination Date and more particularly pro-rated, with respect to the IOF/TBR Credit, based upon the IOF/TBR Credit to which the customer would otherwise have been entitled if the MRCs remained the same for the balance of the months in the Plan Year in which the Price Change Termination Date occurs; and (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(K) Changes in Price of Channel Termination and Channel Mileage Rate Elements (Cont'd)

(4) (Cont'd)

(b) The customer may convert any remaining in-service Qualifying Services converted from DS1 or DS3 Unbundled Transport, DS1 or DS3 Unbundled Loops, DS1 or DS3 EELs, and/or DS1 or DS3 Commingled EELs to Qualifying Services pursuant to the requirements of (F)(3)(a)(1) preceding back to DS1 or DS3 Unbundled Transport, DS1 or DS3 Unbundled Loops, DS1 or DS3 EELs, and/or DS1 or DS3 Commingled EELs, as applicable, with a billing effective date the same as the Price Change Termination Date, in which case the Telephone Company shall provide to the customer a one-time credit equal to the applicable nonrecurring charges associated with converting such remaining in-service Qualifying Services back to DS1 or DS3 Unbundled Transport, DS1 or DS3 Unbundled Loops, DS1 or DS3 EELs, and/or DS1 or DS3 Commingled EELs, as applicable. (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(K) Changes in Price of Channel Termination and Channel Mileage Rate Elements (Cont'd)

(5) In the event that a Price Change Index of ninety-seven (97) or less is calculated and neither party exercises its termination right as set forth in this Section (K), the Price Change Index that triggers the right to terminate shall be reduced by three (3) points to ninety-four (94) after the first time both the parties fail to exercise such right to terminate the customer's subscription to this Option 57, Option 59 of FCC1 and Option 31 of FCC14, and shall decrease (x)
by three (3) points each successive time that the Price Change Index is met and neither party exercises such right to terminate the customer's subscription to this Option 57, Option 59 of FCC1 and Option 31 of FCC14; provided, however, (x)
that if the Price Change Index is calculated such that it is lower than the Price Change Index to which it would be reduced, then it shall be reduced to the next closest Price Change Index that is a multiple of three (3) less than ninety-seven (97) (e.g., if the first Price Change Index triggering the right to terminate was calculated as ninety-three (93) and neither party terminated the customer's subscription to this Option 57, Option 59 of FCC1 and Option (x)
31 of FCC14, the Price Change Index triggering such right (x)
would be reduced to ninety-one (91) (ninety-four (94) minus three (3)), If any MRCs for DS1 or DS3 Channel Termination Rate Elements, or DS1 or DS3 Channel Mileage Rate Elements, decrease, but the applicable Price Change Index does not trigger the right of each of the customer and the Telephone Company to terminate the customer's subscription to this Option 57, Option 59 of FCC1 and Option 31 of FCC14 (x)
consistent with this Section (K), then (i) neither party will have the right to terminate the customer's subscription to this Option 57, Option 59 of FCC1 and Option 31 of FCC14 (x)
pursuant to this Section (K) and (ii) the Price Change Index triggering the right to terminate the customer's subscription to this Option 57, Option 59 of FCC1 and Option 31 of FCC14 (x)
will remain unchanged. (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(K) Changes in Price of Channel Termination and Channel Mileage Rate Elements (Cont'd)

The **Price Change Index** shall be computed as follows:

Step 1 Calculate the average revenue per unit for special access DS1 and DS3 Channel Termination Rate Elements and DS1 and DS3 Channel Mileage Rate Elements purchased by the customer as of December 31, 2009 by dividing the aggregate MRCs billed to the customer by the Telephone Company for all special access Channel Termination Rate Elements and Channel Mileage Rate Elements by the total number of units in-service in the month immediately preceding December 31, 2009;

Step 2 Calculate the average revenue per unit for special access DS1 and DS3 Channel Termination Rate Elements and DS1 and DS3 Channel Mileage Rate Elements purchased by the customer for the month in which a decrease in any MRCs for DS1 or DS3 Channel Termination Rate Elements, or DS1 or DS3 Channel Mileage Rate Elements, as compared to the MRCs in effect as of December 31, 2009, is reflected in the billing, by dividing the aggregate MRCs billed to the customer by the Telephone Company for all special access Channel Termination Rate Elements and Channel Mileage Rate Elements in-service in such month by the total number of units in-service in such month;

Step 3 Multiply the average revenue per unit calculated in Step 2 preceding for both DS1 and DS3 Channel Termination Rate Elements and DS1 and DS3 Channel Mileage Rate Elements by the corresponding units in-service determined in Step 1 preceding;

Step 4 Sum the products of the calculations from Step 3. preceding to get the aggregate MRCs at the new prices; and

Step 5 Divide the result calculated in Step 4 preceding by the sum of the MRCs for DS1 and DS3 Channel Termination Rate Elements and DS1 and DS3 Channel Mileage Rate Elements calculated in Step 1 preceding and round the result to two (2) decimal places.

Step 6 Multiply the result calculated in Step 5 by 100 to get the Price Change Index. (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(K) Changes in Price of Channel Termination and Channel Mileage Rate Elements (Cont'd)

The **Price Change Index** shall be computed as follows: (Cont'd)

Illustrative Example:

Step 1 Assume that as of December 31, 2009 the MRCs, units in service, and average revenue per unit for special access DS1 and DS3 Channel Termination Rate Elements and DS1 and DS3 Channel Mileage Rate Elements are as follows:

	MRCs (1)	Units in Service (2)	Average Revenue (3)=(1)/(2)
Channel Termination Rate Element:			
DS1	$ 6,600,000	55,000	$120.00
DS3	$ 480,000	600	$800.00
Channel Mileage Rate Element:			
DS1	$ 2,720,000	160,000 (miles)	$ 17.00/mile
DS3	$ 1,150,000	10,000 (miles)	$115.00/mile
Total MRCs on 12/31/2009	$10,950,000		

(N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(K) Changes in Price of Channel Termination and Channel Mileage Rate Elements (Cont'd)

Illustrative Example (Cont'd):

Step 2 Further assume that during month ten (10) of Plan Year 1 the prices on the Channel Termination Rate Elements and the Channel Mileage Rate Elements change and that the MRCs, units in service, and average revenue per unit following the price changes are as follows:

	MRCs (1)	Units in Service (2)	Average Revenue (3)=(1)/(2)
Channel Termination Rate Element:			
DS1	$ 7,000,000	60,000	$116.67
DS3	$ 500,000	650	$769.23
Channel Mileage Rate Element:			
DS1	$ 2,500,000	164,000 (miles)	$ 15.24/mile
DS3	$ 1,200,000	11,000 (miles)	$109.09/mile

Step 3 Taking the average revenue per units calculated in Step 2 preceding times the units in service for Step 1 preceding would give the following results:

DS1 Channel Termination Revenues =	$6,416,850	(55,000 x $116.67)
DS3 Channel Termination Revenues =	$ 461,538	(600 x $769.23)
DS1 Channel Mileage Revenues =	$2,438,400	(160,000 x $15.24)
DS3 Channel Mileage Revenues =	$1,090,900	(10,000 x $109.09)

Step 4 The sum of the results from Step 3 would be $10,407,688 ($6,416,850 + $461,538 + $2,438,400 + $1,090,900).

Step 5 The result of the division is 0.95 ($10,407,688 / $10,950,000).

Step 6 The Price Change Index is 95.0 (0.95 x 100)

If the result of Step 6 was a Price Change Index that was at or below ninety-seven (97.0), then the first time such result was to occur would trigger the right of either the customer or the Telephone Company to terminate the customer's subscription to this Option 57, Option 59 of FCC1 and Option 31 of FCC14 in accordance with this Section (K). (x) (N)

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32. Contract Tariffs (Cont'd)

32.58 Contract Tariff Option 57 (Cont'd) (N)

(L) Renewal of Existing Plans

(1) Commitment Discount Plan

If the customer is signed up for the Telephone Company's Commitment Discount Plan (as set forth in Section 25.1 preceding of this tariff and/or Section 25.1 of FCC1) as of December 31, 2009, the Commitment Discount Plan shall be subject to the following provisions (both as to Qualifying Services as well as all other services covered by such Commitment Discount Plan): (x)

(a) Subject to any early termination of the customer's subscription to this Option 57, Option 59 of FCC1 and Option 31 of FCC14, the Commitment Discount Plan is deemed extended as necessary to be coterminous with the end of Plan Year 5; and (ii) the TISC under the Commitment Discount Plan will be granted based on credit already earned as of December 31, 2009 plus any additional credit earned during the customer's subscription to this Option 57 and Option 59 of FCC1, which collectively shall not be greater than the TISC available under the terms of the Commitment Discount Plan. (x) (x) (x)

(b) All other terms and conditions applicable to Commitment Discount Plan (including discounts and minimum period and review/true-up requirements) remain unchanged by this Section (L); provided, however, that no Qualifying Services converted from DS1 or DS3 Unbundled Transport, DS1 or DS3 Unbundled Loops, DS1 or DS3 EELs, or DS1 and DS3 Commingled EELs pursuant to the requirements of (F)(3)(a)(1) preceding shall be included for purposes of establishing commitment levels or in connection with any review/true-up requirements. Upon expiration of Plan Year 5, the Commitment Discount Plan will be subject to the existing regulations that apply upon expiration of the Commitment Discount Plan, including establishment of new commitments.

(2) Term and Volume Plan

If the customer is signed up for the Telephone Company Five-Year DS1 Term and Volume Plan (TVP) (as set forth in Section 5.6.14 of FCC14), and subject to any early termination of the customer's subscription to this Option 57, Option 59 of FCC1 and Option 31 of FCC14, the TVP is deemed extended as necessary to be coterminous with the end of Plan Year 5 and the customer must remain concurrently subscribed during the first five (5) Plan Years during the Service Period. (x) (x) (N)

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32. Contract Tariffs (Cont'd)

32.59 Contract Tariff Option 58 (N)

(A) Scope

Contract Tariff Option 58 (**Option 58**) provides certain discounts and credits on certain Special Access Service rate elements as set forth herein.

(B) Specific Terms

Unless otherwise defined in this Section 32.59, the following terms shall have the meanings set forth following.

(1) **Affiliate** shall mean, as to either Party, any entity that is controlled by, or under common control with, such Party, including (effective as of the date such entity becomes an Affiliate) any entity that becomes an Affiliate after the customer's subscription to this Option 58.

(2) **Alternative Tariff Arrangement** shall mean collectively any contract tariff option or other tariff arrangement or option offered by the Telephone Company that provides a discount, credit, or other reduction in rates or terms with respect to any Qualifying Services (as defined in (B)(17) following), but shall not include the Commitment Discount Plan (CDP), National Discount Plan (NDP), Service Discount Plan (SDP), or Term Payment Plan (TPP), each as set forth in this tariff and/or Tariff F.C.C. No. 1 (**FCC1**), or their substantial equivalent. (x)

(3) **Annual Bonus Payment** shall mean a lump sum payment of two hundred thousand dollars ($200,000) per year as further described in (G) following. (N)

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32. Contract Tariffs (Cont'd)

32.59 Contract Tariff Option 58 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(4) **Annual Grooms Cap** shall mean one hundred (100) grooms for Special Access High Capacity 1.544 Mbps Service (**DS1**) circuits; and twenty (20) grooms for Special Access High Capacity 44.736 Mbps Special Access Service (**DS3**) circuits.

(5) **BANs** shall mean Billing Account Numbers of the customer which shall be used to provide the Billing Credits (if any) to the customer.

(6) **Benefit One** shall mean the discounted per mile component of the Channel Mileage Rate Element and the Annual Bonus Payment, as further described in (G) following.

(7) **Benefit Two** shall mean the Minimum Annual Revenue Commitment (**MARC**) Credit, as further described in (H) following.

(8) **Channel Mileage Rate Elements** shall mean the per mile component of the special access Channel Mileage rate elements, as such rate elements are described more particularly in Section 7.1.2(B) preceding of this tariff and Section 7.1.2(B) of FCC1. (x)

(9) **Disputed Charges** shall mean any charges (or portions thereof) billed by the Telephone Company during the Service Period, (i) which have not been paid in full (without offset or reduction, and in accordance with the terms of this tariff and FCC1, as applicable) by the customer, as of the thirtieth (30th) calendar day following the end of a Quarter, or (ii) which the customer has alleged not to be due as of the thirtieth (30th) calendar day following the end of a Quarter. The provisions of this Section (B)(9) in no way limit the customer's time period to dispute charges. (x) (N)

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32. Contract Tariffs (Cont'd)

32.59 Contract Tariff Option 58 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(10) **DS1 UNEs** shall mean DS1 capacity loops, dedicated transport, or enhanced extended loops (EELs) provided by the Telephone Company as unbundled network elements.

(11) **DS1 Channel Mileage Rate Elements** shall mean the DS1 per mile component of one of the following Universal Service Order Codes (**USOCs**): 1A5ZS, 1A8ZS, 1J53S, 1J54S, 1L5LS, 1L5XX, and 1T58S. The associated DS1 Service must have a Network Channel (NC) Code of HC.

(12) **Eligible LATAs** shall mean, as of January 1, 2010, the Rhode Island LATA (LATA 130), the New York Metro New York LATA (LATA 132), the Albany New York LATA (LATA 134), the Syracuse New York LATA (LATA 136), the Buffalo New York LATA (LATA 140), and the Philadelphia Pennsylvania LATA (LATA 228).

After January 1, 2010, the customer may in its discretion add one or more additional LATAs within the operating territories of this tariff and/or FCC1 to the Eligible LATAs by providing notice to the Telephone Company not more than ninety (90), and not less than thirty (30), calendar days prior to each subsequent anniversary of January 1, 2010, in which case such LATAs shall become Eligible LATAs commencing with such anniversary. In such event, the MARC shall be revised as set forth in (B)(14) following. (x)

(13) **Groom** shall mean any customer initiated activity that negatively impacts the MRCs of a DS1 or DS3 Service ordered prior to January 1, 2010 (e.g. re-termination of a circuit that reduces mileage units and MRCs), with the exceptions of certain Grooms as specified in (H)(3)(b) following. (N)

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32. Contract Tariffs (Cont'd)

32.59 Contract Tariff Option 58 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(14) **MARC** shall mean the Minimum Annual Revenue Commitment. As of January 1, 2010, the MARC shall be equal to twelve (12) times the amount billed by the Telephone Company to the customer for MRCs associated with Qualifying Services during the month of August, 2009 in the Eligible LATAs, minus nine hundred thousand dollars ($900,000). As an illustrative example, if the amount billed by the Telephone Company to the customer for Qualifying Services during the month of August, 2009 in the Eligible LATAs was one million dollars ($1,000,000), the MARC as of January 1, 2010 would be eleven million one hundred thousand dollars ($11,100,000) [($1,000,000 x 12)-$900,000]. In the event that after January 1, 2010 a new LATA becomes an Eligible LATA in accordance with (B)(12) preceding, the MARC shall be revised by adding to the MARC an amount equal to twelve (12) times the MRCs billed by the Telephone Company to the customer for Qualifying Services in the newly-subscribed LATA during the last month prior to the anniversary date prior to which notice is provided.

(15) **MRCs** shall mean monthly recurring charges.

(16) **Plan Year** shall mean each of the following one (1) year periods during the Service Period.

(a) Plan Year 1 shall commence on January 1, 2010 and end on December 31, 2010;

(b) Plan Year 2 shall commence on January 1, 2011 and end on December 31, 2011;

(c) Plan Year 3 shall commence on January 1, 2012 and end on December 31, 2012;

(d) Plan Year 4 shall commence on January 1, 2013 and end on December 31, 2013;

(e) Plan Year 5 shall commence on January 1, 2014 and end on December 31, 2014. (N)

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32. Contract Tariffs (Cont'd)

32.59 Contract Tariff Option 58 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(17) **Qualifying Services** shall mean special access DS1 Services within the operating territories of this tariff and FCC1 that have a Network Channel (NC) code of HC and are billing one of the USOCs set forth in (E)(1)(b) following, and special access DS3 Services within the operating territories of this tariff and FCC1 that have a NC code of HF and are billing one of the USOCs set forth in (E)(1)(b) following. (x) (x)

(18) **Qualifying Revenue** shall mean MRCs for Qualifying Services within the operating territories of this tariff and FCC1 which are paid in full by the customer as further described in (E)(2) following. (x)

(19) **Quarter** shall mean either of the following periods, as applicable: (i) the first (1st) Quarter of each Plan Year is the period beginning with the first day of the applicable Plan Year and ending on the last calendar day of the second month after the month in which the first date occurs (i.e., approximately ninety (90) days thereafter); or (ii) each consecutive three (3) month period thereafter commencing on the first day of the calendar month following the end of the prior Quarter and ending on the last calendar day of the second month after the month in which the first day occurs.

(C) Eligibility

The customer must meet all of the following criteria in order to be eligible to receive the Billing Credits, rates, terms, and conditions of this Option 58.

(1) A customer must subscribe to Option 58 in a manner designated by the Telephone Company during the thirty (30) day period that begins December 29, 2009 and ends January 27, 2010 (**Subscription Period**). The customer's subscription to this Option 58 shall be an automatic subscription to Option 60 of FCC1. Such subscription must include a list of customer ACNAs and a list of customer point of presence (POP) locations within the Eligible LATAs (a maximum of seven (7) of such POP locations may be included in this Option 58 and Option 60 of FCC1) that will be subject to the provisions set forth in (H)(3)(b)(7) following, which the Telephone Company agrees to, in writing, for inclusion in this Option 58 and Option 60 of FCC1. (x) (x) (x) (N) (x)

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32. Contract Tariffs (Cont'd)

32.59 Contract Tariff Option 58 (Cont'd) (N)

(C) Eligibility (Cont'd)

(2) During the calendar year 2008, more than ninety five percent (95%) of the customer's special access DS1 and DS3 Services must have been billed pursuant to this tariff and FCC1. (x)

(3) During calendar year 2008, the customer must have been billed more than thirty five million dollars ($35,000,000) for all of the Qualifying Services that it purchases from the Telephone Company under this tariff and FCC1. (x)

(4) The customer may not during the Service Period of this Option 58 concurrently subscribe to an Alternative Tariff Arrangement. If the customer wishes to subscribe to such an Alternative Tariff Arrangement, then the customer shall not receive any discounts and/or billing credits under this Option 58 and Option 60 of FCC1, and such subscription shall (x)
be considered a termination by the customer of its subscription to this Option 58 and Option 60 of FCC1, subject (x)
to (M) following.

(5) The customer may, during the Service Period of this Option 58, remain subscribed to a CDP, NDP, SDP, or TPP, each as set forth in this tariff and/or FCC1, or their substantial (x)
equivalent.

(D) Service Period

The Service Period of this Option 58 shall commence on January 1, 2010, and end at the close of the day on December 31, 2014. (N)

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32. Contract Tariffs (Cont'd)

32.59 Contract Tariff Option 58 (Cont'd) (N)

(E) Services and Rate Elements Subject to This Option 58 and Option 60 of FCC1 (x) (x)

Subject to the terms and conditions of this Option 58 and Option 60 of FCC1, the credits and discounts provided herein shall apply to the following Qualifying Services: (x) (x)

(1) Qualifying Services

Qualifying Services shall include all DS1 and DS3 rate elements meeting the following criteria:

(a) Rate elements must have a Network Channel (NC) code of either HC for DS1 Qualifying Services or HF for DS3 Qualifying Services.

(b) The Qualifying Service must bill one of the following USOCs:

DS1 Service:

1A5ZS	1A8ZS	1J53S	1J54S	1L5LS	1L5XX
1T58S	A1VXZ	MQ1	MQK	MXN12	MXN13
MXN15	MXN17	QMU	TMECS	TNJZX	TNT3X
TNT4X	TNT8X	TZGHX			

DS3 Service:

1A5LX	1L5XX	1U5PS	1YA8S	MKM	MQ3
MXNRX	TUTPX	TYF8S	TYF8X	TYFLS	TYFLX
TYFMS	TYFMX	TYFVS	TYFVX	TYFWS	TYFWX (N)

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32. Contract Tariffs (Cont'd)

32.59 Contract Tariff Option 58 (Cont'd) (N)

(E) Services and Rate Elements Subject to This Option 58 and Option 60 of FCC1 (Cont'd) (x) (x)

(2) Qualifying Revenue

Qualifying Revenue for purposes of determining whether the customer has exceeded the MARC shall include only MRCs for Qualifying Services which are paid in full by the customer. The following types of charges shall not be included (list is illustrative and not intended to be a comprehensive listing of all other charges excluded):

(a) Nonrecurring charges;

(b) Taxes, or other charges imposed by a federal, state, local, or other governmental entity (e.g., Federal Universal Service Fund);

(c) Service or administrative fees or charges imposed by the Telephone Company (e.g., Interest penalty, late payment penalty);

(d) Any other charges which are not applied on a recurring monthly basis;

(e) 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;

(f) Any debits or credits for Qualifying Services rendered in prior quarters or periods prior to January 1, 2010;

(g) Shortfall or overage charges associated with term plan true-ups;

(h) Minimum period charges;

(i) Any Disputed Charges;

(j) Termination liabilities; or

(k) Adjustments other than those explicitly relating to MRCs. (N)

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32. Contract Tariffs (Cont'd)

32.59 Contract Tariff Option 58 (Cont'd) (N)

(F) Serving Area

The MARC Credit, the Channel Mileage Rate Element Discounted Rate, and the Annual Bonus Payment will be provided only in the Eligible LATAs, and only in the Metropolitan Statistical Areas (**MSAs**) that have achieved Phase I or Phase II pricing flexibility under this tariff and FCC1. Wire centers for the Phase II MSAs are listed in Section 15.3 preceding of this tariff and Section 14.7 of FCC1. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 15.3 preceding of this tariff and Section 14.7 of FCC1) that occur during the Service Period of this Option 58 and Option 60 of FCC1 will apply. (x) (x) (x) (x)

(G) Channel Mileage Discounted Rate and Annual Bonus Payment (Benefit One)

(1) Subject to the terms of this Option 58, the Telephone Company will provide a discounted rate for the per mile component of the Channel Mileage Rate Element of a special access DS1 Service that is ordered by the customer in an Eligible LATA during the Service Period (the **Discounted Mileage Rate).** The Channel Mileage Discounted Rate will be five dollars ($5) per mile for DS1 Channel Mileage Rate Elements. The fixed component of channel mileage will not be discounted and will continue to apply at the rates set forth in other sections of this tariff and FCC1, as applicable, (including such discounts as may be applicable if the customer is also subscribed to a CDP, NDP, SDP or TPP as may be permitted under (B)(2) preceding). The Channel Mileage Discounted Rate will apply for the full life of the circuit, unless terminated in accordance with (M) following. The Channel Mileage Discounted Rate will apply in lieu of the DS1 Channel Mileage per mile rate set forth in other sections of this tariff and FCC1, as applicable, and will not be subject to any further discounts except as allowed herein. (x) (N)

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32. Contract Tariffs (Cont'd)

32.59 Contract Tariff Option 58 (Cont'd) (N)

(G) Channel Mileage Discounted Rate and Bonus Payment (Benefit One) (Cont'd)

(2) Subject to the terms of this Option 58, during the Service Period the Telephone Company will also provide a lump sum payment (the **Annual Bonus Payment**) of two hundred thousand dollars ($200,000) per year, payable in quarterly installments as set forth in (I) following.

(3) To qualify for the Benefit One, and in order to receive the Channel Mileage Discounted Rate and the Annual Bonus Payment, the customer must not order any DS1 UNEs during the Service Period (including conversions of special access circuits to UNEs) within an Eligible LATA. Orders for DS1 UNEs that were ordered prior to January 1, 2010 but completed after January 1, 2010 will not violate this restriction. If the customer inadvertently orders a DS1 UNE but (i) rescinds such order prior to its completion; (ii) converts the resulting DS1 UNE to a special access DS1 Service within sixty (60) calendar days after the date of the first bill from the Telephone Company in which charges for such DS1 UNE first appear and pays an amount to the Telephone Company equal to the difference between the amounts billed for such DS1 UNE and the amounts that would have been billed at the applicable special access rates; or (iii) converts the resulting DS1 UNE to a special access DS1 Service within such time that the Telephone Company, in its sole discretion, may provide, and pays an amount to the Telephone Company equal to the difference between the amounts billed for such DS1 UNE and the amounts that would have been billed at the applicable special access rates; then such order will not be deemed to be a disqualifying DS1 UNE order subject to this Section (G)(3). (N)

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32. Contract Tariffs (Cont'd)

32.59 Contract Tariff Option 58 (Cont'd) (N)

(H) MARC Credit (Benefit Two)

(1) Subject to the terms of this Option 58, for services rendered during the Service Period, the Telephone Company will apply a credit (the **MARC Credit**) equal to a percentage of the MARC.

(2) The MARC Credit shall be calculated by multiplying the MARC times the percentage applicable to the relevant Plan Year, as set forth in the table below.

Year	% Credit
1	7.00%
2	7.25%
3	7.50%
4	7.75%
5	8.00%

(3) In order to receive the MARC Credit, the customer must comply with each of the following conditions:

(a) During the relevant Plan Year, the customer must have paid to the Telephone Company MRCs for Qualifying Services equal to or greater than the MARC.

(b) During the relevant Plan Year, the number of Grooms the customer ordered must be no more than the Annual Grooms Cap as defined in (B)(4) preceding.

The following are not considered Grooms:

(1) Grooms of circuits that are installed as new after December 31, 2009.

(2) Grooms initiated by the Telephone Company.

(3) Grooms associated with non Qualifying Services (e.g. DS0s). (N)

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32. Contract Tariffs (Cont'd)

32.59 Contract Tariff Option 58 (Cont'd) (N)

(H) MARC Credit (Benefit Two) (Cont'd)

(3) (Cont'd)

(b) (Cont'd)

(4) Maintenance Grooms

A circuit that is identified as a Maintenance Groom (as defined below) by the customer, and accepted by the Telephone Company as a Maintenance Groom, shall not count towards the Annual Groom Cap. A Maintenance Groom shall mean a Groom initiated and completed as a direct result of the original circuit experiencing service failures, where the grooming corrects such problems.

(5) Force Majeure Grooms

Grooms that are necessitated by acts of God, fire, flood, lack of or delay in transportation; acts of war or terrorism, civil disorder, strikes, or labor disputes.

(6) Circuits disconnected in their entirety.

(7) Point of Presence (POP) Closure Grooms

Grooms that are the result of the customer migrating circuits from a POP (i.e., a POP on the list of POP locations provided with customer's subscription in accordance with (C)(1) preceding) that is closing to another POP (each a **POP Closure Groom**) will not count toward the Annual Grooms Cap when each of the following conditions are met:

(i) The circuit is migrated from a POP that is closed by the customer in its entirety, to another POP at a different street address, and under a different roof, within the same LATA. (N)

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32. Contract Tariffs (Cont'd)

32.59 Contract Tariff Option 58 (Cont'd) (N)

(H) MARC Credit (Benefit Two) (Cont'd)

(3) (Cont'd)

(b) (Cont'd)

(7) Point of Presence (POP) Closure Grooms (Cont'd)

(ii) The POP being closed is one of the POP locations submitted with the customer's subscription under (C)(1) preceding.

(iii) The Telephone Company receives notice of the POP closure and migration not later than ninety (90) calendar days after its occurrence, in which the customer makes reference to this provision and specifies the following:

- Closed POP location
- Impacted circuits
- Circuit MRCs pre migration
- Circuit MRCs post migration.

If the total decrease in MRCs resulting from POP Closure Grooms in a single Plan Year exceeds 2.5% of the MARC, all such Grooms in excess of two and one-half percent (2.5%) of the MARC shall not be treated as POP Closure Grooms, but instead shall be subject to the Annual Grooms Cap. For example, assume the customer closes a POP location and migrates one hundred sixty-seven (167) DS1 Services to a different POP in accordance with this Section (H)(3)(b)(7). Further assume that the annual decrease in MRCs resulting from such POP Closure Grooms is $300,000 and the annual MRC reduction per DS1 is $1,796.40 ($300,000 / 167). Finally assume the MARC is $11,100,000. The total decrease resulting from POP Closure Grooms is 2.70% (300,000/11,100,000) of the MARC. Since the decrease in MRCs is greater than 2.5% of the MARC [2.5% of the MARC is $277,500 (11,100,000 x 0.025)], the Grooms in excess of 2.5% of the MARC count towards the Annual Grooms Cap [($300,000 - $277,500) / 1,796.40 = 13 POP Closure Grooms that count towards the Annual Grooms Cap]. (N)

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32. Contract Tariffs (Cont'd)

32.59 Contract Tariff Option 58 (Cont'd) (N)

(I) Quarterly True-Up Process

On a quarterly basis, the Telephone Company will (i) calculate the credits due under (1) and (2) following, if any, to the customer; (ii) inform the customer of the credit amount; and (iii) issue the credit(s) due to the customer.

(1) Benefit One Quarterly Credits

The Telephone Company shall calculate the quarterly credits (if any) due for Benefit One as follows:

Step 1 The Telephone Company will determine whether the customer has complied with all the conditions set forth herein to receive Benefit One, and will proceed with the following steps only if the customer has so complied.

Step 2 In the event that, during any part of the applicable Quarter, the Telephone Company billed any DS1 Channel Mileage Rate Elements that were eligible for the Channel Mileage Discounted Rate at any rate other than the Channel Mileage Discounted Rate, the Telephone Company shall calculate as credits (or debits) the difference between the Telephone Company's actual billings, and what would have been billed at the Channel Mileage Discounted Rate.

Step 3 If the customer is eligible for the Annual Bonus Payment, the quarterly credit due to the customer for the Annual Bonus Payment shall be Fifty Thousand Dollars ($50,000). (N)

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32. Contract Tariffs (Cont'd)

32.59 Contract Tariff Option 58 (Cont'd) (N)

(I) Quarterly True-Up Process (Cont'd)

(1) Benefit One Quarterly Credits (Cont'd)

Step 4 For Quarter 1 of Plan Year 1, the Telephone Company will add together the credits and/or debits calculated pursuant to Step 2 and Step 3 above, and apply the sum to the customer's bill not more than thirty (30) calendar days after the start of the Service Period.

For Quarter 1 of each remaining Plan Year during the Service Period, the Telephone Company will add together the credits and/or debits calculated pursuant to Step 2 and Step 3 above, and shall apply the sum to the customer's bill not more than thirty (30) calendar days after the end of the Quarter.

For Quarter 2, Quarter 3, and Quarter 4 of each Plan Year during the Service Period, the Telephone Company shall apply the calculated credit to the customer's bill not more than ninety (90) calendar days after the end of the Quarter. (N)

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32. Contract Tariffs (Cont'd)

32.59 Contract Tariff Option 58 (Cont'd) (N)

(I) Quarterly True-Up Process (Cont'd)

(2) Benefit Two Quarterly Credits

The Telephone Company shall calculate the quarterly credits (if any) due for Benefit Two as follows:

Step 1 The Telephone Company will calculate the sum of all Grooms performed during the applicable Plan Year, through and including the preceding Quarter. Only if the total Grooms do not exceed the Annual Grooms Cap, the Telephone Company will proceed with Step 2 following.

Step 2 The Telephone Company will calculate the sum of all MRCs that are not Disputed Charges billed by the Telephone Company to the customer for Qualifying Services during the applicable Plan Year, through and including the applicable Quarter. If, and only if, such sum is greater than the Cumulative Quarterly Minimum, as set forth below, the Telephone Company will proceed to calculate and apply the quarterly credits as set forth in Steps 3 and 4 below.

(i) For the first Quarter in a Plan Year, there shall be no Cumulative Quarterly Minimum.

(ii) For the second Quarter in a Plan Year, the Cumulative Quarterly Minimum shall be equal to fifty percent (50%) of the MARC.

(iii) For the third Quarter in a Plan Year, the Cumulative Quarterly Minimum shall be equal to seventy-five percent (75%) of the MARC.

(iv) For the fourth Quarter in a Plan Year, the Cumulative Quarterly Minimum shall be equal to one hundred percent (100%) of the MARC.

Step 3 The Telephone Company will calculate the quarterly MARC credit by multiplying twenty-five percent (25%) of the MARC times the applicable percentage set forth in {H)(2) preceding. (N)

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32. Contract Tariffs (Cont'd)

32.59 Contract Tariff Option 58 (Cont'd) (N)

(I) Quarterly True-Up Process (Cont'd)

(2) Benefit Two Quarterly Credits (Cont'd)

Step 4 For Quarter 1 of Plan Year 1, the Telephone Company will apply the quarterly MARC credit calculated in Step 3 preceding to the customer's bill not more than thirty (30) calendar days after the start of the Service Period.

For Quarter 1 of each remaining Plan Year during the Service Period, the Telephone Company will apply the quarterly MARC credit calculated in Step 3 preceding to the customer's bill not more than thirty (30) calendar days after the end of the Quarter.

For Quarter 2, Quarter 3, and Quarter 4 of each Plan Year during the Service Period, the Telephone Company will apply the quarterly MARC credit calculated in Step 3 preceding to the customer's bill not more than ninety (90) calendar days after the end of the Quarter. (N)

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32. Contract Tariffs (Cont'd)

32.59 Contract Tariff Option 58 (Cont'd) (N)

(J) Annual True-Up Process

Not later than sixty (60) calendar days after the end of each Plan Year, the Telephone Company will calculate a reconciliation of the credits due hereunder on an annual basis for such Plan Year, against the credits actually paid to the customer during the Plan Year. Not later than ninety (90) calendar days after the end of such Plan Year, the Telephone Company will apply such credits or debits as may be due to the customer's bill. The Telephone Company may, in its discretion, combine the calculation and/or application of the annual true-up with the quarterly true-up for the final Quarter for such Plan Year.

(1) For Benefit One, the Telephone Company will determine whether the customer has complied with all the conditions set forth herein to receive Benefit One for the Plan Year, and if the customer has not so complied, the Telephone Company will proceed in accordance with a Termination for Cause as set forth in (M)(1) following.

(2) For Benefit Two, if the customer is not in compliance with the Annual Grooms Cap, the Telephone Company will proceed in accordance with a Termination for Cause as set forth in (M)(1) following. If the customer is in compliance with the Annual Grooms Cap, the Telephone Company will calculate the sum of all MRCs that are not Disputed Charges billed by the Telephone Company to the customer for Qualifying Services during the applicable Plan Year. If such sum is greater than the MARC, the Telephone Company shall calculate true-up credits equal to the annual MARC Credit (i.e., the product of the MARC times the applicable percentage set forth in (H)(2) preceding) minus the amount of MARC Credits actually earned for such Plan Year. If such sum is less than the MARC, the Telephone Company shall calculate true-up debits equal to the sum of MARC Credits actually earned for such Plan Year.

(3) The Telephone Company shall apply the annual true-up credit or debits, if any, no later than ninety (90) calendar days after the end of the Plan Year. (N)

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32. Contract Tariffs (Cont'd)

32.59 Contract Tariff Option 58 (Cont'd) (N)

(K) Mergers and Acquisitions of the Customer

In the event that after the customer's subscription to this Option 58, the customer becomes an Affiliate of another company, or acquires a portion of the business of another company, or is acquired in whole or in part by another company (collectively, an **Acquisition**), the following terms and conditions will apply in addition to any other terms and conditions set forth in this tariff and FCC1. (x)

(1) The customer shall provide notice to the Telephone Company of any Acquisition not later than fifteen (15) calendar days after its effectiveness.

(2) Not later than one hundred eighty (180) calendar days after the effectiveness of any Acquisition, the customer shall notify the Telephone Company whether the subject of the Acquisition (the **Acquired Business**) will, in its entirety, become subject to this Option 58 in accordance with the following provisions.

(a) If the Acquired Business is not subject to an Alternative Tariff Arrangement, the customer may, upon thirty (30) calendar days notice to the Telephone Company, elect to include the Acquired Business in its entirety in this Option 58, in which case the MARC and Annual Grooms Cap shall be modified as follows:

(1) The MARC shall be revised by adding to the prior MARC a number equal to twelve (12) times the total MRCs for Qualifying Services billed by the Telephone Company to the Acquired Business in the month immediately preceding notification. If the Acquired Business is added to this Option 58 and Option 60 of FCC1 partway through a Plan Year, the additional MARC for that Plan Year shall be reduced, pro rata, based on the number of months that had elapsed during the Plan Year prior to the addition of the Acquired Business. (x) (N)

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32. Contract Tariffs (Cont'd)

32.59 Contract Tariff Option 58 (Cont'd) (N)

(K) Mergers and Acquisitions of the Customer (Cont'd)

(2) (Cont'd)

(a) (Cont'd)

(2) The Annual Grooms Cap shall be revised as follows:

(i) To revise the Annual Grooms Cap for DS1s and DS3s for the current Plan Year:

Step 1 Divide the current Annual Grooms Cap by twelve (12).

Step 2 Divide the MRCs for Qualifying Services billed by the Telephone Company to the Acquired Business by the MRCs for Qualifying Services billed by the Telephone Company to the customer in the month prior to the effectiveness of the Acquisition.

Step 3 Multiply the output from Step 1 by the output from Step 2.

Step 4 Multiply the output from Step 3 by the number of months remaining in the current Plan Year.

Step 5 Add the output from Step 4 to the current Annual Grooms Cap.

(ii) To revise the Annual Grooms Cap for DS1 and DS3 Services for all future Plan Years:

Step 1 Divide the current Annual Grooms Cap by twelve (12).

Step 2 Divide the MRCs for Qualifying Services billed by the Telephone Company to the Acquired Business by the MRCs for Qualifying Services billed by the Telephone Company to the customer in the month prior to the effectiveness of the Acquisition.

Step 3 Multiply the output from Step 1 by the output from Step 2.

Step 4 Multiply the output from Step 3 by twelve (12).

Step 5 Add the output from Step 4 to the current Annual Grooms Cap. (N)

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32. Contract Tariffs (Cont'd)

32.59 Contract Tariff Option 58 (Cont'd) (N)

(K) Mergers and Acquisitions of the Customer (Cont'd)

(2) (Cont'd)

(b) In the event that the customer does not elect to include the Acquired Business in this Option 58 in accordance with subsection (a) preceding, the following terms shall apply.

(1) The customer may not combine or include any DS1 or DS3 Rate Elements from the Acquired Business in determining whether, or what level of, Billing Credits may be due under this Option 58.

(2) Any and all Billing Credits shall be calculated based on the customer's business and revenue with the Telephone Company using the customer ACNAs included with the customer's subscription under (C)(1) preceding , without adding the revenues and/or ACNAs attributable to expansion of the customer's purchase of 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 58 for breach if the customer does not adhere to the provisions of this Section (K)(2)(b). Termination of the customer's subscription to this Option 58 is an automatic termination of the customer's subscription to Option 60 of FCC1. (N)(x)

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32. Contract Tariffs (Cont'd)

32.59 Contract Tariff Option 58 (Cont'd) (N)

(K) Mergers and Acquisitions of the Customer (Cont'd)

(2) (Cont'd)

(b) (Cont'd)

(4) The customer shall not use the acquired/merged ACNAs/ DS1 Services to circumvent the Benefit One provision that restricts the customer from converting special access DS1 Qualifying Services to DS1 UNEs or ordering New DS1 UNEs under the customer ACNAs included in this Option 58 and Option 60 of FCC1. The customer will be deemed to have circumvented such Benefit One restriction if both of the following conditions are met: (x)

(i) the average number of monthly DS1 UNE orders for the acquired/merged ACNAs/CFAs during any rolling three (3) month period exceeds by eight percent (8%) or more the Acquired Entity's average monthly UNE DS1 orders for the twelve (12) months immediately preceding the Acquisition merger); and

(ii) the average number of monthly special access DS1 orders for the customer ACNAs during the same three (3) month period decreases by eight percent (8%) or more from the customer's average number of monthly special access DS1 orders during the twelve (12) months immediately preceding the Acquisition. (N)

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32. Contract Tariffs (Cont'd)

32.59 Contract Tariff Option 58 (Cont'd) (N)

(L) Sale of Verizon Operating Telephone Company

If some or all of the assets or stock of a Verizon Operating Telephone Company of this tariff or FCC1 that provides Qualifying Services under this Option 58 or Option 60 of FCC1 are acquired by an unaffiliated third party during the Service Period, effective with the closing of such transaction, the Telephone Company will proportionally adjust the MARC as may be necessary to reflect such transaction. (x) (x)

(M) Termination of Benefits

(1) Termination for Cause

(a) The Telephone Company may terminate Benefit One or Benefit Two, or both, if the customer orders any DS1 UNEs during the Service Period of this Option 58. If the customer inadvertently orders a DS1 UNE but (i) rescinds such order prior to its completion; (ii) converts the resulting DS1 UNE to a special access DS1 circuit within sixty (60) calendar days after the date of the first bill for the DS1 UNE from the Telephone Company in which charges for such DS1 UNE first appear, and pays an amount to the Telephone Company equal to the difference between the amounts billed for such DS1 UNE and the amounts that would have been billed at the applicable special access DS1 rates; or (iii) converts the resulting DS1 UNE to a special access DS1 circuit within such time that the Telephone Company, in its sole discretion, may provide, and pays an amount to the Telephone Company equal to the difference between the amounts billed for such DS1 UNE and the amounts that would have been billed at the applicable special access DS1 rates; then such order will not be deemed to be a DS1 UNE order that permits termination in accordance with this Section (M)(1)(a). (N)

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32. Contract Tariffs (Cont'd)

32.59 Contract Tariff Option 58 (Cont'd) (N)

(M) Termination of Benefits (Cont'd)

(1) Termination for Cause (Cont'd)

(b) The Telephone Company may terminate Benefit Two if the customer fails to meet the MARC during a full Plan Year, and fails to exercise the Buy Up Option in accordance with (N) following; or if the customer exceeds the Annual Grooms Cap during a full Plan Year, and fails within ninety (90) calendar days after the date the Telephone Company notifies the customer that it has exceeded the Annual Grooms Cap, or after the end of the Plan Year, whichever is earlier, to cause all Groomed circuits in excess of the Annual Grooms Cap to revert to a state whereby such circuit would no longer constitute a Groom as defined herein.

(c) If Benefit One is terminated with cause pursuant to (a) preceding, or by the customer for convenience pursuant to (M)(2)(a) following, the Telephone Company will bill, and the customer will pay, an amount equal to the difference between the total amount actually paid by the customer (including all discounts and credits) for Qualifying Services rendered during the preceding Plan Year immediately preceding such termination, and the total amount that the customer would have paid for the same service at the rates applicable to the Commitment Discount Plan (if any) to which the customer is subscribed to on December 31, 2009, the Channel Mileage Discounted Rate shall cease to apply to subsequent billings.

(d) If Benefit Two is terminated with cause pursuant to (b) preceding, or by the customer for convenience pursuant to (M)(2)(a) following, the Telephone Company will bill, and the customer will pay, an amount equal to all MARC Credits actually applied for services rendered during the Plan Year immediately preceding such termination, and the customer shall no longer be eligible to receive any future MARC Credits. (N)

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32. Contract Tariffs (Cont'd)

32.59 Contract Tariff Option 58 (Cont'd) (N)

(M) Termination of Benefits (Cont'd)

(2) Termination for Convenience

(a) At the end of any Plan Year, before the issuance by the Telephone Company of any credits due for the preceding Quarter under (I) preceding, the customer may, by notice to the Telephone Company, terminate Benefit Two, or both Benefits One and Two, thirty (30) calendar days after the delivery of such notice. In the event of such termination by the customer for convenience, the provisions of (M)(1)(c) and (M)(1)(d) preceding shall apply, except that the Discounted Mileage Rate shall continue to apply to the same extent as it applies upon expiration of the Service Period as described in (M)(3) following.

(b) At the end of any Plan Year, after the issuance by the Telephone Company of all credits due for such Plan Year under (I) preceding, the Telephone Company may, by (i) notice to the customer, and (ii) payment to the customer of five hundred thousand dollars ($500,000) for each Benefit so terminated (i.e., $1,000,000 for both), terminate Benefit One, or Benefit Two, or both.

(1) In the event that Benefit One is so terminated for convenience, any circuit that was established prior to, and is eligible for the Discounted Mileage Rate, shall, upon expiration of the Service Period, continue to receive the Channel Mileage Discounted Rate so long as that circuit remains in service.

(2) In the event that the Telephone Company terminates one, but not both, benefits, the customer may cause the other benefit to be terminated without penalty, and in such event the Channel Mileage Discounted Rate on established circuits will continue in accordance with (1) preceding.

(3) Termination Upon Expiration

Upon expiration of the Service Period, all benefits provided under this Option 58 shall cease to apply, except that any circuit that was established prior to, and is eligible for the Channel Mileage Discounted Rate, shall, upon expiration of the Service Period, continue to receive the Channel Mileage Discounted Rate so long as that circuit remains in service, and so long as such circuit is not subject to an Alternative Tariff Arrangement. (N)

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32. Contract Tariffs (Cont'd)

32.59 Contract Tariff Option 58 (Cont'd) (N)

(N) Benefit Two Buy-Up

(1) In the event that the customer's Qualifying Revenue during any Plan Year falls short of the MARC, the customer may, subject to the limitation set forth in (2) following, pay a fee equal to the amount by which its Qualifying Revenue fell short of the MARC (the **Shortfall Payment**). In the event that the customer makes a Shortfall Payment not less than ninety (90) calendar days after the close of such Plan Year, it will be deemed to have met the MARC for such Plan Year.

(2) The customer shall not be entitled to make a Shortfall Payment if the amount of the Shortfall Payment would exceed the following levels:

(a) in the first Plan Year, 7.00% of the MARC;

(b) in the second Plan Year, 7.25% of the MARC;

(c) in the third Plan Year, 7.50% of the MARC;

(d) in the fourth Plan Year, 7.75% of the MARC;

(e) in the fifth Plan Year, 8.00% of the MARC.

(O) Extension of Discount Plan

If, on the first day of the Service Period, the customer is subscribed to a Commitment Discount Plan (CDP), National Discount Plan (NDP), Service Discount Plan (SDP), or Term Payment Plan (TPP), each as set forth in this tariff and/or FCC1 (such plan an **Existing Plan**), the customer may elect to extend the termination date of such Existing Plan, in accordance with the terms of this paragraph, to make the expiration date of the Existing Plan coterminous with the expiration date of the Service Period for this Option 58 and Option 60 of FCC1. If the Existing Plan would expire during the Service Period for this Option 58 and Option 60 of FCC1, then the customer may, upon notice to the Telephone Company delivered not later than thirty (30) calendar days prior to the scheduled expiration of the Existing Plan, extend the termination date of the Existing Plan to coincide with the expiration date of the Service Period for this Option 58 and Option 60 of FCC1. (x) (x) (x) (N) (x)

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32. Contract Tariffs (Cont'd)

32.60 Contract Tariff Option 59

(A) Scope

Contract Tariff Option 59 (**Option 59**) provides a discount to customers who subscribe to and achieve an aggregate revenue commitment over a three (3) year period for certain Video Services and/or Advanced Video Services that are provided under either (i) this Option 59 as set forth herein; or (ii) under this Option 59 and Option 61 of Tariff F.C.C. No. 1 (**FCC 1**). The Video Services and/or Advanced Video Services that are used to measure compliance with the aggregate revenue commitment are:

(1) Special Access Hi-Definition Digital Video Transport Services (**Hi-Def DVTS**) as set forth in Section 7.2.14(D) preceding and Section 7.2.5(F) of FCC 1; or

(2) Special Access full-time Serial Component Video Services (**SCVS**) as set forth in Section 7.2.14(C) preceding and Section 7.2.5(E) of FCC 1; or

(3) Special Access full-time Broadcast Video Service as set forth in Section 7.2.5(A)(1) preceding and Basic Video Service (collectively, **BVS**) as set forth in Section 7.2.5(A) of FCC 1.

(B) Eligibility

The customer must meet all of the following criteria in order to be eligible to receive the discounted rates of this Option 59.

(1) A customer must subscribe to Option 59 in a manner designated by the Telephone Company during the period that begins April 1, 2010 and ends December 31, 2012 (**Subscription Period**). (C) The customer must include a list of any of its affiliates that the customer wishes to be included in the customer's subscription which the Telephone Company agrees to in writing for inclusion in this Option 59 and, when applicable, Option 61 of FCC 1. For purposes of this Option 59, the term "affiliate" means any entity that controls, is controlled by, or is under common control with the customer subscribing to this Option 59.

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32. Contract Tariffs (Cont'd)

32.60 Contract Tariff Option 59 (Cont'd) (N)

(B) Eligibility (Cont'd)

(2) At the time of subscription to this Option 59, the customer must commit to an aggregate revenue amount that must be met by the end of the three (3) year Service Period of this Option 59. The aggregate revenue commitment applies to Hi-Def DVTS, SCVS and BVS that the Telephone Company provides to the customer within the operating territories of this tariff. The customer must concurrently subscribe to Option 61 of FCC 1 in order to include the revenue for Hi-Def DVTS, SCVS and BVS that the customer subscribes to within the operating territories of FCC 1 in its aggregate revenue commitment. The customer must select one of the aggregate revenue commitments set forth in (E)(2)(a) following (each, a **Commitment Level**) at the time of subscription to this Option 59. The Commitment Level selected by the customer determines the rate level applicable to Hi-Def DVTS and SCVS that the customer subscribes to during the Service Period of this Option 59. BVS is not discounted under this Option 59, however, the revenue for BVS is included in the calculation of the aggregate revenue commitment. (x) (x) (x)

(3) Subscription to Alternate Tariff Arrangements

Except as allowed under (B)(2) preceding, the customer may not concurrently subscribe Hi-Def DVTS or SCVS to an Alternative Tariff Arrangement (which shall mean any contract tariff option or other tariff arrangement or option offered by the Telephone Company that provides a discount, credit, or other reduction in rates or terms with respect to Hi-Def DVTS and/or SCVS) during the Service Period or Extended Service Period of this Option 59 and, when applicable, Option 61 of FCC 1. (x) (x)

(C) Service Period

The Service Period of this Option 59 is thirty-six (36) months from the date the customer initially subscribes to this Option 59. Individual Service Periods are not available for Hi-Def DVTS or SCVS included in this Option 59 or, when applicable, Option 61 of FCC 1. The customer may extend the Service Period of this Option 59 and, when applicable, Option 61 of FCC 1 in accordance with (E)(8)(c) following. (x) (x) (x) (N)

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32. Contract Tariffs (Cont'd)

32.60 Contract Tariff Option 59 (Cont'd) (N)

(D) Serving Area

The Serving Area of this Option 59 includes the Metropolitan Statistical Areas (**MSAs**) that have achieved Phase I or Phase II pricing flexibility under this tariff and FCC 1. Wire centers for the Phase II MSAs are listed in Section 15.3 preceding of this tariff and Section 14.7 of FCC 1. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 15.3 preceding of this tariff and Section 14.7 of FCC 1) that occur during the Service Period of this Option 59 and Option 61 of FCC 1 will apply. (x) (x) (x) (x)

(E) Terms and Conditions

(1) Included Services

The Hi-Def DVTS and SCVS that can be included in this Option 59 and for which the discounted rates herein apply include:

(a) Hi-Def DVTS which are installed as new during the Service Period or Extended Service Period of this Option 59.

(b) Hi-Def DVTS which are installed as new during the Service Period or Extended Service Period of this Option 59 in order to replace existing SCVS, BVS, Multichannel Video Service (**MVS**), Supertrunking Transport Video Service (**SVS**), Advanced Broadcast Video Service (**ABVS**), Advanced Uncompressed Digital Video Service (**AUDVS**), or 45 Mbps Digital Video Transport Service (**45 Mbps DVTS**) that are upgraded to Hi-Def DVTS under this Option 59. Termination liability under the existing Service Discount Plan as set forth in Section 7.4.10(C) preceding does not apply to upgrade SCVS, BVS, MVS, SVS, ABVS, or AUDVS to new Hi-Def DVTS under this Option 59. Early Termination Charges as set forth in Section 7.4.1(D) preceding do not apply to upgrade 45 Mbps DVTS to new Hi-Def DVTS under this Option 59. The customer is responsible for satisfying any outstanding minimum period obligation as it applies to the service being upgraded. Minimum period obligations are set forth in Section 7.4.4 preceding.

(c) Existing Hi-Def DVTS which are migrated from their current term plan to this Option 59. Early termination charges as set forth in Section 7.4.1(D) preceding do not apply to cancel the current term plan for Hi-Def DVTS in order to include such service in this Option 59.

(d) SCVS which are installed as new during the Service Period or Extended Service Period of this Option 59. (N)

(x) Issued under authority of Special Permission No. 10-004 of the Federal Communications Commission.

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32. Contract Tariffs (Cont'd)

32.60 Contract Tariff Option 59 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Included Services (Cont'd)

(e) SCVS which are installed as new during the Service Period or Extended Service Period of this Option 59 in order to replace existing BVS, MVS, SVS, ABVS, AUDVS, or 45 Mbps DVTS that are upgraded to SCVS under this Option 59. Termination liability under the existing Service Discount Plan as set forth in Section 7.4.10(C) preceding does not apply to upgrade BVS, MVS, SVS, ABVS, or AUDVS to new SCVS under this Option 59. Early Termination Charges as set forth in Section 7.4.1(D) preceding do not apply to upgrade 45 Mbps DVTS to new SCVS under this Option 59. The customer is responsible for satisfying any outstanding minimum period obligation as it applies to the service being upgraded. Minimum period obligations are set forth in Section 7.4.4 preceding.

(f) Existing SCVS which are migrated from their current Service Discount Plan to this Option 59. Termination liability as set forth in Section 7.4.10(C) preceding does not apply to cancel the current Service Discount Plan for SCVS in order to include such service in this Option 59.

(g) The Hi-Def DVTS and SCVS set forth in (a) through (f) preceding can be included in this Option 59 at anytime during the Service Period and, when applicable, during the Extended Service Period of this Option 59. All of the Hi-Def DVTS and SCVS are eligible for the rates set forth in (F) following during the Service Period of this Option 59 and, when applicable, during the Extended Service period of this Option 59. (N)

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32. Contract Tariffs (Cont'd)

32.60 Contract Tariff Option 59 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Commitment Levels

(a) At the time of subscription to this Option 59, the customer must select one of the following Commitment Levels for its Hi-Def DVTS, SCVS and BVS. The Commitment Level includes an aggregate revenue commitment that must be met in month 36 of the Service Period. The customer may ramp up to its agreed-to Commitment Level, provided that minimum revenue thresholds, specified herein, are satisfied to ensure the customer is progressing towards satisfying the entire commitment. On an annual basis, the Telephone Company will conduct a review to compare the aggregate revenue the customer should have achieved in months 12, 24 and 36 of the Ramp-up Schedule for the selected Commitment Level (**Expected Revenue**) and the aggregate revenue the customer actually achieved in such months (**Actual Revenue**). If the customer extends the Service Period under (E)(8)(c) following, the Expected Revenue in month 36 of the Service Period is also the Expected Revenue during the entire three (3) year Extended Service Period with an annual review occurring in months 48, 60 and 72 of the Extended Service Period. The selected Commitment Level also determines the rates applicable to Hi-Def DVTS and SCVS during the Service Period and, when applicable, during the Extended Service Period. The customer must choose one of the following Commitment Levels:

(1) Level 1 Commitment
($26,460 in month 36 of the Service Period)

Ramp Up Schedule:

Expected Revenue in month 12	$ 8,820
Expected Revenue in month 24	$ 17,640
Expected Revenue in month 36	$ 26,460

(2) Level 2 Commitment
($117,600 in month 36 of the Service Period)

Ramp Up Schedule:

Expected Revenue in month 12	$ 39,200
Expected Revenue in month 24	$ 78,400
Expected Revenue in month 36	$117,600

(3) Level 3 Commitment
($205,800 in month 36 of the Service Period)

Ramp Up Schedule:

Expected Revenue in month 12	$ 68,600
Expected Revenue in month 24	$137,200
Expected Revenue in month 36	$205,800 (N)

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32. Contract Tariffs (Cont'd)

32.60 Contract Tariff Option 59 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Commitment Levels (Cont'd)

(b) The customer may change to a higher Commitment Level on three (3) occasions during the period that the customer is subscribed to this Option 59 as follows:

(1) Once during the Service Period; and

(2) at the time the customer extends the Service Period under (E)(8)(c) following; and

(3) once during the Extended Service Period.

The discounted rates for the higher Commitment Level become effective with the first day of the bill period following the date that the customer changes to a higher Commitment Level and continue for the remainder of the applicable Service Period or Extended Service Period. No retroactive adjustment will be made for the prior bill periods during which time the discounted rates for the lesser Commitment Level were in effect. (N)

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32. Contract Tariffs (Cont'd)

32.60 Contract Tariff Option 59 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(3) Revenues Included in Calculating Aggregate Revenue

For purposes of determining whether the customer has met the aggregate revenue commitment for month 36 and/or the Expected Revenue per the applicable Ramp-up Schedule, the Telephone Company shall include only monthly recurring charges (**MRCs**) for SCVS, Hi-Def DVTS and BVS of this tariff and, when applicable, of this tariff and FCC 1 which are paid in full by the customer. The following types of charges shall not be included (list is illustrative and not intended to be a comprehensive listing of all other charges excluded): (x)

(a) Nonrecurring charges;

(b) Taxes, or other charges imposed by a federal, state, local, or other governmental entity (e.g., Federal Universal Service Fund);

(c) Service or administrative fees or charges imposed by the Telephone Company (e.g., Interest penalty, late payment penalty);

(d) Any other charges which are not applied on a recurring monthly basis;

(e) Credits or adjustments provided by the Telephone Company that apply to any period other than the Service Period and to any services other than Hi-Def DVTS, SCVS and BVS;

(f) Any debits or credits for Hi-Def DVTS, SCVS or BVS rendered prior to the customer's subscription to this Option 59;

(g) Minimum period charges;

(h) Shortfall charges associated with not achieving the Expected Revenue per the applicable Ramp-up Schedule;

(i) Any Early Termination Charges as set forth in (E)(7) following; or

(j) Any monthly recurring charges for optional features and functions associated with SCVS; or

(k) Adjustments other than those explicitly relating to MRCs. (N)

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32. Contract Tariffs (Cont'd)

32.60 Contract Tariff Option 59 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(4) Annual Review

For each year of the Service Period, the Telephone Company will conduct an annual review per customer to measure the customer's compliance with the aggregate revenue commitment and associated Ramp-up Schedule. Such annual review will occur within ninety (90) calendar days of the last day of month 12, month 24 and month 36 of the Service Period.

If the Actual Revenue in month 12, 24, or 36 is equal to or greater than the Expected Revenue in month 12, 24 or 36, respectively, no action shall be taken.

If the Actual Revenue in month 12, 24 or 36 is less than the Expected Revenue in month 12, 24 or 36, respectively, a penalty applies as follows:

(a) For Year 1, the penalty for not achieving the Expected Revenue in month 12 is equal to (i) the Expected Revenue in month 12; minus (ii) the Actual Revenue in month 12; and (iii) the result multiplied by six (6) months [(Expected Revenue in month 12 – Actual Revenue in month 12) x 6 months)].

(b) For Year 2, the penalty for not achieving the Expected Revenue in month 24 is equal to (i) the Expected Revenue in month 24; minus (ii) the Actual Revenue in month 24; and (iii) the result multiplied by six (6) months [(Expected Revenue in month 24 – Actual Revenue in month 24) x 6 months)].

(c) For Year 3, the penalty for not achieving the Expected Revenue in month 36 is equal to (i) the Expected Revenue in month 36; minus (ii) the Actual Revenue in month 36; and (iii) the result multiplied by six (6) months [(Expected Revenue in month 36 – Actual Revenue in month 36) x 6 months)].

If the customer extends the Service Period under (E)(8)(c) following, the Telephone Company will conduct an annual review per customer to measure the customer's compliance with the aggregate revenue commitment and associated Ramp-up Schedule for the selected Commitment Level for the Extended Service Period as set forth in (E)(8)(c) following. Such annual review will occur within ninety (90) calendar days of the last day of month 48, month 60 and month 72 of the Extended Service Period. The penalty that applies for not achieving the Expected Revenue in month 48, month 60 or month 72 of the Extended Service Period is the same penalty that applied for not achieving the Expected Revenue in month 36 of the Service Period, except that the Actual Revenue in month 48, month 60 or month 72, as applicable, is used in the calculation of the penalty. (N)

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32. Contract Tariffs (Cont'd)

32.60 Contract Tariff Option 59 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(4) Annual Review (Cont'd)

The rates for the selected Commitment Level set forth in (F) following apply during the entire Service Period and, when applicable, during the entire Extended Service Period regardless of whether or not the customer achieves the Expected Revenue set forth in the applicable Ramp-up Schedule.

Illustrative Example:

Assume all of the following:

- The customer selected the Level 2 Commitment Level at the time of subscription to this Option 59 with Expected Revenue of $39,200 in month 12 of the Service Period, $78.400 in month 24 of the Service Period, and $117,600 in month 36 of the Service Period.

- In month 12 of the Service Period, the customer's Actual Revenue is $36,950 which is $2,250 short of the Expected Revenue in month 12 of the Service Period ($39,200 - $36,950 = $2,250 short of the Expected Revenue).

To calculate the penalty for Year 1 due from the customer, multiply the shortage for Year 1 by 6 months ($2,250 x 6 = $13,500). The Telephone Company will apply the shortfall penalty to the customer's bill no later than two (2) bill periods of completing the annual review.

The annual review is calculated per customer using the Actual Revenue achieved by the customer for Hi-Def DVTS, SCVS and BVS in months 12, 24 and 36 (and in months 48, 60 and 72 if the Service Period is extended under (E)(8)(c) following) under this tariff and, when applicable, under FCC 1. (N)(x)

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32. Contract Tariffs (Cont'd)

32.60 Contract Tariff Option 59 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(5) Application of Rates and Charges

The rate elements applicable to Hi-Def DVTS and SCVS during the Service Period and, when applicable, during the Extended Service Period of this Option 59 are as follows:

(a) Channel Termination Rate Element

The monthly recurring rates and nonrecurring charges for the Channel Termination rate element set forth in (F)(1) following apply in lieu of the SCVS Basic Channel Termination or Premises to Hub Channel Termination rates set forth in Sections 30.7.16(A)(3) or 31.7.16(A)(3) preceding as determined in accordance with Section 15.3 preceding, or in lieu of the Hi-Def DVTS Channel Termination rates set forth in Section 30.7.16(A)(4) or 31.7.16(A)(4) as determined in accordance with Section 15.3 preceding. The Channel Termination rates set forth in (F)(1) following apply whether or not the customer has achieved the Expected Revenue per the applicable Ramp-up Schedule.

(b) Channel Mileage Rate Element

(1) The monthly recurring rates for the Channel Mileage rate element set forth in (F)(2) following apply in lieu of the Channel Mileage rates for SCVS and HI-Def DVTS set forth in Sections 30.7.16(B) and 31.7.16(B) preceding as determined in accordance with Section 15.3 preceding, and consist of a fixed and per mile component.

(2) The fixed component applies for all mileage between the wire centers serving the locations involved when the distance is greater than zero (0) miles. The per mile component applies for each mile in excess of the first ten (10) miles.

(3) When the mileage calculation results in zero (0) miles of transport, fixed and per mile charges are not applicable.

The Channel Mileage rates set forth in (F)(2) following apply whether or not the customer has achieved the Expected Revenue per the applicable Ramp-up Schedule. (N)

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32. Contract Tariffs (Cont'd)

32.60 Contract Tariff Option 59 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(5) Application of Rates and Charges (Cont'd)

(c) Optional Feature and Function Rate Elements

(1) When SCVS is provided with the Advanced Video Switching optional feature, the rates and charges for such optional feature are the rates set forth in Sections 30.7.16(C)(3) and 31.7.16(C)(3) preceding as determined in accordance with Section 15.3 preceding.

(2) When SCVS is provided with the Video Patch optional feature, the rates and charges for such optional feature are the rates set forth in Sections 30.7.16(C)(4) and 31.7.16(C)(4) preceding as determined in accordance with Section 15.3 preceding.

(d) Where suitable facilities are not available to provide Hi-Def DVTS or SCVS under this Option 59, Special Construction as set forth in Section 5.1.3 preceding may apply.

(6) Minimum Period

Hi-Def DVTS and SCVS that are included in this Option 59 are not subject to the minimum periods set forth in Sections 7.2.14(C)(4) preceding and 7.2.14(D)(4) preceding, respectively. However, each Hi-Def DVTS or SCVS that is subscribed to under this Option 59 is subject to an Early Termination Charge if such service is discontinued within six (6) months of the date that the service is included in this Option 59. Early Termination Charges are set forth in (7) following.

(7) Early Termination Charges

An Early Termination Charge applies for each Hi-Def DVTS or SCVS that is discontinued during the Service Period or Extended Service Period, as applicable, prior to being included in this Option 59 for six (6) months. For example, if an SCVS is added to this Option 59 on June 1, 2010, the customer would be subject to an Early Termination Charge if such service is disconnected prior to November 30, 2010. The Early Termination Charge applies as a flat charge per discontinued Hi-Def DVTS or SCVS and will not be pro-rated for the time that such Hi-Def DVTS or SCVS was actually in-service under this Option 59.

Service Type	Early Termination Charge	
Hi-Def DVTS	$500.00	
SCVS	$500.00	(N)

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32. Contract Tariffs (Cont'd)

32.60 Contract Tariff Option 59 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(8) Expiration of Service Period

Within ninety (90) calendar days of the expiration date of the Service Period for this Option 59, the customer must choose one of the following options:

(a) discontinue service without termination liability, except that an Early Termination Charge as set forth in (E)(7) preceding applies to each Hi-Def DVTS or SCVS that is disconnected prior to being included in this Option 59 for six (6) months or more;

(b) select any then offered term plan or contract tariff option for which the customer is eligible, subject to the terms and conditions of the such term plan or contract tariff option (including any termination liability and minimum period requirements, as applicable); or

(c) extend the expiration date of the Service Period of this Option 59 by thirty-six (36) months (**Extended Service Period**) in which case the following applies during the period of extension:

(1) The customer must provide the Telephone Company with written notice of its election to extend the Service Period. An extension to the Service Period of this Option 59 is an automatic extension of the Service Period for Option 61 of FCC 1; and (x)

(2) the monthly recurring rates set forth in (F) following continue to apply for during the Extended Service Period; and

(3) the Commitment Level applicable during the Extended Service Period is the same Commitment Level that applied at expiration of the Service Period, except that the customer may convert to a higher Commitment Level for the Extended Service Period by requesting such higher Commitment Level in its notice to the Telephone Company to extend the Service Period; and (N)

(x) Issued under authority of Special Permission No. 10-004 of the Federal Communication Commission.

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32. Contract Tariffs (Cont'd)

32.60 Contract Tariff Option 59 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(8) Expiration of Service Period (Cont'd)

(c) (Cont'd)

(4) the Commitment Levels that apply during the Extended Service Period are as follows:

(a) Level 1 Commitment
($26,460 during the Service Period)

Ramp Up Schedule:

Expected Revenue in month 48	$ 26,460
Expected Revenue in month 60	$ 26,460
Expected Revenue in month 72	$ 26,460

(b) Level 2 Commitment
($117,600 during the Service Period)

Ramp Up Schedule:

Expected Revenue in month 48	$117,600
Expected Revenue in month 60	$117,600
Expected Revenue in month 72	$117,600

(c) Level 3 Commitment
($205,800 during the Service Period)

Ramp Up Schedule:

Expected Revenue in month 48	$205,800
Expected Revenue in month 60	$205,800
Expected Revenue in month 72	$205,800

(5) Upon expiration of the Extended Service Period, the customer has the option to (i) disconnect service in accordance with (E)(8)(a) preceding; or (ii) select any then offered term plan or contract tariff option in accordance with (E)(8)(b) preceding. In the event that the customer does not make an election of (E)(8)(a) or (b) preceding, the customer's subscription to Option 59 is cancelled in accordance with (E)(9) following.

(d) In the event that the customer does not make an election of (E)(8)(a) through (E)(8)(c) preceding, the Service Period of this Option 59 shall be extended in accordance (E)(8)(c) preceding. An extension of the Service Period of this Option 59 is an automatic extension of the Service Period of Option 61 of FCC 1. (N)(x)

(x) Issued under authority of Special Permission No. 10-004 of the Federal Communications Commission.

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32. Contract Tariffs (Cont'd)

32.60 Contract Tariff Option 59 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(9) Cancellation of Subscription

(a) If the customer cancels its subscription to this Option 59 at any time during the Service Period or Extended Service Period, the following applies:

(1) The terms and conditions and discounted rates applied under this Option 59 shall cease effective with the date of cancellation; and

(2) a cancellation charge equal to the number of whole months remaining in the Service Period or Extended Service Period, as applicable, multiplied by the cancellation fee for the Commitment Level in effect at the time of cancellation. The cancellation fee for each Commitment Levels is as follows:

Commitment Level	Cancellation Fee
Level 1	$ 6,615
Level 2	$29,400
Level 3	$51,540

As an illustrative example, assume the customer subscribed to this Option 59 on April 1, 2010 and the Commitment Level at the time of cancellation is Commitment Level 1. Further assume the customer cancels its subscription to this Option 59 on February 17, 2011 with twenty-five (25) months and eleven (11) days remaining in the Service Period (i.e., twenty-five (25) whole months remaining in the Service Period). The cancellation charge to the customer is $165,375.00 ($6,615 x 25).

As another illustrative example, assume the customer has completed its Service Period and Extended Service Period but failed to make an election upon expiration of the Extended Service Period as required under (E)(8)(c)(5) preceding. Since there are no whole months remaining in the Extended Service Period, the cancellation charge to the customer is $0 ($6,615 x 0).

The cancellation charge is calculated per customer using the cancellation fee set forth above. If the customer also subscribes to Option 61 of FCC 1, only one such cancellation charge applies to cancel the customer's subscription to both this Option 59 and Option 61 of FCC 1. (x) (N) (x)

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32. Contract Tariffs (Cont'd)

32.60 Contract Tariff Option 59 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(9) Cancellation of Subscription (Cont'd)

(a) (Cont'd)

(3) For each Hi-Def DVTS and SCVS that has not been included in this Option 59 for six (6) months or more, Early Termination Charges as set forth in (E)(7) preceding apply.

(4) In the event that the customer retains one or more of the Hi-Def DVTS and/or SCVS after cancellation of its subscription to this Option 59, service will continue at the month-to-month rates for such service as set forth in Section 30.7.16 or 31.7.16 following as determined in accordance with Section 15.3 preceding.

(b) Cancellation of the customer's subscription to this Option 59 is an automatic cancellation of the customer's subscription to Option 61 of FCC 1. (N)(x)

(x) Issued under authority of Special Permission No. 10-004 of the Federal Communication Commission.

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32. Contract Tariffs (Cont'd)

32.60 Contract Tariff Option 59 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(10) Sale or Transfer of Verizon Company Operating Telephone Company

If the Telephone Company sells or transfers all or a portion of the assets of a Verizon Issuing Carrier for an operating territory of this tariff as set forth in Section 15 preceding or for an operating territory set forth in Section 14 of FCC 1 (each a **Verizon Operating Company**) to an unaffiliated third party, or transfers all or a portion of the stock of a Verizon Operating Company to an unaffiliated third party, such transaction is considered a Transfer ("**Transfer**") for the purpose of administering the terms and conditions set forth herein. (x) (x)

If a Transfer occurs under this tariff or FCC 1, and such Transfer results in a decrease in the quantities of Hi-Def DTVS, SCVS and/or BVS that the Telephone Company provides to the customer under this Option 59 and/or Option 61 of FCC 1, the annual review will be calculated under the following terms and conditions, in addition to any other terms and conditions set forth in this tariff or FCC 1, as applicable. (x) (x) (x)

(a) The Expected Revenue per the Commitment Level Ramp-up Schedule for the Service Period set forth in (E)(2)(a) preceding or per the Commitment Level Ramp-up Schedule for the Extended Service Period as set forth in (E)(8)(c)(4) preceding, as applicable, shall be reduced for each remaining year of the Service Period or Extended Service Period, as applicable, by an amount equal to the actual revenue per Hi-Def DVTS, SCVS and BVS that the Verizon Operating Company no longer provides to the customer.

(b) As an illustrative example, assume in year 2 of the Service Period, the customer's Commitment Level at the time of the Transfer is a Level 2 commitment. Further assume that three (3) SCVS are acquired by the unaffiliated third party and that the actual revenue per SCVS as measured at the time of the Transfer is $781.25 per month. Based on the above, the Telephone Company will reduce the customer's Expected Revenue in month 24 and in month 36 as follows:

For month 24, the Expected Revenue is reduced to $76,056 [$78,400 – ($781.25 x 3) = $76,056.25 and rounded down to $76,056].

For month 36, the Expected Revenue is reduced to $134,856 [$137,200 - ($781.25 x 3) = $134,856.25 and rounded down to $134,856]. (N)

(x) Issued under authority of Special Permission No. 10-004 of the Federal Communication Commission.

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32. Contract Tariffs (Cont'd)

32.60 Contract Tariff Option 59 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(11) Termination of Subscription Period by the Telephone Company

At any time during the Subscription Period specified in (B)(1) preceding, the Telephone Company may terminate the ability for new customers to subscribe to this Option 59 by filing a revision to (B)(1) preceding that changes the expiration date of the Subscription Period from December 31, 2011 to the date that the Telephone Company will no longer allow new subscriptions to this Option 59. Customers who are already subscribed to this Option 59 as of the new expiration date shall continue with their subscription through the end of the Service Period, or Extended Service Period, as applicable with no change in the terms or conditions set forth herein. (N)

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32. Contract Tariffs (Cont'd)

32.60 Contract Tariff Option 59 (Cont'd) (N)

(F) Rates and Charges

The following rates and charges apply during the Service Period and, when applicable, during the Extended Service Period of this Option 59. Such rates apply whether or not the customer achieves the Expected Revenue set forth in the Ramp-up Schedule for the Service Period or Extended Service Period, as applicable.

(1) Channel Terminations

	Monthly Rate	Nonrecurring Charge
- Hi-Def DVTS, per point of termination (Transmit only or Receive only)		
Level 1 Commitment	$441.00	None
Level 2 Commitment	$392.00	None
Level 3 Commitment	$343.00	None
- SCVS, Basic Channel Termination, per point of termination (Transmit only or Receive only)		
Level 1 Commitment	$441.00	None
Level 2 Commitment	$392.00	None
Level 3 Commitment	$343.00	None
- SCVS Premises to Hub Channel Termination, each		
Level 1 Commitment	$441.00	None
Level 2 Commitment	$392.00	None
Level 3 Commitment	$343.00	None

(2) Channel Mileage

	Monthly Rate
- Hi-Def DVTS or SCVS	
- Fixed	
Level 1 Commitment	$ 90.00
Level 2 Commitment	$ 80.00
Level 3 Commitment	$ 70.00
- Per mile over 10 miles	
Level 1 Commitment	$ 99.00
Level 2 Commitment	$ 88.00
Level 3 Commitment	$ 77.00

(2) Optional Features and Functions — Rates and charges are set forth in Sections 30.7.16(C) and 31.7.16(C) preceding as determined in accordance with Section 15.3 preceding (N)

(TR 1077)

32. Contract Tariffs (Cont'd)

32.61 Contract Tariff Option 60

(A) Scope

Contract Tariff Option 60 (**Option 60**) provides a discount to Customers who subscribe to and achieve an aggregate revenue commitment over a three (3) year period for certain Video Services and/or Advanced Video Services that are provided under either (i) this Option 60 as set forth herein; or (ii) under this Option 60 and Option 62 of Tariff F.C.C. No. 1 (**FCC 1**). The Video Services and/or Advanced Video Services that are used to measure compliance with the aggregate revenue commitment are:

(1) Special Access Hi-Definition Digital Video Transport Services (**Hi-Def DVTS**) as set forth in Section 7.2.14(D) preceding and Section 7.2.5(F) of FCC 1; or

(2) Special Access full-time Serial Component Video Services (**SCVS**) as set forth in Section 7.2.14(C) preceding and Section 7.2.5(E) of FCC 1; or

(3) Special Access full-time Broadcast Video Service as set forth in Section 7.2.5(A)(1) preceding and Basic Video Service (collectively, **BVS**) as set forth in Section 7.2.5(A) of FCC 1.

For purposes of this Option 60, the term "Customer" shall mean collectively the Customer and all of its Affiliates that are included in this Option 60.

For purposes of this Option 60, the term "Affiliate" means any entity that controls, is controlled by, or is under common control with the Customer subscribing to this Option 60.

(B) Eligibility

The Customer must meet all of the following criteria in order to be eligible to receive the discounted rates of this Option 60.

(1) A Customer must subscribe to Option 60 in a manner designated by the Telephone Company during the period that begins June 9, 2010 and ends December 31, 2011 (**Subscription Period**). The Customer must include a list of any of its Affiliates that the Customer wishes to be included in the Customer's subscription to this Option 60 and, when applicable, Option 62 of FCC 1. The Customer may add Affiliates to, or remove Affiliates from its subscription to this Option 60 and, when applicable, Option 62 of FCC 1 at any time during the Service period, the Extended Service Period, or the Second Extended Service Period as further described in (E)(12) following. (T) (N)

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32. Contract Tariffs (Cont'd)

32.61 Contract Tariff Option 60 (Cont'd)

(B) Eligibility (Cont'd)

(2) A Customer who, as of June 9, 2010, subscribes to Option 59 preceding may cancel its subscription to Option 59 in order to subscribe to this Option 60. Cancellation of the Customer's subscription to Option 59 in order to subscribe to this Option 60 will not incur (i) a Cancellation Fee as set forth in Option 59, Section 32.60(E)(9) preceding; or (ii) Early Termination charges as set forth in Option 59, Section 32.60(E)(7) preceding.

(3) At the time of subscription to this Option 60, the Customer must commit to an aggregate revenue amount that must be met by the end of the three (3) year Service Period of this Option 60. The aggregate revenue commitment applies to Hi-Def DVTS, SCVS and BVS that the Telephone Company provides to the Customer within the operating territories of this tariff. The Customer must concurrently subscribe to Option 62 of FCC 1 in order to include the revenue for Hi-Def DVTS, SCVS and BVS that the Customer subscribes to within the operating territories of FCC 1 in its aggregate revenue commitment. The Customer must select one of the aggregate revenue commitments set forth in (E)(2)(a) following (each a **Commitment Level**) at the time of subscription to this Option 60. The Commitment Level selected by the Customer determines the rate level applicable to Hi-Def DVTS and SCVS that the Customer subscribes to during the Service Period of this Option 60. BVS is not discounted under this Option 60, however, the revenue for BVS is included in the calculation of the aggregate revenue commitment.

(4) Subscription to Alternate Tariff Arrangements

Except as allowed under (B)(2) preceding, the Customer may not concurrently subscribe Hi-Def DVTS or SCVS to an Alternative Tariff Arrangement (which shall mean any contract tariff option or other tariff arrangement or option offered by the Telephone Company that provides a discount, credit, or other reduction in rates or terms with respect to Hi-Def DVTS and/or SCVS) during the Service Period, the Extended Service Period, or the Second Extended Service Period of this Option 60 and, when applicable, Option 62 of FCC 1. (T) (N)

(C) Service Period

The Service Period of this Option 60 is thirty-six (36) months from the date the Customer initially subscribes to this Option 60. Individual Service Periods are not available for Hi-Def DVTS or SCVS included in this Option 60 or, when applicable, Option 62 of FCC 1. The Customer may extend the Service Period of this Option 60 and, when applicable, Option 62 of FCC 1 in accordance with (E)(8)(d) or (f) following. (N)

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32. Contract Tariffs (Cont'd)

32.61 Contract Tariff Option 60 (Cont'd)

(D) Serving Area

The Serving Area of this Option 60 includes the Metropolitan Statistical Areas (**MSAs**) that have achieved Phase I or Phase II pricing flexibility under this tariff and FCC 1. Wire centers for the Phase II MSAs are listed in Section 15.3 preceding of this tariff and Section 14.7 of FCC 1. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 15.3 preceding of this tariff and Section 14.7 of FCC 1) that occur during the Service Period of this Option 60 and Option 62 of FCC 1 will apply.

(E) Terms and Conditions

(1) Included Services

The Hi-Def DVTS and SCVS that can be included in this Option 60 and for which the discounted rates herein apply include:

(a) Hi-Def DVTS which are installed as new during the Service Period, the Extended Service Period, or the Second Extended Service Period of this Option 60. (N) (N)

(b) Hi-Def DVTS which are installed as new during the Service Period, the Extended Service Period, or the Second Extended Service Period of this Option 60 in order to replace existing SCVS, BVS, Multichannel Video Service (**MVS**), Supertrunking Transport Video Service (**SVS**), Advanced Broadcast Video Service (**ABVS**), Advanced Uncompressed Digital Video Service (**AUDVS**), or 45 Mbps Digital Video Transport Service (**45 Mbps DVTS**) that are upgraded to Hi-Def DVTS under this Option 60. Early Termination Charges and/or Termination Liability as set forth in Section 7.4.10(C) preceding do not apply to upgrade SCVS, BVS, MVS, SVS, ABVS, AUDVS or 45 Mbps DVTS to new Hi-Def DVTS under this Option 60. (N) (N)

(c) Existing Hi-Def DVTS which are migrated from their current term plan to this Option 60 or from Option 59 preceding. Early Termination Charges as set forth in Section 7.4.1(D) or Option 59, Section 32.60(E)(7) preceding, respectively, do not apply to cancel the current term plan for Hi-Def DVTS in order to include such service in this Option 60.

(d) SCVS which are installed as new during the Service Period, the Extended Service Period, or the Second Extended Service Period of this Option 60. (N) (N)

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32. Contract Tariffs (Cont'd)

32.61 Contract Tariff Option 60 (Cont'd)

(E) Terms and Conditions (Cont'd)

(1) Included Services (Cont'd)

(e) SCVS which are installed as new during the Service Period, the Extended Service Period, or the Second Extended Service Period of this Option 60 in order to replace existing BVS, MVS, SVS, ABVS, AUDVS, Hi-Def DVTS, or 45 Mbps DVTS that are upgraded to SCVS under this Option 60. Early Termination Charges as set forth in Section 7.4.10(C) preceding do not apply to upgrade BVS, MVS, SVS, ABVS, AUDVS Hi-Def DVTS, or 45 Mbps DVTS to new SCVS under this Option 60. (N) (N)

(f) Existing SCVS which are migrated from their current term plan to this Option 60 or from Option 59 preceding. Early termination charges and/or termination liability as set forth in Section 7.4.10(C) or Option 59, Section 32.60(E)(7) preceding, respectively, do not apply to cancel the current term plan for SCVS in order to include such service in this Option 60.

(g) The Hi-Def DVTS and SCVS set forth in (a) through (f) preceding can be included in this Option 60 at anytime during the Service Period and, when applicable, during the Extended Service Period or Second Extended Service Period of this Option 60. All of the Hi-Def DVTS and SCVS are eligible for the rates set forth in (F) following during the Service Period of this Option 60 and, when applicable, during the Extended Service Period or Second Extended Service Period of this Option 60. (N) (N) (N)

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32. Contract Tariffs (Cont'd)

32.61 Contract Tariff Option 60 (Cont'd)

(E) Terms and Conditions (Cont'd)

(2) Commitment Levels

(a) At the time of subscription to this Option 60, the Customer must select one of the following Commitment Levels for its Hi-Def DVTS, SCVS and BVS. The Commitment Level includes an aggregate revenue commitment that must be met in month 36 of the Service Period. The Customer may ramp up to its agreed-to Commitment Level, provided that minimum revenue thresholds, specified herein, are satisfied to ensure the Customer is progressing towards satisfying the entire commitment. On an annual basis, the Telephone Company will conduct a review to compare the aggregate revenue the Customer should have achieved in months 12, 24 and 36 of the Ramp-up Schedule for the selected Commitment Level (**Expected Revenue**) and the aggregate revenue the Customer actually achieved in such months (**Actual Revenue**). If the Customer extends the Service Period under (E)(8)(d) following, the Expected Revenue in month 36 of the Service Period is also the Expected Revenue during the entire three (3) year Extended Service Period or Second Extended Service Period with an annual review occurring in months 48, 60 and 72 of the Extended Service Period or months 84, 96 and 108 of the Second Extended Service Period. The selected Commitment Level also determines the rates applicable to Hi-Def DVTS and SCVS during the Service Period and, when applicable, during the Extended Service Period or Second Extended Service Period. The Customer must choose one of the following Commitment Levels: (N) (N) (N) (N) (N)

(1) Level 1 Commitment
($26,460 in month 36 of the Service Period)

Ramp Up Schedule:

Expected Revenue in month 12	$ 8,820
Expected Revenue in month 24	$ 17,640
Expected Revenue in month 36	$ 26,460

(2) Level 2 Commitment
($117,600 in month 36 of the Service Period)

Ramp Up Schedule:

Expected Revenue in month 12	$ 39,200
Expected Revenue in month 24	$ 78,400
Expected Revenue in month 36	$117,600

(3) Level 3 Commitment
($205,800 in month 36 of the Service Period)

Ramp Up Schedule:

Expected Revenue in month 12	$ 68,600
Expected Revenue in month 24	$137,200
Expected Revenue in month 36	$205,800

(TR 1343)

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32. Contract Tariffs (Cont'd)

32.61 Contract Tariff Option 60 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Commitment Levels (Cont'd)

(b) The Customer may change to a higher Commitment Level on three (3) occasions during the period that the Customer is subscribed to this Option 60 as follows:

(1) Once during the Service Period; and

(2) at the time the Customer extends the Service Period under (E)(8)(d) following; and

(3) once during the Extended Service Period.

The discounted rates for the higher Commitment Level become effective with the first day of the bill period following the date that the Customer changes to a higher Commitment Level and continue for the remainder of the applicable Service Period or Extended Service Period. No retroactive adjustment will be made for the prior bill periods during which time the discounted rates for the lesser Commitment Level were in effect.

(c) The Customer may change to a lower Commitment Level at the time it requests to extend the Service Period under (E)(8)(d) preceding. The lower Commitment Level and associated rates shall commence on the first day of the Extended Service Period. (N)

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32. Contract Tariffs (Cont'd)

32.61 Contract Tariff Option 60 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(3) Revenues Included in Calculating Aggregate Revenue

For purposes of determining whether the Customer has met the aggregate revenue commitment for month 36 and/or the Expected Revenue per the applicable Ramp-up Schedule, the Telephone Company shall include only monthly recurring charges (**MRCs**) for SCVS, Hi-Def DVTS and BVS of this tariff and, when applicable, of this tariff and FCC 1 which are paid in full by the Customer. The following types of charges shall not be included (list is illustrative and not intended to be a comprehensive listing of all other charges excluded): (x)

(a) Nonrecurring charges;

(b) Taxes, or other charges imposed by a federal, state, local, or other governmental entity (e.g., Federal Universal Service Fund);

(c) Service or administrative fees or charges imposed by the Telephone Company (e.g., Interest penalty, late payment penalty);

(d) Any other charges which are not applied on a recurring monthly basis;

(e) Credits or adjustments provided by the Telephone Company that apply to any period other than the Service Period and to any services other than Hi-Def DVTS, SCVS and BVS;

(f) Any debits or credits for Hi-Def DVTS, SCVS or BVS rendered prior to the Customer's subscription to this Option 60;

(g) Minimum period charges;

(h) Shortfall charges associated with not achieving the Expected Revenue per the applicable Ramp-up Schedule;

(i) Any Early Termination Charges as set forth in (E)(7) following; or

(j) Any monthly recurring charges for optional features and functions associated with SCVS; or

(k) Adjustments other than those explicitly relating to MRCs. (N)

(x) Issued under authority of Special Permission 10-006 of the Federal Communications Commission.

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32. Contract Tariffs (Cont'd)

32.61 Contract Tariff Option 60 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(4) Annual Review

For each year of the Service Period, the Telephone Company will conduct an annual review per Customer to measure the Customer's compliance with the aggregate revenue commitment and associated Ramp-up Schedule. Such annual review will occur within ninety (90) calendar days of the last day of month 12, month 24 and month 36 of the Service Period.

If the Actual Revenue in month 12, 24, or 36 is equal to or greater than the Expected Revenue in month 12, 24 or 36, respectively, no action shall be taken.

If the Actual Revenue in month 12, 24 or 36 is less than the Expected Revenue in month 12, 24 or 36, respectively, a penalty applies as follows:

(a) For Year 1, the penalty for not achieving the Expected Revenue in month 12 is equal to (i) the Expected Revenue in month 12; minus (ii) the Actual Revenue in month 12; and (iii) the result multiplied by six (6) months [(Expected Revenue in month 12 – Actual Revenue in month 12) x 6 months)].

(b) For Year 2, the penalty for not achieving the Expected Revenue in month 24 is equal to (i) the Expected Revenue in month 24; minus (ii) the Actual Revenue in month 24; and (iii) the result multiplied by six (6) months [(Expected Revenue in month 24 – Actual Revenue in month 24) x 6 months)].

(c) For Year 3, the penalty for not achieving the Expected Revenue in month 36 is equal to (i) the Expected Revenue in month 36; minus (ii) the Actual Revenue in month 36; and (iii) the result multiplied by six (6) months [(Expected Revenue in month 36 – Actual Revenue in month 36) x 6 months)].

If the Customer extends the Service Period under (E)(8)(d) following, the Telephone Company will conduct an annual review per Customer to measure the Customer's compliance with the aggregate revenue commitment and associated Ramp-up Schedule for the selected Commitment Level for the Extended Service Period as set forth in (E)(8)(d) following. Such annual review will occur within ninety (90) calendar days of the last day of month 48, month 60 and month 72 of the Extended Service Period. The penalty that applies for not achieving the Expected Revenue in month 48, month 60 or month 72 of the Extended Service Period is the same penalty that applied for not achieving the Expected Revenue in month 36 of the Service Period, except that the Actual Revenue in month 48, month 60 or month 72, as applicable, is used in the calculation of the penalty. (N)

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32. Contract Tariffs (Cont'd)

32.61 Contract Tariff Option 60 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(4) Annual Review (Cont'd)

The rates for the selected Commitment Level set forth in (F) following apply during the entire Service Period and, when applicable, during the entire Extended Service Period regardless of whether or not the Customer achieves the Expected Revenue set forth in the applicable Ramp-up Schedule.

Illustrative Example:

Assume all of the following:

- The Customer selected the Level 2 Commitment Level at the time of subscription to this Option 60 with Expected Revenue of $39,200 in month 12 of the Service Period, $78.400 in month 24 of the Service Period, and $117,600 in month 36 of the Service Period.

- In month 12 of the Service Period, the Customer's Actual Revenue is $36,950 which is $2,250 short of the Expected Revenue in month 12 of the Service Period ($39,200 - $36,950 = $2,250 short of the Expected Revenue).

To calculate the penalty for Year 1 due from the Customer, multiply the shortage for Year 1 by 6 months ($2,250 x 6 = $13,500). The Telephone Company will apply the shortfall penalty to the Customer's bill no later than two (2) bill periods of completing the annual review.

The annual review is calculated per Customer using the Actual Revenue achieved by the Customer for Hi-Def DVTS, SCVS and BVS in months 12, 24 and 36 (and in months 48, 60 and 72 if the Service Period is extended under (E)(8)(d) following) under this tariff and, when applicable, under FCC 1. (N)(x)

(x) Issued under authority of Special Permission 10-006 of the Federal Communications Commission.

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32. Contract Tariffs (Cont'd)

32.61 Contract Tariff Option 60 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(5) Application of Rates and Charges

The rate elements applicable to Hi-Def DVTS and SCVS during the Service Period and, when applicable, during the Extended Service Period of this Option 60 are as follows:

(a) Channel Termination Rate Element

The monthly recurring rates and nonrecurring charges for the Channel Termination rate element set forth in (F)(1) following apply in lieu of the SCVS Premises-to-Premises or Premises to Hub Channel Termination rates set forth in Section 30.7.16(A)(3) or 31.7.16(A)(3) preceding as determined in accordance with Section 15.3 preceding, or in lieu of the Hi-Def DVTS Premises-to-Premises or Premises to Hub Channel Termination rates set forth in Section 30.7.16(A)(4) or 31.7.16(A)(4) preceding as determined in accordance with Section 15.3 preceding. The Channel Termination rates set forth in (F)(1) following apply whether or not the Customer has achieved the Expected Revenue per the applicable Ramp-up Schedule.

(b) Channel Mileage Rate Element

(1) The monthly recurring rates for the Channel Mileage rate element set forth in (F)(2) following apply in lieu of the Channel Mileage rates for SCVS as set forth in Section 30.7.16(B) or 31.7.16(B) preceding as determined in accordance with Section 15.3 preceding, or in lieu of the Hi-Def DVTS Channel Mileage rates set forth in Section 30.7.16(B) or 31.7.16(B) preceding as determined in accordance with Section 15.3 preceding and consist of a fixed and per mile component.

(2) The fixed component applies for all mileage between the wire centers serving the locations involved when the distance is greater than zero (0) miles. The per mile component applies for each mile in excess of the first ten (10) miles.

(3) When the mileage calculation results in zero (0) miles of transport, fixed and per mile charges are not applicable.

The Channel Mileage rates set forth in (F)(2) following apply whether or not the Customer has achieved the Expected Revenue per the applicable Ramp-up Schedule. (N)

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32. Contract Tariffs (Cont'd)

32.61 Contract Tariff Option 60 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(5) Application of Rates and Charges (Cont'd)

(c) Optional Feature and Function Rate Elements

(1) When SCVS or Hi-Def DVTS are provided with the Advanced Video Switching optional feature, the rates and charges for such optional feature are the rates set forth in Section 30.7.16(C)(3) or 31.7.16(C)(3) preceding as determined in accordance with Section 15.3 preceding.

(2) When SCVS or Hi-Def DVTS are provided with the Video Patch optional feature, the rates and charges for such optional feature are the rates set forth in Section 30.7.16(C)(4) or 31.7.16(C)(4) preceding as determined in accordance with Section 15.3 preceding.

(d) Where suitable facilities are not available to provide Hi-Def DVTS or SCVS under this Option 60, Special Construction as set forth in Section 5.1.3 preceding may apply.

(6) Minimum Period

Hi-Def DVTS and SCVS that are included in this Option 60 are not subject to the minimum periods set forth in Sections 7.2.14(C)(4) preceding and 7.2.14(D)(4) preceding, respectively. However, each Hi-Def DVTS or SCVS that is subscribed to under this Option 60 is subject to an Early Termination Charge if such service is discontinued within six (6) months of the date that the service is included in this Option 60. Early Termination Charges are set forth in (7) following.

(7) Early Termination Charges

An Early Termination Charge applies for each Hi-Def DVTS or SCVS that is discontinued during the Service Period, Extended Service Period, or period of continuance under (E)(8) following, as applicable, prior to being included in this Option 60 for six (6) months. For example, if an SCVS is added to this Option 60 on July 1, 2010, the Customer would be subject to an Early Termination Charge if such service is disconnected prior to December 31, 2010. The Early Termination Charge applies as a flat charge per discontinued Hi-Def DVTS or SCVS and will not be pro-rated for the time that such Hi-Def DVTS or SCVS was actually in-service under this Option 60.

Service Type	Early Termination Charge
Hi-Def DVTS	$500.00
SCVS	$500.00 (N)

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32. Contract Tariffs (Cont'd)

32.61 Contract Tariff Option 60 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(8) Expiration of Service Period

Within ninety (90) calendar days of the expiration date of the Service Period for this Option 60, the Customer must choose one of the following options:

(a) discontinue service without termination liability, except that an Early Termination Charge as set forth in (E)(7) preceding applies to each Hi-Def DVTS or SCVS that is disconnected prior to being included in this Option 60 for six (6) months or more;

(b) select any then offered term plan or contract tariff option for which the Customer is eligible, subject to the terms and conditions of the such term plan or contract tariff option (including any termination liability and minimum period requirements, as applicable); or

(c) continue with one or more of the services that were subscribed to under this Option 60 at the rates set forth in (F) preceding for the Commitment Level that was in effect at expiration of the Service Period until such time as the Customer issues an order to either (i) disconnect a service; or (ii) make a change to the service, in which case the service involved will no longer be provided under this Option 60. The Customer may not add additional Hi-Def DVTS or SCVS to this Option 60 during the period of continuance. Early Termination charges as set forth in (E)(7) preceding apply if a Hi-Def DVTS or SCVS is discontinued prior to be included in this Option 60 for six (6) months. Annual Reviews are not applicable during this period of continuance; or (N)

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32. Contract Tariffs (Cont'd)

32.61 Contract Tariff Option 60 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(8) Expiration of Service Period (Cont'd)

(d) extend the expiration date of the Service Period of this Option 60 by thirty-six (36) months (**Extended Service Period**) in which case the following applies during the period of extension:

(1) The Customer must provide the Telephone Company with written notice of its election to extend the Service Period. An extension to the Service Period of this Option 60 is an automatic extension of the Service Period for Option 62 of FCC 1; and (x)

(2) the monthly recurring rates set forth in (F) following apply for during the Extended Service Period; and

(3) the Customer has the option to continue with the same Commitment Level that was in effect at expiration of the Service Period or to elect a different Commitment Level. For example, if Commitment Level 3 was in effect at expiration of the Service Period, the Customer may elect Commitment Level 3, Commitment Level 2 or Commitment Level 1 during the Extended Service Period; and (N)

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32. Contract Tariffs (Cont'd)

32.61 Contract Tariff Option 60 (Cont'd)

(E) Terms and Conditions (Cont'd)

(8) Expiration of Service Period (Cont'd)

(d) (Cont'd)

(4) the Commitment Levels that apply during the Extended Service Period are as follows:

(a) Level 1 Commitment
($26,460 during the Service Period)

Ramp Up Schedule:

Expected Revenue in month 48	$ 26,460
Expected Revenue in month 60	$ 26,460
Expected Revenue in month 72	$ 26,460

(b) Level 2 Commitment
($117,600 during the Service Period)

Ramp Up Schedule:

Expected Revenue in month 48	$117,600
Expected Revenue in month 60	$117,600
Expected Revenue in month 72	$117,600

(c) Level 3 Commitment
($205,800 during the Service Period)

Ramp Up Schedule:

Expected Revenue in month 48	$205,800
Expected Revenue in month 60	$205,800
Expected Revenue in month 72	$205,800

(5) Upon expiration of the Extended Service Period, the Customer has the option to (i) disconnect service in accordance with (E)(8)(a) preceding; (ii) select any then offered term plan or contract tariff option in accordance with (E)(8)(b) preceding; (iii) extend the expiration date of the Extended Service Period of this Option 60 by thirty-six (36) months (Second Extended Service Period) in accordance with (E)(8)(f) following; or (iv) continue with the services in accordance with (E)(8)(c) preceding. In the event that the Customer does not make an election of (E)(8)(a) through (c) preceding or (E)(8)(f) following, the Customer's subscription to Option 60 is terminated and service will continue in accordance with (E)(8)(c) preceding. (N) | (N) | (N) (N)

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32. Contract Tariffs (Cont'd)

32.61 Contract Tariff Option 60 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(8) Expiration of Service Period (Cont'd)

(f) Extend the expiration date of the Extended Service Period of this Option 60 by thirty-six (36) months (**Second Extended Service Period**) in which case the following applies during the period of the second extension:

(1) The Customer must provide the Telephone Company with written notice of its election to extend the Extended Service Period. An extension to the Extended Service Period of this Option 60 is an automatic extension of the Extended Service Period for Option 62 of FCC 1; and (x)

(2) the monthly recurring rates set forth in (F) following apply for during the Second Extended Service Period; and

(3) the Customer has the option to continue with the same Commitment Level that was in effect at expiration of the Extended Service Period or to elect a different Commitment Level. For example, if Commitment Level 3 was in effect at expiration of the Extended Service Period, the Customer may elect Commitment Level 3, Commitment Level 2 or Commitment Level 1 during the Second Extended Service Period; and (N)

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32. Contract Tariffs (Cont'd)

32.61 Contract Tariff Option 60 (Cont'd)

(E) Terms and Conditions (Cont'd)

(8) Expiration of Service Period (Cont'd)

(f) (Cont'd)

(4) the Commitment Levels that apply during the Second Extended Service Period are as follows: (N)

(a) Level 1 Commitment
($26,460 during the Service Period)

Ramp Up Schedule:

Expected Revenue in month 84	$ 26,460
Expected Revenue in month 96	$ 26,460
Expected Revenue in month 108	$ 26,460

(b) Level 2 Commitment
($117,600 during the Service Period)

Ramp Up Schedule:

Expected Revenue in month 84	$117,600
Expected Revenue in month 96	$117,600
Expected Revenue in month 108	$117,600

(c) Level 3 Commitment
($205,800 during the Service Period)

Ramp Up Schedule:

Expected Revenue in month 84	$205,800
Expected Revenue in month 96	$205,800
Expected Revenue in month 108	$205,800

(5) Upon expiration of the Second Extended Service Period, the Customer has the option to (i) disconnect service in accordance with (E)(8)(a) preceding; or (ii) select any then offered term plan or contract tariff option in accordance with (E)(8)(b) preceding. In the event that the Customer does not make an election of (E)(8)(a) or (b) preceding, the Customer's subscription to Option 60 is terminated, and service will be converted to a Month-to-Month term and rated at the then prevailing rate for Month-to-Month service. (N)

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32. Contract Tariffs (Cont'd)

32.61 Contract Tariff Option 60 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(8) Expiration of Service Period (Cont'd)

(e) Upon expiration of the initial Service Period if the Customer does not make an election of (E)(8)(a) through (E)(8)(d) preceding, the Service Period of this Option 60 shall be extended in accordance (E)(8)(d) preceding. In this case, the Commitment Level that was in effect at expiration of the initial Service Period applies during the Extended Service Period. An extension of the Service Period of this Option 60 is an automatic extension of the Service Period of Option 62 of FCC 1. (N)(x)

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32. Contract Tariffs (Cont'd)

32.61 Contract Tariff Option 60 (Cont'd)

(E) Terms and Conditions (Cont'd)

(9) Cancellation of Subscription

(a) If the Customer cancels its subscription to this Option 60 at any time during the Service Period, Extended Service Period or Second Extended Service Period, the following applies: (T) (N)

(1) The terms and conditions and discounted rates applied under this Option 60 shall cease effective with the date of cancellation; and

(2) a cancellation charge equal to the number of whole months remaining in the Service Period or Extended Service Period, as applicable, multiplied by the cancellation fee for the Commitment Level in effect at the time of cancellation. The cancellation fee for each Commitment Levels is as follows:

Commitment Level	Cancellation Fee
Level 1	$ 6,615
Level 2	$29,400
Level 3	$51,540

As an illustrative example, assume the Customer subscribed to this Option 60 on April 1, 2010 and the Commitment Level at the time of cancellation is Commitment Level 1. Further assume the Customer cancels its subscription to this Option 60 on February 17, 2011 with twenty-five (25) months and eleven (11) days remaining in the Service Period (i.e., twenty-five (25) whole months remaining in the Service Period). The cancellation charge to the Customer is $165,375.00 ($6,615 x 25).

As another illustrative example, assume the Customer has completed its Service Period and Extended Service Period but failed to make an election upon expiration of the Extended Service Period as required under (E)(8)(d)(5) preceding. Since there are no whole months remaining in the Extended Service Period, the cancellation charge to the Customer is $0 ($6,615 x 0).

The cancellation charge is calculated per Customer using the cancellation fee set forth above. If the Customer also subscribes to Option 62 of FCC 1, only one such cancellation charge applies to cancel the Customer's subscription to both this Option 60 and Option 62 of FCC 1.

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32. Contract Tariffs (Cont'd)

32.61 Contract Tariff Option 60 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(9) Cancellation of Subscription (Cont'd)

(a) (Cont'd)

(3) For each Hi-Def DVTS and SCVS that has not been included in this Option 60 for six (6) months or more, Early Termination Charges as set forth in (E)(7) preceding apply.

(4) In the event that the Customer retains one or more of the Hi-Def DVTS and/or SCVS after cancellation of its subscription to this Option 60, service will continue at the month-to-month rates for such service as set forth in Section 30.7.16 or 31.7.16 preceding, respectively, as determined in accordance with Section 15.3 preceding.

(b) Cancellation of the Customer's subscription to this Option 60 is an automatic cancellation of the Customer's subscription to Option 62 of FCC 1. (x)

(10) Modification of Contract Tariff Option

The Telephone Company may modify the terms and conditions of this Option 60 on an as-needed basis. If such modification results in an increase to the channel termination and/or channel mileage rates, as set forth in (F) following, the Customer is assessed for the services provided under this Option 60, or results in increased liabilities, fees, or other charges to the Customer for failure to comply with the terms and conditions of this Option 60 (collectively, a **substantial Customer-affecting change**), the Customer may, upon written notice to the Telephone Company within thirty (30) days of such substantial Customer-affecting change, cancel its subscription to this Option 60 without the application of (i) a Cancelation Fee as set forth in Option 59, Section 32.60(E)(9) preceding; or (ii) Early Termination charges as set forth in Option 59, Section 32.60(E)(7) preceding. The Customer's written notice of cancellation must include the manner in which the Customer will be billed for the services following cancellation of this Option 60 (e.g., month-to-month billing or term plan billing). The Customer is subject to all terms and conditions set forth in Section 7 preceding pertaining to the billing option selected (e.g., minimum period or termination liability). (N)

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32. Contract Tariffs (Cont'd)

32.61 Contract Tariff Option 60 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(10) Sale or Transfer of Verizon Company Operating Telephone Company

If the Telephone Company sells or transfers all or a portion of the assets of a Verizon Issuing Carrier for an operating territory of this tariff as set forth in Section 15 preceding or for an operating territory set forth in Section 14 of FCC 1 (each a **Verizon Operating Company**) to an unaffiliated third party, or transfers all or a portion of the stock of a Verizon Operating Company to an unaffiliated third party, such transaction is considered a Transfer ("**Transfer**") for the purpose of administering the terms and conditions set forth herein. (x) (x)

If a Transfer occurs under this tariff or FCC 1, and such Transfer results in a decrease in the quantities of Hi-Def DTVS, SCVS and/or BVS that the Telephone Company provides to the Customer under this Option 60 and/or Option 62 of FCC 1, the annual review will be calculated under the following terms and conditions, in addition to any other terms and conditions set forth in this tariff or FCC 1, as applicable. (x) (x) (x)

(a) The Expected Revenue per the Commitment Level Ramp-up Schedule for the Service Period set forth in (E)(2)(a) preceding or per the Commitment Level Ramp-up Schedule for the Extended Service Period as set forth in (E)(8)(d)(4) preceding, as applicable, shall be reduced for each remaining year of the Service Period or Extended Service Period, as applicable, by an amount equal to the actual revenue per Hi-Def DVTS, SCVS and BVS that the Verizon Operating Company no longer provides to the Customer as a result of such Transfer.

(b) As an illustrative example, assume in year 2 of the Service Period, the Customer's Commitment Level at the time of the Transfer is a Level 2 commitment. Further assume that three (3) SCVS are acquired by the unaffiliated third party and that the actual revenue per SCVS as measured at the time of the Transfer is $781.25 per month. Based on the above, the Telephone Company will reduce the Customer's Expected Revenue in month 24 and in month 36 as follows:

For month 24, the Expected Revenue is reduced to $76,056 [$78,400 – ($781.25 x 3) = $76,056.25 and rounded down to $76,056].

For month 36, the Expected Revenue is reduced to $134,856 [$137,200 - ($781.25 x 3) = $134,856.25 and rounded down to $134,856]. (N)

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32. Contract Tariffs (Cont'd)

32.61 Contract Tariff Option 60 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(11) Termination of Subscription Period by the Telephone Company

At any time during the Subscription Period specified in (B)(1) preceding, the Telephone Company may terminate the ability for new Customers to subscribe to this Option 60 by filing a revision to (B)(1) preceding that changes the expiration date of the Subscription Period from December 31, 2011 to the date that the Telephone Company will no longer allow new subscriptions to this Option 60. Customers who are already subscribed to this Option 60 as of the new expiration date shall continue with their subscription through the end of the Service Period, or Extended Service Period, as applicable with no change in the terms or conditions set forth herein.

(12) Customer Affiliates

(a) At the time of subscription to this Option 60, the Customer must provide a list of its Affiliates in accordance with (E)(1) preceding that the Customer wants to include in its subscription to this Option 60 and, when applicable, Option 62 of FCC 1. (x)

(b) The Customer may include an additional Affiliate(s) in it's subscription to this Option 60 and, when applicable, Option 62 of FCC 1 at any time during the Service Period or Extended Service Period subject to the following: (x)

(1) The Customer must provide written notice to the Telephone Company of any Affiliate(s) it wishes to include in this Option 60 and, when applicable, Option 62 of FCC 1; and (x) (x)

(2) all of the Affiliate's Hi-Def DVTS and SCVS will be included in this Option 60 and, when applicable, Option 62 of FCC 1, except for those Hi-Def DVTS and SCVS which the customer specifies, by circuit identification number, are to be excluded from this Option 60 and, when applicable, Option 62 of FCC 1. The services which can be included are set forth in (E)(1) preceding. (x) (x)

(2) all of the Affiliates Hi-Def DVTS and SCVS that the Customer subscribes to this Option 60 and, when applicable, Option 62 of FCC 1, and all of the Affiliates BVS purchased under this tariff and FCC 1 will be included in the Customer's aggregate revenue commitment and associated Ramp-up Schedule for the balance of the Service Period and, when applicable, the Extended Service Period unless otherwise removed under (c) following. (x) (x) (N)

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32. Contract Tariffs (Cont'd)

32.61 Contract Tariff Option 60 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(12) Customer Affiliates (Cont'd)

(c) The Customer may remove (disconnect or unsubscribe) an Affiliate(s) Hi-Def DVTS and SCVS that is subscribed to under this Option 60 and, when applicable, Option 62 of FCC 1 at any time during the Service Period or Extended Service Period subject to the following: (x) (x)

(1) The Customer must provide written notice to the Telephone Company of any Affiliate's Hi-Def DVTS or SCVS it wishes to unsubscribe from this Option 60 and, when applicable, Option 62 of FCC 1; and (x)

(2) An Early Termination Charge as set forth in (E)(7) preceding applies for each Hi-Def DVTS or SCVS that is discontinued or unsubscribed prior to being included in this Option 60 or, when applicable, Option 62 of FCC 1 for six (6) months; and (x) (x)

(3) if the Hi-Def DVTS or SCVS is unsubscribed (i.e., not disconnected), the Hi-Def DVTS or SCVS will continue under the month-to-month rates, terms and conditions set forth in Section 30.7.16 or 31.7.16 preceding, respectively, or Section 7.2.5(F) and (E) of FCC 1, respectively. (x) (N)

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32. Contract Tariffs (Cont'd)

32.61 Contract Tariff Option 60 (Cont'd) (N)

(F) Rates and Charges

The following rates and charges apply during the Service Period and, when applicable, during the Extended Service Period of this Option 60. Such rates apply whether or not the Customer achieves the Expected Revenue set forth in the Ramp-up Schedule for the Service Period or Extended Service Period, as applicable.

(1) Channel Terminations

	Monthly Rate	Nonrecurring Charge
- Hi-Def DVTS, Premises-to-Premises per point of termination (one-way only)		
Level 1 Commitment	$441.00	None
Level 2 Commitment	$392.00	None
Level 3 Commitment	$343.00	None
- Hi-Def DVTS, Premises to Hub per point of termination (one-way only)		
Level 1 Commitment	$441.00	None
Level 2 Commitment	$392.00	None
Level 3 Commitment	$343.00	None
- SCVS, Premises-to-Premises, , per point of termination (one-way only)		
Level 1 Commitment	$441.00	None
Level 2 Commitment	$392.00	None
Level 3 Commitment	$343.00	None
- SCVS Premises to Hub, per point of termination		
Level 1 Commitment	$441.00	None
Level 2 Commitment	$392.00	None
Level 3 Commitment	$343.00	None (N)

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32. Contract Tariffs (Cont'd)

32.61 Contract Tariff Option 60 (Cont'd) (N)

(F) Rates and Charges (Cont'd)

(2) Channel Mileage

	Monthly Rate
- Hi-Def DVTS or SCVS	
- Fixed	
Level 1 Commitment	$ 90.00
Level 2 Commitment	$ 80.00
Level 3 Commitment	$ 70.00
- Per mile over 10 miles	
Level 1 Commitment	$ 99.00
Level 2 Commitment	$ 88.00
Level 3 Commitment	$ 77.00

(2) Optional Features and Functions — Rates and charges are set forth in Sections 30.7.16(C) and 31.7.16(C) preceding (N)

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32. Contract Tariffs (Cont'd)

32.62 Contract Tariff Option 61 (N)

(A) Scope

Contract Tariff Option 61 (**Option 61**) provides discounted rates on certain Special Access Service rate elements as described herein.

(B) Eligibility

The customer must meet all of the following criteria in order to be eligible to receive the discounted rates of this Option 61.

(1) A customer must subscribe to Option 61 in a manner designated by the Telephone Company during the period that begins September 14, 2010 and ends October 13, 2010 (**Subscription Period**).

(2) A customer must currently purchase each of the following types of Special Access Services from the Telephone Company at the time of subscription to this Option 61:

(a) DS0 Level Service

(1) Metallic Service as set forth in Section 7.2.1 preceding; and

(2) Telegraph Grade Service as set forth in Section 7.2.2 preceding; and

(3) Voice Grade Service as set forth in Section 7.2.3 preceding that was previously included in a Service Discount Plan (as set forth in Section 7.4.10 preceding) which expired in calendar year 2009 and the customer is continuing with such service on a month-to-month basis; and

(4) DIGIPATH digital service II as set forth in Section 7.2.11 preceding that was previously included in a Service Discount Plan (as set forth in Section 7.4.10 preceding) which expired in calendar year 2009 and the customer is continuing with such service on a month-to-month basis.

(b) High Capacity 1.544 Mbps Service as set forth in Section 7.2.9 preceding that was previously included in a Service Discount Plan (as set forth in Section 7.4.10 preceding) which expired in calendar year 2009 and the customer is continuing with such service on a month-to-month basis. (N)

32. Contract Tariffs (Cont'd)

32.62 Contract Tariff Option 61 (Cont'd) (N)

(B) Eligibility (Cont'd)

(3) The customer must have had an average minimum of $175,000 of monthly total billed Special Access Service revenue during calendar year 2009 within the Serving Area specified in (C) following for the services specified in (2) preceding.

(4) At the time of subscription to this Option 61, the customer must include in this Option 61, a minimum of four hundred (400) DS0 Level Services and one hundred (100) Special Access High Capacity 1.544 Mbps Services that the customer purchases from the Telephone Company within the Serving Area of this Option 61 as specified in (D) following.

(5) Subscription to Alternate Tariff Arrangements

The customer may not concurrently subscribe the services of this Option 61 to an Alternative Tariff Arrangement (which shall mean any contract tariff option or other tariff arrangement or option offered by the Telephone Company that provides a discount, credit, or other reduction in rates or terms with respect to the services of this Option 61) during the Service Period of this Option 61.

(6) At the time of subscription to this Option 61, the Telephone Company and the customer shall agree to a list of the customer's services to be included in this Option 61. For purposes of creating such list, all circuit identification numbers for the customer's eligible DS0 Level Services and High Capacity 1.544 Mbps Services that are posted to the customer's billing telephone numbers will be included.

(C) Service Period

The Service Period of this Option 61 is thirty-six (36) months beginning with the date of subscription and ending thirty-six (36) months later (**Service Period**). (N)

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32. Contract Tariffs (Cont'd)

32.62 Contract Tariff Option 61 (Cont'd) (N)

(D) Serving Area

The Serving Area of this Option 61 is comprised of the following Telephone Company Metropolitan Statistical Areas (**MSAs**) that have achieved Phase II pricing flexibility under this tariff. Wire centers for these MSAs are specified in Section 15.3 preceding. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 15.3 preceding of this tariff) that occur during the Service Period of this Option 61 will apply.

Metropolitan Statistical Area	MSA Identification Number
Buffalo-Niagara Falls NY	#25
Albany-Schenectady-Troy NY	#44
Syracuse NY	#53
Binghamton NY	#122
Dutchess County NY	#151
Elmira NY	#284

(E) Terms and Conditions

(1) Included Services

The customer must subscribe all of its Special Access Services specified in (B)(2) preceding to this Option 61. The customer may also subscribe any other Special Access DS0 service not listed in (B)(2) preceding that the customer purchases from the Telephone Company within the Serving Area of this Option 61. (N)

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32. Contract Tariffs (Cont'd)

32.62 Contract Tariff Option 61 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Application of Monthly Rates

During the Service Period of this Option 61, the monthly rates applicable to the services subscribed to under this Option 61 are as follows:

(a) For Metallic Service, the monthly rates during the Service Period are the rates set forth in Section 30.7.1 and Section 31.7.1 (as determined in accordance with Section 15.3 preceding) reduced by ten percent (10%). Only the channel termination, channel mileage and optional features and functions of such service are eligible for the reduction of 10%.

(b) For Telegraph Grade Service, the monthly rates during the Service Period are the rates set forth in Section 30.7.2 and Section 31.7.2 (as determined in accordance with Section 15.3 preceding) reduced by ten percent (10%). Only the channel termination, channel mileage and optional features and functions of such service are eligible for the reduction of 10%.

(c) For Voice Grade Service, DIGIPATH digital service II, and High Capacity 1.544 Mbps Service, the monthly rates during the Service Period are the rates applicable to such service under a 3-year Service Discount Plan as set forth in Section 7.4.10 preceding.

(d) For all other DS0 services the customer subscribes to this Option 61, the monthly rates during the Service Period are the applicable rates set forth in Section 30 and Section 31 (as determined in accordance with Section 15.3 preceding) reduced by ten percent (10%). Only the channel termination, channel mileage and optional features and functions of such service are eligible for the reduction of 10%. (N)

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32. Contract Tariffs (Cont'd)

32.62 Contract Tariff Option 61 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(3) Addition of Services During the Service Period

The customer may order additional DS0 Level Services and High Capacity 1.544 Mbps Services during the Service Period of this Option 61 (**Added Services**). Such Added Services will not be included in the customer's subscription to this Option 61. The Added Services must be ordered and installed in accordance with Section 5 preceding and are subject to the rates, terms and conditions for the applicable service as set forth in other sections of this tariff.

(4) Minimum Period

A new minimum period is not established upon the customer subscribing its existing DS0 Level Services and existing High Capacity 1.544 Mbps Services to this Option 61.

(5) Year 1 Revenue Requirement

Upon completion of Year 1 of the Service Period, the Telephone Company will conduct a True-up that compares (i) the revenue associated with all of the services subscribed to under this Option 61 at the time of subscription; to (ii) the revenue associated with all of the services that are subscribed to this Option 61 in month twelve (12) of the Service Period. The revenue applicable in month twelve (12) of the Service Period as determined in (ii) preceding must be equal to or greater than eighty percent (80%) of the revenue applicable at the time of subscription as determined in (i) preceding.

If the revenue determined in (ii) preceding is equal to or greater than eighty (80%) of the revenue determined in (i) preceding, no further action occurs and the customer may continue its subscription to this Option 61 for the balance of the Service Period. No further True-ups apply for the remainder of the Service Period.

If the revenue determined in (ii) preceding is less than eighty (80%) of the revenue determined in (i) preceding, the customer's subscription to this Option 61 is cancelled. The customer may retain any discounts it received under this Option 61 through the date of cancellation. Following cancellation of the customer's subscription to this Option 61 by the Telephone Company, all of the DS0 Level Services and High Capacity 1.544 Mbps Service that were subscribed to this Option 61 will be converted to month-to-month billing at the rates set forth in Section 30 and 31 preceding (as determined in Section 15.3 preceding. (N)

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32. Contract Tariffs (Cont'd)

32.62 Contract Tariff Option 61 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(6) Discontinuance of Service(s) during the Service Period

The customer may discontinue one or more of the DS0 Level Services or High Capacity 1.544 Mbps Services that are subscribed to under this Option 61 at any time during the Service Period without penalty, except that such discontinuance(s) occurring within the first twelve (12) months of the Service Period may result in the customer not achieving the Year 1 Revenue Commitment set forth in (E)(5) preceding in which case the terms and conditions set forth in (E)(5) preceding apply for such result.

(7) Upgrades, Rearrangements and Other Changes

The customer may upgrade, rearrange or make other physical changes to the DS0 Level Services and High Capacity 1.544 Mbps Services that are subscribed to under this Option 61 at anytime during the Service Period. Such upgrade, rearrangement or physical change shall result in cancellation of the customer's subscription to this Option 61 for the affected DS0 Level Service or High Capacity 1.544 Mbps Service and shall be made under the applicable terms and conditions set forth in Sections 7.4.1(C)(3) and 7.4.5 preceding and at the rates and charges for such upgrade, rearrangement or physical change as specified in other sections of this tariff. The customer may make administrative changes (e.g., change of customer name) during the Service Period of this Option 61 in accordance with Section 7.4.1(C) preceding.

(8) Expiration of the Service Period

Upon expiration of the Service Period of this Option 61 the customer's subscription to Option 61 is cancelled. Upon cancellation, the Telephone Company will convert the billing for the customer's DS0 Level Services and High Capacity 1.544 Mbps Services to month-to-month billing under Sections 30 and 31 preceding as determined in accordance with Section 15.3 preceding. Following such conversion, the customer may continue with the service on a month-to-month basis, select any then effective term plan or contract tariff option for which the customer is eligible, or discontinue service.

(9) Sale or Transfer of Verizon Company Operating Telephone Company

If the Telephone Company sells or transfers all or a portion of the assets or stock of Verizon New York Inc. to an unaffiliated third party, the provisions set forth in Section 2.9 preceding apply. (N)

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32. Contract Tariffs (Cont'd)

32.63 Contract Tariff Option 62 (N)

(A) Scope

Contract Tariff Option 62 (**Option 62**) provides Billing Credits on certain Special Access Services. In this Option 62, 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).

(B) Specific Terms

Unless otherwise defined in this Section 32.63, the following terms are used in this Option 62:

(1) **Alternative Tariff Arrangement** shall mean, collectively, any other generally available tariff arrangement, contract tariff option, specialized service or arrangement, or Individual Case Basis (ICB) tariff arrangement offered by the Telephone Company and available to the customer pursuant to this tariff with respect to any of the services covered by this Option 62.

(2) **BANs** shall mean Billing Account Numbers of customer that shall be used to provide the Billing Credits (if any) to customer.

(3) **Billed DS1 Unit** shall mean, with respect to each month during the Service Period, a DS1 Unit for which a DS1 Channel Termination, a DS1 Special Access Line, or a DS1 Circuit Termination (each as defined in Section 32.63(B)(10) following), was billed to the customer for that month as an MRC at a rate set forth in a tariff listed in Section 32.63(E) following.

(4) **Billed DS3 Unit** shall mean, with respect to each month during the Service Period, a DS3 Unit for which a DS3 Channel Termination, a DS3 Special Access Line, or a DS3 Circuit Termination (each as defined in Section 32.63(B)(11) following) was billed to the customer for that month as an MRC at a rate set forth in a tariff listed in Section 32.63(E) following.

(5) **Billed FMS Revenue** shall mean the MRC amounts that were paid in full by the customer for Special Access Facilities Management Service (**FMS**) as set forth in Section 7.2.13 preceding and in Tariff FCC No. 11, Section 7.2.16. (x)

(6) **Billed Qualifying DS1 Service Revenue** shall mean the MRC amounts for the DS1 Qualifying Services for the applicable Quarter that were paid in full by the customer and as more fully described in Section 32.63(F) following. (N)

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32. Contract Tariffs (Cont'd)

32.63 Contract Tariff Option 62 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(7) **Billed Qualifying DS3 Service Revenue** shall mean the MRC amounts for the DS3 Qualifying Services for the applicable Quarter that were paid in full by the customer and as more fully described in Section 32.63(F) following.

(8) **Billed Qualifying Service Revenue** shall mean each of the Billed Qualifying DS1 Service Revenue, Billed Qualifying DS3 Service Revenue, and Billed FMS Revenue.

(9) **Billing Credit** shall mean the Billing Credit provided to customer quarterly on its monthly bill after the end of each Quarter during each Plan Year of the Service Period. Calculation of the applicable Billing Credits is described in Section 32.63(G)(2) following.

(10) **DS1 Unit** shall mean DS1 capacity (i.e., 1.544 Mbps) Qualifying Services that meets one of the following definitions: (i) a DS1 Channel Termination as defined in Section 7.1.2(A) preceding of this tariff, (ii) a DS1 Channel Termination as defined in Section 7.1.2(A) in Tariff FCC No. 1, (iii) a DS1 Special Access Line as defined in Tariff FCC No. 14, Section 5.1.1(C), and (iv) a DS1 Circuit Termination as defined in Tariff FCC No. 16, Section 7.2.1(A). Where the calculation of DS1 Units results in a fraction of a DS1 Unit, such fractions are not counted as a DS1 Unit. (x) (x)

(11) **DS3 Unit** shall mean DS3 capacity (i.e., 44.736 Mbps) Qualifying Services that meets one of the following definitions: (i) a DS3 Channel Termination as defined in Section 7.1.2(A) preceding of this tariff, (ii) a DS3 Channel Termination as defined in Section 7.1.2(A) in Tariff FCC No. 1, (iii) a DS3 Special Access Line as defined in Tariff FCC No. 14, Section 5.1.1(C), and (iv) a DS3 Circuit Termination as defined in Tariff FCC No. 16, Section 7.2.1(A). Where the calculation of DS3 Units results in a fraction of a DS3 Unit, such fractions are not counted as a DS3 Unit. (x) (x)

(12) **Minimum Billed DS1 Units** shall have the meaning set forth in Section 32.63(G)(1) following.

(13) **Minimum Billed DS3 Units** shall have the meaning set forth in Section 32.63(G)(1) following.

(14) **Plan Year** shall mean each of the following periods during the Service Period: (1) Plan Year 1 shall commence on December 1, 2012 and end on November 30, 2013; (2) Plan Year 2 shall commence on December 1, 2013 and end on November 30, 2014; and (3) Plan Year 3 shall commence on December 1, 2014 and end on November 30, 2015. (N)

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32. Contract Tariffs (Cont'd)

32.63 Contract Tariff Option 62 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(15) **Quarter** shall mean either of the following periods, as applicable: (i) the first Quarter of each Plan Year is the period beginning with the first day of the applicable Plan Year and ending on the last calendar day of the month two (2) months after the month in which the first day occurs (i.e., approximately ninety (90) days thereafter), except for the first Quarter of Plan Year 1 which shall commence on December 1, 2012 and end on February 28, 2013; or (ii) each consecutive three (3) month period thereafter commencing on the first day of the calendar month following the end of the prior Quarter and ending on the last calendar day of the month two (2) months after the month in which the first day occurs (i.e., approximately ninety (90) days thereafter).

(C) Eligibility

The customer must meet all of the following criteria in order to be eligible to receive the Billing Credit as set forth in Section 32.63(G) following and other benefits of this Option 62.

(1) During the twelve (12) month period ending on July 31, 2012, the customer must have achieved a minimum of Two Hundred Fifty Million Dollars ($250M) in Billed Qualifying Service Revenue (as defined in Section 32.63(F) following) purchased by the customer from the Telephone Company.

(2) During the twelve (12) month period ending on July 31, 2012, the customer must have been continuously subscribed to Telephone Company Facilities Management Service.

(3) As of the Effective Date, the customer must have at least Twenty-Five Thousand (25,000) Billed DS1 Units at locations other than Commercial Mobile Radio Service (**CMRS**) cell sites.

(4) Other than tariff arrangements that are in effect and subscribed to by the customer as of the Effective Date, the customer may not concurrently subscribe to any new Alternative Tariff Arrangement which provides discounts, credits, or other reductions in rates or terms based upon achievement of revenue or volume targets/levels for the Qualifying Services. If the customer wishes to subscribe to such a new Alternative Tariff Arrangement, then the customer shall not receive any Billing Credits under this Option 62, and such subscription shall be considered a termination by the customer of this Option 62, subject to Section (K) following. For clarification purposes, this Section (C)(4) shall not apply and this Option 62 shall not be terminated under the following conditions: (N)

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32. Contract Tariffs (Cont'd)

32.63 Contract Tariff Option 62 (Cont'd)

(C) Eligibility (Cont'd) (N)

(4) (Cont'd)

(i) the customer renews expiring Commitment Discount Plan, Term Payment Plan, or Term Volume Plan on the exact same terms and conditions as the expiring plan; or (ii) the customer replaces an existing Commitment Discount Plan, Term Pricing Plan, or Term Volume Plan with a similar plan or with a similar service from the Telephone Company on terms and conditions (including rates) as agreed to by the parties. By way of example, both parties would need to agree to the replacement of an expiring plan if different service terms under the expiring plan are selected by the customer; and/or (iii) the customer replaces its existing Special Access Facilities Management Service with a similar service from the Telephone Company on terms and conditions (including rates) as agreed to by the parties.

(5) The customer must subscribe to this Option 62 in a manner designated by the Telephone Company during the thirty (30) day period beginning December 1, 2012 and ending December 31, 2012. Such subscription must include a list of the customer's access customer name abbreviations (**Customer ACNAs**) that the Telephone Company agrees to, in writing, for inclusion in this Option 62. Subscription to this Option 62 shall be an automatic subscription to Option 63 of Tariff FCC No. 1 and Option 32 of Tariff FCC No. 14. (x) (x)

(6) The customer must subscribe to this Contract Tariff Option 62 for a period beginning on December 1, 2012 and ending on November 30, 2015.

(D) Serving Area

The serving area of Contract Tariff Option 62 is comprised of the Phase I and Phase II MSAs under this tariff and of those specified in the Telephone Company's Tariff FCC No. 1 and Tariff FCC No. 14. (x) Wire centers for the Phase II MSAs specified in this tariff are listed in Section 15.3 preceding. Any additions of, or changes to, Telephone Company MSAs (including changes to wire centers or Level1/Level 2 pricing status as described in Section 15.3 preceding of this tariff) that occur during the Service Period of this Option 62 will apply. No Billing Credits will be provided in the operating territories of Tariff FCC No. 16. (N) (x)

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32. Contract Tariffs (Cont'd)

32.63 Contract Tariff Option 62 (Cont'd)

(E) Qualifying Services (N)

(1) Qualifying Services will be comprised of the following services purchased by the customer during the Service Period:

- Special Access DS1 and DS3 Services set forth in this tariff (Sections 7.2.9, 25, 30.7.9 and 31.7.9), the Telephone Company's Tariff FCC No. 1 (Sections 7.2.9, 7.5.9 and 25), the Telephone Company's Tariff FCC No. 14 (Sections 5.3.6, 5.6.14, 5.6.19, 5.7.18, and 5.7.22), and the Telephone Company's Tariff FCC No. 16 (Sections 7.2.1(G) and 7.11.1) (x)

- Special Access Facilities Management Service DS1 (only bandwidth of 1.544 Mbps) and DS3 (only bandwidth of 44.736 Mbps) set forth in this tariff (Sections 7.2.16, 30.7.18 and 31.7.18) and the Telephone Company's Tariff FCC No. 1 (Sections 7.2.13 and 7.5.18) (x) (x)

(2) Rate elements for MetroLAN services (as set forth in Tariff FCC No. 14 and Tariff FCC No. 16) will not be included. (N) (x)

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32. Contract Tariffs (Cont'd)

32.63 Contract Tariff Option 62 (Cont'd) (N)

(E) Qualifying Services (Cont'd)

(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 Option 62.

(F) Revenues Included in Calculation of Billed Qualifying Service Revenues

(1) The customer's Billed Qualifying Service Revenues shall include **only** the MRC amounts that are paid in full by the customer.

(a) For purposes of this Option 62, **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, and excluding Disputed Charges; provided however, that certain minimum period charges and early termination charges (as specifically described in Sections 7.2.16(G)(3), 7.4.10(C), 25.1.11, and 25.1.12 in this tariff; Sections 7.2.13(F), (x)
7.4.13(D), 25.1.9 and 25.1.10 in Tariff FCC No. 1; Sections (x)
3.2.4, 5.6.14(O), 5.6.19(K), and 5.6.19(M) in Tariff FCC No. (x)
14; and Sections 7.2.2 and 7.2.6(E) in Tariff FCC No. 16 based (x)
solely on unpaid MRCs shall be included as MRCs solely in each of the months included in the calculation of the minimum period charges and/or early termination charges in an amount equal to such charges.

(b) For purposes of this Option 62, **Disputed Charges** shall mean MRCs for the Qualifying Services billed during the Service Period, which amounts have been disputed by the customer and have been paid in full by the customer, as of the bill due date in accordance with Section 32.63(H) following. Amounts that have not been paid in full, as of the bill due date (regardless of whether or not such amounts are under dispute by the customer), shall not be included in Billed Qualifying Service Revenues.

(c) For purposes of this Option 62, "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 this tariff, Tariff FCC No. 1, Tariff FCC No. 14 or Tariff (x)
FCC No. 16, as applicable. For avoidance of doubt, in the (x)
event that the customer disputes some but not all charges on an invoice, the charges that are not disputed shall, upon payment thereof, be considered "paid in full" for purposes of this Option 62. (N)

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32. Contract Tariffs (Cont'd)

32.63 Contract Tariff Option 62 (Cont'd) (N)

(F) Revenues Included in Calculation of Billed Qualifying Service Revenues (Cont'd)

(2) Revenue Not Included in Calculation of Billed Qualifying Service Revenues.

Billed Qualifying Service Revenues do not include any revenues other than the revenues as set forth in (F)(1) preceding, and the following types of charges are not included:

(a) non-recurring charges;
(b) surcharges;
(c) taxes, or other charges imposed by a federal, state, local, or other governmental entity (e.g. Federal Universal Service Fund);
(d) service or administrative fees or charges imposed by the Telephone Company (e.g. Interest penalty, late payment penalty);
(e) except for minimum period or early termination charges as specified in Section (F)(1)(a) preceding, any other charges which are not applied on a monthly recurring basis;
(f) 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;
(g) any debits or credits for Qualifying Services rendered in prior Quarters or periods prior to the Effective Date;
(h) fractional debit or credit amounts;
(i) shortfall or overage charges associated with term plan true-ups;
(j) minimum period charges other than as set forth in Section (F)(1)(a) preceding;
(k) any Disputed Charges;
(l) termination liabilities other than as set forth in Section (F)(1)(a) preceding; or
(m) Billing Credits/adjustments.

As an example of inclusion of minimum period and termination liability as an MRC, if a Qualifying Service with a three (3) year term commitment commencing on the Effective Date has a $200 MRC, and a minimum period charge of 100% for the first year of the commitment period and 25% for the balance of the commitment period is terminated at the end of month eleven (11) of the first year of the commitment period/Plan Year 1, for purposes of calculating the Billed Qualifying Service Revenues, and provided such amounts are billed and paid, $200 shall be included as an MRC in respect of month twelve (12) of Plan Year 1 and $50 shall be included as an MRC for each of the months for Plan Years 2 and 3 as if paid in such months. (N)

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32. Contract Tariffs (Cont'd)

32.63 Contract Tariff Option 62 (Cont'd) (N)

(G) Billing Credit

(1) Conditions Precedent to Billing Credit

In order to receive the applicable Billing Credit (as set forth in Section (G)(2) following) in any given month of the Service Period, the customer must meet the following criteria:

(a) Customer must maintain Minimum Billed DS1 Units of at least 14,000; and
(b) Customer must maintain Minimum Billed DS3 Units of at least 400; and
(c) Customer must maintain Billed Qualifying Service Revenues of at least $4M.

(2) Calculation of Billing Credit

Subject to the terms of this Option 62, including the requirement to maintain the Minimum Billed DS1 Units, Minimum Billed DS3 Units, and Billed Qualifying Service Revenues as set forth in Section (G)(1) preceding, the Telephone Company will provide a monthly Billing Credit of $669,000. If the customer fails to meet any of the requirements in Section (G)(1) preceding for any given month of the Service Period, the Billing Credit for that month shall be $0.

(3) Payment of Billing Credit

If the customer is eligible for a Billing Credit as set forth in this Option 62, then no later than the sixtieth (60th) calendar day following the end of each Quarter during each Plan Year during the Service Period, the Telephone Company shall calculate the aggregate Billing Credit earned for the previous Quarter and, subject to the terms of this Option 62, credit the customer's BANs on the next billing cycle after the sixty (60) calendar day calculation period provided there are at least ten (10) business days before the close of the next billing cycle. If there are not at least ten (10) business days before the close of the next billing cycle, such credit shall be applied in the following billing cycle. The Billing Credit will be provided only in the MSAs that have achieved Phase I or Phase II pricing flexibility under the Telephone Company's tariffs in accordance with applicable law. (N)

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32. Contract Tariffs (Cont'd)

32.63 Contract Tariff Option 62 (Cont'd) (N)

(H) Disputes, Releases and Waivers

(1) For the purpose of calculating the Billed Qualifying Service Revenues, the Telephone Company shall not include in MRCs any credits or debits for Services provided during any periods prior to the Effective Date (regardless of whether such credits or debits were the result of a valid dispute by the customer or were the result of a billing error by the Telephone Company).

(2) With respect to any dispute for Billed Qualifying Service Revenues, the customer must provide sufficient claim detail to enable the Telephone Company to appropriately assess the dispute, including but not limited to, the Billing Account Number (BAN), circuit ID, USOC detail, amount in dispute, appropriate tariff references, and a full explanation regarding why the customer believes it was billed in error.

(3) The customer agrees to undertake a good faith effort to review, within thirty (30) calendar days of receipt, each bill received from the Telephone Company that includes amounts to be included in the Billed Qualifying Service Revenues, and at such time that the customer determines there is a dispute to promptly raise the dispute(s) with the Telephone Company. The customer is not obligated or required to raise billing disputes within thirty (30) calendar days of receipt of a bill.

(4) Upon resolution of any Disputed Charges, or disputes raised after the issuance of the Billing Credit in respect of amounts included in the Billed Qualifying Service Revenues, amounts may be credited to the customer if the customer prevails, however notwithstanding anything to the contrary herein, there shall be no adjustment to the Billing Credit or the Billed Qualifying Service Revenues calculated preceding, and the same shall apply regardless of the outcome of any Disputed Charges.

(5) There will not be any adjustment to the Billing Credit or the Billed Qualifying Service Revenues if the Telephone Company bills amounts after the determination of the Billing Credit that would have otherwise been included in the Billed Qualifying Service Revenues calculated preceding.

(6) The Billing Credit (as determined by the Telephone Company and agreed to by the customer) is not subject to dispute, except that the customer may dispute the Billing Credit only if the Billing Credit applied by the Telephone Company does not conform with the Billing Credits set forth in Section (G).

(7) The amount of the Billing Credits shall not be subject to any late payment interest or penalty as set forth in Section 2. (N)

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32. Contract Tariffs (Cont'd)

32.63 Contract Tariff Option 62 (Cont'd) (N)

(I) Mergers and Acquisitions of the Customer

In the event that after the date of subscription to this Option 62, 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 tariff, in Tariff FCC No. 1 and in Tariff FCC No. 14. (x) (x)

(1) The customer may not combine or include any DS1 units, DS3 units, or revenues from the merged, acquiring, or acquired company, or assets of such merged, acquiring, or acquired company in the calculation of Minimum Billed DS1 Units, Minimum Billed DS3 Units, or Billed Qualifying Service Revenues, respectively.

(2) The customer's Billed Qualifying Service Revenues shall be calculated based on its business and revenues with the Telephone Company using the customer ACNAs included with the customer's subscription to this Option 62 under Section 32.63(C)(6) preceding, without adding the revenues and/or ACNAs attributable to expansion of the customer's purchase of Services from the Telephone Company through merger, transfer, assignment, or acquisition.

(3) If applicable, the customer agrees to reimburse the Telephone Company for any Billing Credits received by the customer for any month in which a violation of the provisions of this Section (I) occurred. Further, if the customer intentionally and willfully violates the provisions of this Section (I), the Telephone Company reserves the right to not provide any Billing Credits for a period not to exceed three (3) months following the month in which the customer is no longer violating the provisions of this Section (I).

(4) The customer will provide timely notice to the Telephone Company of any anticipated customer merger, transfer, assignment or acquisition so that each of the customer and the Telephone Company can assess their respective rights and responsibilities under this Option 62. The Telephone Company recognizes that the customer requires the flexibility to manage its business in the manner that it sees fit, including ordering Qualifying Services under the appropriate ACNAs consistent with the manner in which it desires to manage its business. Notwithstanding the manner in which the customer orders Qualifying Services, the customer and the Telephone Company have agreed to the terms set forth in (I)(1) and (I)(2) of this Section (I) for purposes of determining the Minimum Billed DS1 Units, Minimum Billed DS3 Units, and Billed Qualifying Service Revenues for each Plan Year after the customer merges with another company, acquires a company or a portion of the business of another company, or is (N)

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32. Contract Tariffs (Cont'd)

32.63 Contract Tariff Option 62 (Cont'd) (N)

(I) Mergers and Acquisitions of the Customer (Cont'd)

(4) (Cont'd)

acquired in whole or in part by another company. The customer and the Telephone Company may mutually agree to modify the customer's subscription to the Option 62 to include one or more of the ACNAs and related revenue attributable to expansion of the customer's purchase of Services from the Telephone Company as a result of a customer merger, transfer, assignment, or acquisition, with both parties taking into consideration whether such revenues represent new and unanticipated, or existing, revenues to the Telephone Company; provided, however, that if the customer and the Telephone Company do not mutually agree on any such modifications, the terms and conditions of this Section (I) shall apply in all respects and the customer shall use commercially reasonable efforts to provide the Telephone Company the necessary information to calculate the Minimum Billed DS1 Units, Minimum Billed DS3 Units, and Billed Qualifying Service Revenues consistent with this Section (I).

(J) Sale of Verizon Operating Telephone Company

If some or all of the assets or stock of a Verizon Operating Telephone Company of this tariff, Tariff FCC No. 1, Tariff FCC No. 14, or Tariff FCC No. 16 (**Acquired VZ Telco**) are acquired by an unaffiliated third party during the Service Period, effective with the closing of such transaction, the Telephone Company will proportionally adjust the Minimum Billed DS1 Units, Minimum Billed DS3 Units, Billed Qualifying Service Revenues, and the related Billing Credits. (x) (x)

As an illustrative example, assume that Verizon New York Inc. is sold. Further assume that the customer's Billed Qualifying Service Revenues in the Verizon New York Inc. operating territory are $1M and that the customer's overall total Billed Qualifying Service Revenues are $10M.

To determine the percentage by which the Telephone Company will proportionally adjust the Minimum Billed DS1 Units, Minimum Billed DS3 Units, Billed Qualifying Service Revenues, and the related Billing Credits, divide the Verizon New York Inc. Billed Qualifying Service Revenues by the overall total Billed Qualifying Service Revenues. The result in this example is 10%. (N)

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32. Contract Tariffs (Cont'd)

32.63 Contract Tariff Option 62 (Cont'd) (N)

(J) Sale of Verizon Operating Telephone Company (Cont'd)

Based on the previous assumptions:

	Minimum Billed DS1 Units	**Minimum Billed DS3 Units**	**Billed Qualifying Service Revenues**	**Monthly Billing Credits**
1. Ratio of Verizon NY to Total VZ Billed Qualifying Service Revenues	10%	10%	10%	10%
2. Minimum Units/Revenues/ Credit Before Sale of Verizon NY	14,000	400	$4M	$669,000
3. Adjustment Factor (100% – Line 1)	90%	90%	90%	90%
4. Minimum Units/Revenues/ Credit After Sale of Verizon NY (Line 3 * Line 2)	12,600	360	$3.6M	$602,100

(K) Termination of Plan

Subject to the terms set forth in this Section (K), the customer may terminate its subscription to this Option 62 at any time during the Service Period. The customer must provide written notice of termination at least ninety (90) calendar days prior to the requested date of termination of its subscription to this Option 62. Termination of this Option 62 shall be deemed to be an automatic termination of Option 63 of Tariff FCC No. 1 and Option 32 of Tariff FCC No. 14. If the customer terminates its subscription to this Option 62, and/or Option 63 of Tariff FCC No. 1 and/or Option 32 of Tariff FCC No. 14 at any time during the Service Period, the customer will not be entitled to the payment of any additional Billing Credits, pro rated or otherwise, after receipt of notice of termination. (x) (x) (x) (x)

If the customer terminates a Qualifying Service(s) during the Service Period, minimum period and termination liability charges shall apply in accordance with the applicable term plan under which such Qualifying Service(s) is being billed. (N)

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32. Contract Tariffs (Cont'd)

32.63 Contract Tariff Option 62 (Cont'd) (N)

(L) Termination for Cause

The Telephone Company shall be entitled to terminate this Option 62, Option 63 of Tariff FCC No. 1 and Option 32 of Tariff FCC No. 14 should the customer fail to achieve any of the Minimum Billed DS1 Units, the Minimum Billed DS3 Units, or the Billed Qualifying Service Revenues (as defined in Section 32.63(G)(1) preceding) for six (6) consecutive months. For avoidance of doubt, failure to achieve all of the criteria described in Section 32.63(G)(1) preceding for six (6) consecutive months, regardless of which specific criteria is missed in each of the six (6) consecutive months, shall trigger the provisions of this Section (L). The Telephone Company shall provide notice of its termination of Option 62, Option 63 of Tariff FCC No. 1 and Option 32 of Tariff FCC No. 14 by no later than ninety (90) days after the end of the 6 consecutive month period. If the Telephone Company terminates Option 62, Option 63 of Tariff FCC No. 1 and Option 32 of Tariff FCC No. 14 as a result of the customer's failure to achieve any of the criteria in any Plan Year, the customer shall be entitled to all applicable Billing Credits up to the date of termination, but will not be eligible for any additional Billing Credits. (x) (x) (x) (x) (x) (x) (N)

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32. Contract Tariffs (Cont'd)

32.64 Contract Tariff Option 63 (N)

(A) Scope

Contract Tariff Option 63 (**Option 63**) provides Billing Credits on certain services.

(B) Specific Terms

Unless otherwise defined in this Section 32.64, the following terms are used in this Option 63:

(1) **Affiliate** shall mean an individual, partnership, association, joint-stock company, trust, or corporation that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, Customer. For purposes of this paragraph, the term "own" means to own an equity interest (or the equivalent thereof) of more than 10 percent.

(2) **Baseline DS1 Average Mileage** shall mean DS1 Average Mileage of 4.8 miles.

(3) **Baseline DS1 Billed Units** shall mean (i) for the first Quarter of the Service Period, DS1 Billed Units in a minimum total amount of forty-eight thousand four hundred (48,400), and (ii) for all other Quarters during the Service Period, DS1 Billed Units in a minimum total amount of one hundred forty-one thousand five hundred (141,500).

(4) **Billing Credits** shall mean, collectively, the Price Flex Base Credit, the SPA DS1 Flat Rate Credit, the TDM Shortfall Credit, and the One-Time DS1 Performance Credit.

(5) **Disputed Charges** shall mean Qualifying Monthly Recurring Charge amounts billed for any time period during the Service Period that are under dispute, regardless of whether the amounts have been paid in full by Customer.

(6) **DS1 Average Mileage** shall mean the total DS1 Mileage billed to Customer for a given time period divided by the DS1 Billed Units with charges for DS1 Mileage for that same time period.

(7) **DS1 Billed Revenues** shall mean Qualifying Monthly Recurring Charges billed to Customer, under the ACNAs included with the Customer's subscription to this Option 63 for Special Access DS1 Services of 1.544 Mbps bandwidth as described in Section 7.2.9 of this tariff, Section 7.2.9 of Telephone Company FCC Tariff No. 1 (**FCC 1**), Section 5.3.6 of Telephone Company FCC Tariff No. 14 (**FCC 14**), and Section 7.11.1 of Telephone Company FCC Tariff No. 16 (**FCC 16**) with respect to a particular time period for purposes of determining whether Customer qualified for a Price Flex Base Credit and calculating any such credit earned and for purposes of calculating any SPA DS1 Flat Rate Credit that Customer may earn. (x) (x) (x) (x) (N)

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32. Contract Tariffs (Cont'd)

32.64 Contract Tariff Option 63 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(8) **DS1 Billed Unit** shall mean, with respect to each month during the Service Period, a DS1 Unit for which the Telephone Company billed Qualifying Monthly Recurring Charges to Customer under the ACNAs included with the Customer's subscription to this Option 63 for that month.

(9) **DS1 Mileage** shall mean the channel mileage for DS1 Services (as described in Section 7.1.2(B) of this tariff and Section 7.1.2(B) of FCC 1), special transport for DS1 Services (as described in Section 5.1.1(B) of FCC 14), and circuit mileage for DS1 Services (as described in Section 7.2.1(B) of FCC 16). (x)

(10) **DS1 Unit** shall mean Special Access DS1 Services that meet the following definitions: (i) a DS1 "Channel Termination" as defined in Section 7.1.2(A) of FCC 1, (ii) a DS1 "Channel Termination" as defined in Section 7.1.2(A) of this tariff, (iii) a DS1 "Special Access Line" as defined in FCC 14, Section 5.1.1(C), (iv) a DS1 "Circuit Termination" as defined in FCC 16, Section 7.2.1(A), (v) a DS1 to Voice "Central Office Multiplexing" as defined in Section 7.2.9(D)(3)(c) of FCC 1, (vi) a DS1 to Voice "Central Office Multiplexing BSE" as defined in Section 7.2.9(D)(3)(c) and (d) of this tariff, (vii) a DS1 to Voice "Multiplexing Arrangement" as defined in FCC 14, Section 5.5(D), and (viii) a DS1 to Voice "Central Office Multiplexing" as defined in FCC 16, Section 7.11.4(3)(e). (x)

(11) **Effective Date** and the start of the Service Period shall be the first day of the calendar month following February 28, 2013.

(12) **Plan Year** shall mean each of the following periods during the Service Period: (1) Plan Year 1 shall commence on the Effective Date and end on June 30, 2013; (2) Plan Year 2 shall commence on July 1, 2013 and end on June 30, 2014; (3) Plan Year 3 shall commence on July 1, 2014 and end on June 30, 2015; (4) Plan Year 4 shall commence on July 1, 2015 and end on June 30, 2016; and (5) Plan Year 5 shall begin on July 1, 2016 and end on June 30, 2017.

(13) **Quarter** shall mean either of the following periods, as applicable: (i) the first (1st) Quarter of each Plan Year is the period beginning with the first date of the applicable Plan Year and ending on the last calendar day of the second month after the month in which the first date occurs (i.e., approximately 90 days thereafter), except for Quarter 1 of Plan Year 1 which shall commence on the Effective Date and end on March 31, 2013; or (ii) each consecutive three (3) month period thereafter commencing on the first day of the calendar month following the end of the prior Quarter and ending on the last calendar day of the second month after the month in which the first day occurs. (N)

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32. Contract Tariffs (Cont'd)

32.64 Contract Tariff Option 63 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(14) **Qualifying TDM Base Credit Revenues** shall mean Qualifying Monthly Recurring Charges, as defined in Section (F) following, billed to Customer under the ACNAs provided to the Telephone Company under Section (C) following, for Qualifying TDM Base Credit Services under this tariff and FCC 1, FCC 14, and FCC 16, with respect to a particular time period for purposes of determining whether Customer qualifies for the Price Flex Base Credit and calculating any such credit earned. (x)

(15) **Qualifying TDM Base Credit Services** shall mean Special Access Voice Grade Services, Special Access DDS Services, Special Access DS1 Services, Special Access DS3 Services, and SwA Direct Trunked Transport Services.

(16) **Service Period** shall have the meaning set forth in Section (D) following.

(17) **Special Access Voice Grade Services** shall mean Voice Grade Services as described in Section 7.2.3 of this tariff, Section 7.2.3 of FCC 1, Section 5.2.1 of FCC 14 and Section 7.5 of FCC 16. (x) (x)

(18) **Special Access DDS Services** shall mean Digital Data Services as described in Section 7.2.8 and 7.2.11 of this tariff, Section 7.2.8 of FCC 1, Section 5.2.9 of FCC 14, and Section 7.10 of FCC 16. (x) (x)

(19) **Special Access DS1 Services** shall mean DS1 Services of 1.544 Mbps bandwidth, as described in Section 7.2.9 of this tariff, Section 7.2.9 of FCC 1, Section 5.3.6 of FCC 14, and Section 7.11.1 of FCC 16. (x) (x)

(20) **Special Access DS3 Services** shall mean DS3 Services of 44.736 Mbps bandwidth, as described in Section 7.2.9 of this tariff, Section 7.2.9 of FCC 1, Section 5.3.6 of FCC 14, and Section 7.11.1 of FCC 16. (x) (x)

(21) **SwA Direct Trunked Transport Services** shall mean transport services as described in Section 6.1.3(A) of this tariff, Section 6.1.2(A)(2) of FCC 1, Section 4.2.3(C) of FCC 14, and Section 6.5.2(C) of FCC 16. (x) (N) (x)

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32. Contract Tariffs (Cont'd)

32.64 Contract Tariff Option 63 (Cont'd) (N)

(C) Eligibility for Benefits

Customer must meet all of the following criteria in order to be eligible for Option 63. In this Option 63, all references to amounts represented in dollars followed by the letter "M" shall refer to such number in millions (e.g., $10M shall mean $10,000,000).

(1) For the full calendar month prior to the Effective Date, Customer must have achieved a minimum of $10M in aggregate monthly billed recurring charges for Special Access Voice Grade Services, Special Access DDS Services, Special Access DS1 Services, and Special Access DS3 Services purchased by Customer from Telephone Company (**Eligibility Minimum Monthly Revenue**).

(2) The percentage of revenues included in Eligibility Minimum Monthly Revenue billed to a subsidiary or Affiliate of Customer that is a provider of mobile wireless telecommunications services must be no more than fifty percent (50%).

(3) Customer must be concurrently subscribed as of the Effective Date to one or more of, and must remain concurrently subscribed during the Service Period, to one or more of, the following plans or their equivalents if these plans cease to be offered under the applicable tariffs: the Commitment Discount Plan (**CDP**) (Section 25.1 of this tariff and FCC 1); the National Discount Plan (**NDP**) (Section 25.2 of this tariff, Section 25.3 of FCC 1, Section 23.1 of FCC 14, and Section 22.1 of FCC 16); Term Pricing Plan (**TPP**) (Section 7.4.17 of FCC 1 and Section 7.2.1(G) of FCC 16); and Term Volume Plan (**TVP**) (Section 5.6.14 of FCC 14)(**Existing Plans**). For the avoidance of any doubt, at any time during the Service Period, Customer may elect to terminate its subscription to any of the Existing Plans and subscribe to a different Existing Plan. (x)

(4) Customer may not be subscribed, either immediately prior to the Effective Date or any time during the Service Period, to any other Contract Tariff Option contained in this tariff or in FCC 1 or FCC 14. (x)

(5) During the Service Period, in order to receive any Price Flex Base Credits, SPA DS1 Flat Rate Credits, or TDM Shortfall Credits, Customer must achieve the required amounts of Qualifying TDM Base Credit Revenues and DS1 Billed Units as defined in Section (B) preceding. (N)

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32. Contract Tariffs (Cont'd)

32.64 Contract Tariff Option 63 (Cont'd) (N)

(C) Eligibility for Benefits (Cont'd)

(6) The customer must subscribe to Option 63 in a manner designated by the Telephone Company during the thirty (30) day period beginning March 1, 2013 and ending March 30, 2013. Such subscription must include a list of the customer's access customer name abbreviations (**Customer ACNAs**) that the Telephone Company agrees to, in writing, for inclusion in this Option 63. Subscription to Option 63 shall be an automatic subscription to Option 64 of FCC 1 and Option 33 of FCC 14. (x)

(D) Service Period

The Service Period of Option 63 shall be the period commencing on the Effective Date and ending on June 30, 2017.

(E) Serving Area

The Billing Credits (to the extent any are earned by Customer) will be provided only in the Metropolitan Statistical Areas (**MSAs**) that have achieved Phase I or Phase II pricing flexibility under the Telephone Company's tariffs in accordance with applicable law. Wire centers for the Phase II MSAs are listed in Section 15.3 of this tariff, Section 14.7 of FCC 1, and Section 19.1 of FCC 14. (x) Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in the Tariffs) that occur during the Service Period of this Option 63 will automatically apply. For the avoidance of doubt, no Billing Credits will be provided in the operating territories of FCC 16. (x)

(F) Qualifying Monthly Recurring Charges

Subject to the exclusions set forth following, as well as other terms of this Option 63 (including Section (L), Disputes, following), **Qualifying Monthly Recurring Charges** include total monthly recurring charges (**MRCs**) billed to Customer with respect to a particular service for a particular timeframe. Qualifying Monthly Recurring Charges do not include any of the following (among other items that are not MRCs, the following list being illustrative only):

(1) Any NRCs, surcharges, taxes, late payment charges, credits, fractional debit/credit amounts, adjustments, minimum period charges, termination liabilities, and any other billings other than billed amounts that are applied on a recurring monthly basis for the applicable Quarter or Plan Year of the Service Period;
(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 charges, late payment charges); (N)

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32. Contract Tariffs (Cont'd)

32.64 Contract Tariff Option 63 (Cont'd) (N)

(F) Qualifying Monthly Recurring Charges (Cont'd)

(4) Any amount that appears in the "Other Charges and Credits" section of the Telephone Company's invoice (other than a backbilled MRC of greater than $50,000 on a particular invoice) for which the billed charges would have been Qualifying Monthly Recurring Charges had the charges been billed in the appropriate billing period within the Service Period. For the purposes of this Section (F)(4), the term "invoice" shall mean the aggregate of all billing in invoices issued by the Telephone Company to Customer for Qualifying TDM Base Credit Services under the ACNAs included with Customer's subscription to this Option 63 in any calendar month;

(5) Any amount for which payment is being withheld by Customer or that is otherwise a Disputed Charge; provided, however, that if an amount would have been included in Qualifying Monthly Recurring Charges but for the fact that it was disputed, and if such dispute is then resolved in favor of the Telephone Company, then the amount credited to Customer as a result of such resolution shall be included in Qualifying Monthly Recurring Charges in the Quarter in which the Telephone Company issues such credit; and

(6) Shortfall or overage charges associated with term plan true-ups (e.g., for failure to satisfy commitment levels).

(G) Price Flex Base Credit

Provided that Customer has satisfied all applicable eligibility requirements and subject to all other terms set forth in this Option 63, at the end of each Quarter of the Service Period, the Telephone Company will determine whether Customer qualifies to receive a Price Flex Base Credit based on Steps 1 through 3 set forth following. If Customer satisfies all applicable requirements to receive the Price Flex Base Credit for a particular Quarter, then the Telephone Company will apply such credit to one or more of Customer's applicable special access billing accounts within ninety (90) days after the end of the applicable Quarter. All calculations under this Section (G) shall take account of any adjustments resulting from Section (L)(3) (Treatment of Remedial Billing Credits) following.

(**Step 1**) The Telephone Company will calculate the Qualifying TDM Base Credit Revenues for the Quarter.

(**Step 2**) Using the Price Flex Base Credit Table 1 following for Quarter 1 of Plan Year 1, or the Price Flex Base Credit Table 2 following for all subsequent Quarters (i.e., Quarters 2 through 18 of the Service Period), the Telephone Company will determine which TDM Base Credit Percentage corresponds to the Qualifying TDM Base Credit Revenues that Customer achieved for that Quarter. (N)

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32. Contract Tariffs (Cont'd)

32.64 Contract Tariff Option 63 (Cont'd) (N)

(G) Price Flex Base Credit (Cont'd)

Price Flex Base Credit Table 1

Minimum Qualifying TDM Base Credit Revenue	Maximum Qualifying TDM Base Credit Revenue	TDM Base Credit Percentage
$0	$10.99M	0.0%
$11.00M	$11.29M	3.00%
$11.30M	$11.59M	6.00%
$11.60M	$11.79M	9.00%
$11.80M	$11.99M	11.10%
$12.00M	$12.19M	13.20%
$12.20M	$12.39M	15.30%
$12.40M	+	17.40%

Price Flex Base Credit Table 2

Minimum Qualifying TDM Base Credit Revenue	Maximum Qualifying TDM Base Credit Revenue	TDM Base Credit Percentage
$0	$32.99M	0.0%
$33.00M	$33.89M	1.0%
$33.90M	$34.79M	2.0%
$34.80M	$35.39M	3.0%
$35.40M	$35.99M	3.7%
$36.00M	$36.59M	4.4%
$36.60M	$37.19M	5.1%
$37.20M	+	5.8%

(**Step 3**) The Price Flex Base Credit shall be equal to the Qualifying TDM Base Credit Percentage identified in Step 2 times the TDM Base Credit Revenues for the applicable Quarter.

(H) DS1 Volume Discount Rates and Associated SPA DS1 Flat Rate Credit

Provided that Customer has satisfied all applicable eligibility requirements and subject to all other terms set forth in this Option 63, at the end of each Quarter of the Service Period, the Telephone Company will determine whether Customer qualifies to receive a volume discount, applied using the SPA DS1 Flat Rate Credit, based on the following provisions, subject to the annual true-up described following. For the avoidance of any doubt, before reaching a determination of whether Customer qualifies for the SPA DS1 Flat Rate Credit under Sections (H)(1), (H)(2), and (N)

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32. Contract Tariffs (Cont'd)

32.64 Contract Tariff Option 63 (Cont'd) (N)

(H) DS1 Volume Discount Rates and Associated SPA DS1 Flat Rate Credit (Cont'd)

(H)(3) following, Customer must first satisfy the threshold requirements set forth in Section (H)(4) following. All calculations under Section (H) shall take account of any adjustments resulting from Section (L)(3) (Treatment of Remedial Billing Credits) following.

(1) After each Quarter, the Telephone Company shall determine the DS1 Billed Revenue and DS1 Billed Units that Customer achieved for that Quarter. The SPA DS1 Flat Rate Credit will be in an amount equal to the applicable DS1 Billed Revenues for the applicable Quarter minus the applicable flat rate revenue (i.e., "applicable flat rate revenue" means the applicable DS1 Billed Units multiplied by the applicable flat rate for the Plan Year from Table 3 following for Quarter 1 of Plan Year 1, or Table 4 following for all subsequent Quarters (i.e., Quarters 2 through 18 of the Service Period)). If Customer satisfies all applicable requirements to receive the SPA DS1 Flat Rate Credit for a particular Quarter, the Telephone Company shall apply such credit to one or more of Customer's applicable special access billing accounts within ninety (90) days after the end of the applicable Quarter.

Table 3

Credit Tier	Plan Year 1 SPA DS1 Flat Rate
Tier 1	$173.00
Tier 2	$146.00

Table 4

Credit Tier	Plan Year 1 SPA DS1 Flat Rate	Plan Year 2 SPA DS1 Flat Rate	Plan Year 3 SPA DS1 Flat Rate	Plan Year 4 SPA DS1 Flat Rate	Plan Year 5 SPA DS1 Flat Rate
Tier 1	$173.00	$173.00	$173.00	$173.00	$173.00
Tier 2	$164.00	$163.00	$162.00	$161.00	$160.00

(N)

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32. Contract Tariffs (Cont'd)

32.64 Contract Tariff Option 63 (Cont'd) (N)

(H) DS1 Volume Discount Rates and Associated SPA DS1 Flat Rate Credit (Cont'd)

(2) Eligibility for Tier 1

If the total volume of DS1 Billed Units that Customer achieved for the Quarter is equal to, or up to 1,200 more than, the volume of DS1 Billed Units that Customer achieved for the immediate prior Quarter (or, in the case of the first Quarter of the Service Period, is equal to, or up to 400 more than, the Baseline DS1 Billed Units), then Customer will qualify (subject to meeting all other eligibility requirements) for the DS1 flat rates for Tier 1 in Tables 3 and 4 preceding.

(3) Eligibility for Tier 2

If the total volume of DS1 Billed Units that Customer achieved for the Quarter exceeds the DS1 Billed Units for the immediate prior Quarter by more than 1,200 DS1 Billed Units (or, in the case of the first Quarter of the Service Period, exceeds the Baseline DS1 Billed Units by more than 400 DS1 Billed Units), then Customer will qualify for the DS1 flat rates for Tier 2 in Tables 3 and 4 preceding.

(4) In order to qualify for any SPA DS1 Flat Rate Credit in any Quarter under the preceding provisions, Customer must satisfy all of the following conditions (as well as all other eligibility requirements set forth in this Option 63):

(a) Customer must qualify for a discount (i.e., greater than 0%) for the Price Flex Base Credit for that same Quarter; and

(b) As of the end of that same Quarter, Customer must have had DS1 Billed Units in volumes equal to or greater than the Baseline DS1 Billed Units.

(5) Annual True-up

After the end of each Plan Year, the Telephone Company will perform a true-up to determine whether Customer qualified for any Tier 2 credits Customer received for that just-completed Plan Year based on Customer's overall annual performance under Option 63.

(a) Plan Year 1. For Plan Year 1, if Customer's total annual DS1 Billed Units at the end of Plan Year 1 are not at least 1,600 greater than the Baseline DS1 Billed Units for the first Quarter of the Service Period, then the Telephone Company will issue to Customer's applicable account(s) a debit equal to (i) the aggregate amount of any credits Customer received to apply the Tier 2 rates in Tables 3 and 4 for Plan Year 1 minus (ii) the aggregate amount of credits that Customer would have received if the Tier 1 rates in Tables 3 and 4 were applied for all Quarters of Plan Year 1. (N)

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32. Contract Tariffs (Cont'd)

32.64 Contract Tariff Option 63 (Cont'd) (N)

(H) DS1 Volume Discount Rates and Associated SPA DS1 Flat Rate Credit (Cont'd)

(5) Annual True-up (Cont'd)

(b) Plan Years 2-5. For Plan Years 2-5, if Customer's total annual DS1 Billed Units at the end of each Plan Year are not at least 4,800 greater than the DS1 Billed Units as of the end of the month immediately preceding the just-completed Plan Year being reviewed, then the Telephone Company will issue to Customer's applicable account(s) a debit equal to (i) the aggregate amount of any credits Customer received to apply the Tier 2 rates in Table 4 for that just-completed Plan Year minus (ii) the aggregate amount of credits that Customer would have received if the Tier 1 rates in Table 4 were applied for all Quarters of that just-completed Plan Year.

(I) TDM Shortfall Credit

Provided that Customer has satisfied all applicable eligibility requirements and subject to all other terms set forth in this Option 63, at the end of each Plan Year of the Service Period, Customer may qualify to receive a TDM Shortfall Credit as described in this Section (I).

(1) After the end of each Plan Year, the Telephone Company will determine whether Customer's total annual DS1 Billed Units are (i) for Plan Year 1, at least 1,600 greater than the Baseline DS1 Billed Units for the first Quarter of the Service Period and (ii) for Plan Years 2-5, at least 4,800 greater than the Baseline DS1 Billed Units (the **TDM Shortfall Credit Thresholds**).

(2) If, for a given Plan Year, Customer has met the applicable TDM Shortfall Credit Threshold set forth in Section (I)(1) preceding, then the Telephone Company will determine the total amount that Customer, during that just-completed Plan Year, paid to the Telephone Company in the form of shortfall payments for Special Access DS1 Services under Customer's Existing Plans for CDP, NDP and TVP pursuant to Sections 25.1 and 25.2 of this tariff, Sections 25.1 and 25.3 of FCC 1, and Sections 5.6.14 and 23.1 of FCC 14 (the **Total Annual Shortfall Payment**). The Telephone Company will issue a credit (**TDM Shortfall Credit**) in an amount equal to the lesser of: (i) the Total Annual Shortfall Payment and (ii) Two Million and 00/100 U.S. Dollars ($2,000,000). The TDM Shortfall Credit is a single credit provided for Customer's collective subscription to this Option 63, Option 64 of FCC 1, and Option 33 of FCC 14 (i.e., Customer may not receive a TDM Shortfall Credit under more than one of the three Options). (x) (x) (x) (N)

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32. Contract Tariffs (Cont'd)

32.64 Contract Tariff Option 63 (Cont'd) (N)

(I) TDM Shortfall Credit (Cont'd)

(3) If Customer did not meet the applicable TDM Shortfall Credit Threshold for a given Plan Year, or did not pay any CDP, NDP or TVP shortfall payments to the Telephone Company during that Plan Year as described in Section (I)(2) preceding, then Customer will not receive a TDM Shortfall Credit for that Plan Year. If Customer receives a TDM Shortfall Credit for a given Plan Year, Customer may not thereafter dispute or receive a refund of any shortfall payments that were paid during the Plan Year for which Customer received a TDM Shortfall Credit. Once the Telephone Company issues a TDM Shortfall Credit, Customer may not later dispute the amount of such credit.

(J) One-Time DS1 Performance Credit

If, as of the Effective Date, Customer has achieved a total of forty-seven thousand, four hundred (47,400) DS1 Billed Units, then the Telephone Company, no later than sixty (60) days after the Effective Date, will provide Customer with a one-time billing credit equal to Two Million Five Hundred Thousand and 00/100 U.S. Dollars ($2,500,000) (**One-Time DS1 Performance Credit**). Customer will determine and communicate to the Telephone Company within fifteen (15) days after the Effective Date the special access billing account on which Customer wishes the credit to appear. The One-Time DS1 Performance Credit is a single credit provided for Customer's collective subscription to this Option 63, Option 64 of FCC 1, and Option 33 of FCC 14 (i.e., Customer may not receive a One-Time DS1 Performance Credit under more than one of the three Options). (x) (x)

(K) Excessive DS1 Mileage Surcharge

At the end of each Quarter of the Service Period, the Telephone Company will follow the steps set forth below to calculate the **Excessive DS1 Mileage Surcharge** that Customer will owe for that Quarter:

(**Step 1**) The Telephone Company will calculate the DS1 Average Mileage as defined in Section (B) preceding.

(**Step 2**) Divide the DS1 Average Mileage from Step 1 by the Baseline DS1 Average Mileage to determine the ratio of DS1 Average Mileage to the Baseline DS1 Average Mileage (**Baseline DS1 Mileage Ratio**).

(**Step 3**) Using Table 5 following, the Telephone Company will determine what DS1 Mileage Surcharge Percent applies based on the Baseline DS1 Mileage Ratio calculated in Step 2. (N)

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32. Contract Tariffs (Cont'd)

32.64 Contract Tariff Option 63 (Cont'd) (N)

(K) Excessive DS1 Mileage Surcharge (Cont'd)

Table 5 DS1 Mileage Surcharge Table

Minimum Baseline DS1 Mileage Ratio	Maximum Baseline DS1 Mileage Ratio	DS1 Mileage Surcharge Percent
0	1.39	0.00%
1.40	1.59	10.00%
1.60	1.79	15.00%
1.80	1.99	20.00%
2.00	+	25.00%

(**Step 4**) The Excessive DS1 Mileage Surcharge for the Quarter shall be calculated by multiplying (i) the SPA DS1 Flat Rate Credit earned during that Quarter under Section (H) preceding (without taking account of any annual true-up under Section (H)(5)) times (ii) the DS1 Mileage Surcharge Percent identified in Step 3.

(**Step 5**) If the Excessive DS1 Mileage Surcharge is greater than $0, the Telephone Company, within ninety (90) days after the Quarter for which the Excessive DS1 Mileage Surcharge is owed, will apply the Excessive DS1 Mileage Surcharge by issuing a debit(s) (**Excessive DS1 Mileage Surcharge Debits**) to one or more of Customer's applicable special access billing accounts.

Example 1: Assume that Customer's DS1 Average Mileage achieved for Quarter 2 of Plan Year 1 is 4.9 miles and the SPA DS1 Flat Rate Credit achieved for that same Quarter is $1.30M. The Baseline DS1 Mileage Ratio is 1.02. The Excessive DS1 Mileage Surcharge is $0 ($1.3M x 0.00% = $0).

Example 2: Assume that Customer's DS1 Average Mileage achieved for Quarter 3 of Plan Year 4 is 7.0 miles and the SPA DS1 Flat Rate Credit achieved for that same Quarter is $1.60M. The Baseline DS1 Mileage Ratio is 1.46. The Excessive DS1 Mileage Surcharge is $0.16M ($1.6M x 10.00% = $0.16M). (N)

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32. Contract Tariffs (Cont'd)

32.64 Contract Tariff Option 63 (Cont'd) (N)

(L) Disputes

Notwithstanding any other provision of this Option 63, the Telephone Company's calculation of the Billing Credits and Excessive DS1 Mileage Surcharges under this Option 63 shall be subject to the following additional requirements (as well as all other terms of this Option 63):

(1) For the purposes of calculating the Price Flex Base Credit and the SPA DS1 Flat Rate Credit, the Telephone Company shall not include any credits or debits for Services provided during any periods prior to the Effective Date (regardless of whether such credits or debits were the result of a valid dispute by Customer or were the result of a billing error by the Telephone Company).

(2) Customer agrees to undertake a good faith effort to review, within forty-five (45) calendar days of receipt, each bill from the Telephone Company that includes amounts to be included in Qualifying Monthly Recurring Charges and, at such time that Customer determines there is a dispute, to promptly raise the dispute with the Telephone Company. For the avoidance of any doubt, Customer is not obligated or required to raise billing disputes within forty-five (45) calendar days of receipt of a bill.

(3) Treatment of Remedial Billing Credits

(a) In the event that (i) Customer disputes charges that it believes were improperly billed for Services billed in prior Quarters, (ii) any such disputed charges were included as Qualifying Monthly Recurring Charges for purposes of calculating any Price Flex Base Credits or SPA DS1 Flat Rate Credits under this Option 63, and (iii) the Telephone Company honors all or a portion of the dispute in favor of Customer, then any billing credit issued by the Telephone Company to remedy the dispute (**Remedial Billing Credit**) shall be included as an offset to Qualifying Monthly Recurring Charges for the purpose of calculating the Price Flex Base Credits and SPA DS1 Flat Rate Credits for the Quarter in which such Remedial Billing Credit is issued by the Telephone Company. For the avoidance of any doubt, if a Remedial Billing Credit results in Customer falling below the Minimum Qualifying TDM Base Credit Revenue necessary to qualify for a Price Flex Base Credit, but for which Customer would have otherwise qualified for a Price Flex Base Credit for each Quarter to which the underlying dispute is attributable, Customer will still qualify for the SPA DS1 Flat Rate Credit if all other requirements have been met to do so for the Quarter in which the Remedial Billing Credit is offset against Qualifying Monthly Recurring Charges; provided, however that any (N)

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32. Contract Tariffs (Cont'd)

32.64 Contract Tariff Option 63 (Cont'd) (N)

(L) Disputes (Cont'd)

(3) Treatment of Remedial Billing Credits (Cont'd)

(a) (Cont'd)

Remedial Billing Credit relating to DS1 Billed Revenues will be included as an offset to DS1 Billed Revenue for purposes of calculating the SPA DS1 Flat Rate Credit (and thus could cause Customer to be ineligible for the SPA DS1 Flat Rate Credit). For the avoidance of any doubt, if the Telephone Company offsets a Remedial Billing Credit against Billed DS1 Revenue set forth above, such offsetting shall not result in any adjustment to any Excessive DS1 Mileage Surcharge assessed with respect to any previous Quarter, but such offsetting will affect the Excessive DS1 Mileage Surcharge for the then current Quarter insofar as the Excessive DS1 Mileage Surcharge calculation is, as set forth in Section (K) above, based in part on the amount of the SPA DS1 Flat Rate credit (which in turn is based in part on DS1 Billed Revenues) for the then current Quarter.

(b) The provisions set forth in Section (L)(3)(a) preceding apply in cases where Customer disputes charges up to six (6) months after the end of the Service Period. In the event of any such disputes, any Remedial Billing Credit that the Telephone Company issues shall be included as an offset to Qualifying Monthly Recurring Charges for the last Quarter of the Service Period for the purpose of calculating the Price Flex Base Credits and SPA DS1 Flat Rate Credits for the last Quarter of the Service Period. To the extent the inclusion of the Remedial Billing Credit produces a lower Price Flex Base Credit or SPA Flat Rate Credit (or disqualifies Customer from either or both of such credits) for the last Quarter of the Service Period, the Telephone Company will issue a debit in an amount equal to (i) the Price Flex Base Credit and SPA DS1 Flat Rate Credit actually provided by the Telephone Company for the last Quarter of the Service Period minus (ii) the Price Flex Base Credit and SPA DS1 Flat Rate Credit (if any, in either case) due to Customer once the Remedial Billing Credit is included as an offset to the Qualifying Monthly Recurring Charges for the last Quarter of the Service Period. If the Telephone Company adjusts Qualifying Monthly Recurring Charges as set forth above and, at the time of such adjustment the Telephone Company has already billed Customer an Excessive DS1 Mileage Surcharge for the last Quarter of the Service Period, the Telephone Company shall not be required to recalculate the Excessive DS1 Mileage Surcharge already billed to Customer and Customer shall pay the amount of the Excessive DS1 Mileage Surcharge already billed. (N)

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32. Contract Tariffs (Cont'd)

32.64 Contract Tariff Option 63 (Cont'd) (N)

(L) Disputes (Cont'd)

(4) The Price Flex Base Credits and SPA DS1 Flat Rate Credits, as determined by the Telephone Company and agreed to by Customer, and the Excessive DS1 Mileage Surcharge are not subject to dispute after being issued by the Telephone Company, regardless of the outcome of any Disputed Charges; provided, however, that the foregoing prohibition against disputes shall not be deemed (i) to preclude any debit issued pursuant to an annual true-up under Section (H)(5) preceding, (ii) to preclude any adjustment pursuant to Section (L)(3) preceding; or (iii) to apply in a situation where the Telephone Company applies a Price Flex Base Credit or SPA DS1 Flat Rate Credit that does not match the mutually agreed upon credit amount. For the avoidance of any doubt, the Telephone Company will not issue any Price Flex Base Credits or SPA DS1 Flat Rate Credits until the applicable credit amount is agreed to by Customer.

(5) In no event shall the Telephone Company be subject to any late payment, interest or penalty with respect to any Billing Credits.

(M) Termination and Termination Liability

(1) Subject to the terms set forth in this Section (M), Customer may terminate this Option 63 at any time during the Service Period. Customer must provide written notice of termination at least ninety (90) days prior to the requested date of termination. Termination of less than all of the Contract Tariff options (i.e., terminations of Option 63 of this tariff, or Option 64 of FCC 1, or Option 33 of FCC 14) shall be deemed to be an automatic termination of all contract tariff options. All obligations under the tariffs with respect to the Services shall continue to apply. (x)

(2) In the event of a termination by Customer under Section (M)(1) preceding, or a termination by the Telephone Company under Section (N)(2) following, Customer shall be liable for payment of termination liability to be calculated as follows:

(a) Termination During Plan Years 1 or 2:

(i) Customer shall receive no further Billing Credits for the Plan Year in which termination occurs;
(ii) Customer must return one hundred percent (100%) of all Billing Credits (which, for the avoidance of any doubt includes the One-Time DS1 Performance Credit) previously received at any time under Option 63;
(iii) Customer shall not receive any refunds or credits with respect to any Excessive DS1 Mileage Surcharges owed for any previous Quarters, but Customer shall not be responsible for any Excessive DS1 Mileage Surcharge with respect to the Quarter in which termination occurs. (N)

(x) Issued under authority of Special Permission No. 13-002 of the Federal Communications Commission.

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32. Contract Tariffs (Cont'd)

32.64 Contract Tariff Option 63 (Cont'd) (N)

(M) Termination and Termination Liability (Cont'd)

(2) (Cont'd)

(b) Termination During Plan Years 3 or 4:

(i) Customer shall receive Price Flex Base Credits and SPA DS1 Flat Rate Credits of zero dollars ($0) for the Plan Year in which termination occurs (including, by way of example, that Customer must repay to the Telephone Company any Price Flex Base Credits and SPA DS1 Flat Rate Credits already received in that Plan Year);
(ii) Customer must return sixty percent (60%) of any Price Flex Base Credits and SPA DS1 Flat Rate Credits received for Plan Year 2 if the termination occurs in Plan Year 3;
(iii) Customer must return forty percent (40%) of any Price Flex Base Credits and SPA DS1 Flat Rate Credits received for Plan Year 3 if the termination occurs in Plan Year 4; and
(iv) Customer shall not receive any refunds or credits with respect to any Excessive DS1 Mileage Surcharges owed for any previous Quarters, but Customer shall not be responsible for any Excessive DS1 Mileage Surcharge with respect to the Quarter in which termination occurs.

(c) Termination During Plan Year 5:

(i) Customer shall receive Price Flex Base Credits and SPA DS1 Flat Rate Credits of zero dollars ($0) for Plan Year 5 (including, by way of example, that Customer must repay to the Telephone Company any Price Flex Base Credits and SPA DS1 Flat Rate Credits already received in Plan Year 5);
(ii) Customer must return fifty percent (50%) of any Price Flex Base Credits and SPA DS1 Flat Rate Credits received for Plan Year 4; and
(iii) Customer shall not receive any refunds or credits with respect to any Excessive DS1 Mileage Surcharges owed for any previous Quarters, but Customer shall not be responsible for any Excessive DS1 Mileage Surcharge with respect to the Quarter in which termination occurs.

Any termination liability payment owed by Customer under any of the preceding provisions shall be due and payable by Customer to the Telephone Company no later than sixty (60) days after the termination date. (N)

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32. Contract Tariffs (Cont'd)
32.64 Contract Tariff Option 63 (Cont'd) (N)
(M) Termination and Termination Liability (Cont'd) |

(3) The Customer and the Telephone Company, by mutual written agreement in their sole discretion, may terminate this Option 63. Except as otherwise mutually agreed in writing by Customer and the Telephone Company: (i) any termination under this Section (M)(3) in Plan Year 1 shall be effective as of the Effective Date, and Customer shall not be eligible for any Billing Credits, including the One-Time DS1 Performance Credit, for Plan Year 1; (ii) if the termination under this Section (M)(3) is in Plan Years 2 through 5, such termination shall be effective as of the end of the Plan Year preceding the termination, and the Customer shall be entitled to all Billing Credits earned for the Plan Year preceding the termination, but shall not be eligible for any Billing Credits for any period of time after the end of such Plan Year; and (iii) regardless of the Plan Year in which the termination occurs, Customer shall not receive any refunds or credits with respect to any Excessive DS1 Mileage Surcharges owed for any previous Quarters, but Customer shall not be responsible for any Excessive DS1 Mileage Surcharge with respect to the Quarter in which termination occurs. |

(N) Mergers and Acquisitions of Customer |

(1) In the event that after the Effective Date, Customer or its direct or indirect parent company merges with another company, acquires a company or a portion of the business of another company (including, by way of example, acquisition of any ACNAs other than those submitted with Customer's subscription to Option 63), becomes an Affiliate of another company or is acquired in whole or in part by another company, the terms and conditions set forth in this Section (N) will apply in addition to all other terms and conditions set forth in this Option 63. Customer may not combine or include any DS1 Billed Revenues, DS1 Billed Units, DS1 Units, DS1 Mileage, Qualifying TDM Base Credit Revenues, or Qualifying Monthly Recurring Charges or Baseline DS1 Billed Units from the merged, acquiring, or acquired company, or from the assets of such merged, acquiring, or acquired company, for any purposes hereunder. |

(2) Except where the Customer and the Telephone Company elect otherwise pursuant to Section (N)(3) following, Customer's DS1 Billed Revenues, DS1 Billed Units, DS1 Mileage, DS1 Units, Qualifying TDM Base Credit Revenues, and Qualifying Monthly Recurring Charges shall be calculated based on Customer's business and revenue with the Telephone Company using the ACNAs submitted with Customer's subscription to this Option 63, without adding any revenues, units, DS1 Mileage, and/or ACNAs attributable to expansion of Customer's purchase of any services from the Telephone Company through merger, transfer, assignment, or acquisition. If Customer violates the provisions of this Section (N)(2), then the Telephone Company may terminate Option 63 without liability upon written notice to Customer. (N)

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32. Contract Tariffs (Cont'd)

32.64 Contract Tariff Option 63 (Cont'd) (N)

(N) Mergers and Acquisitions of Customer (Cont'd)

(3) In lieu of excluding the acquired business, revenue, DS1 Mileage, units, and the like as described in Section (N)(2) preceding, the Customer and the Telephone Company, in order to reflect the impact of mergers, acquisitions, divestitures or other transactions described in Section (N)(1) preceding, may mutually agree in writing to make proportionate adjustments to Customer's Baseline DS1 Billed Units, Baseline DS1 Average Mileage, the amounts and/or percentages set forth in Tables 1 and 2 (Price Flex Base Credit Tables) in Section (G) preceding, and/or the volume of DS1 Billed Units required for Customer to receive the Tier 1 or Tier 2 rates set forth in Tables 3 and 4 (SPA DS1 Flat Rate Tables) of Section (H) preceding. For the avoidance of any doubt, no revenue, units or DS1 Mileage of the acquired business shall be included in the calculation of the Price Flex Base Credit or SPA DS1 Flat Rate Credit for any period prior to the effective date to which the parties mutually agree in writing.

(4) Customer shall provide the Telephone Company written notice no later than twenty (20) business days after filing any request with the FCC for approval of a transaction that is the subject of Section (N)(1) and, to the extent provided in writing publicly by the date of such notice, shall include a good faith estimate of the expected close date so that Customer and the Telephone Company can assess and implement their associated rights and obligations under this Option 64. Once the transaction closes, Customer shall further notify the Telephone Company of such closing within thirty (30) days after such closing occurs. Under no circumstance shall this Section (N) require Customer to provide the Telephone Company written notice of mergers solely between Customer entities holding, as of the Effective Date, the ACNAs submitted with Customer's subscription to this Option 64, such as Customer's internal merging of legal entities. For the avoidance of any doubt, the above reference to notice following an FCC filing affects only the notice that Customer is required to provide under this Section (N)(4), and does not alter application of the substantive provisions set forth in Sections (N)(1) through (N)(3) (e.g., prohibition against including acquired business, revenue, units and the like as described in Sections (N)(1) and (N)(2)) to transactions that are not subject to an FCC filing. (N)

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32. Contract Tariffs (Cont'd)

32.64 Contract Tariff Option 63 (Cont'd) (N)

(O) Sale of Telephone Company Telephone Operating Company

(1) If some or all of the assets or stock of a Telephone Company Operating Telephone Company that provides DS1 Units are acquired by an unaffiliated third party during the Service Period, then effective with the closing of such transaction, the Customer and the Telephone Company will mutually agree in writing to make proportionate adjustments to Customer's DS1 Billed Revenues, DS1 Billed Units, Baseline DS1 Average Mileage, DS1 Units, Qualifying TDM Base Credit Revenues, Qualifying Monthly Recurring Charges, or Baseline DS1 Billed Units, the amounts and/or percentages set forth in Tables 1 and 2 (Price Flex Base Credit Tables) in Section (G) preceding, and/or the volume of DS1 Billed Units required for Customer to receive the Tier 1 or Tier 2 rates set forth in Tables 3 and 4 (SPA DS1 Flat Rate Tables) of Section (H) preceding. For the avoidance of any doubt, no such adjustments shall apply to any period prior to the effective date to which the Customer and the Telephone Company mutually agree in writing.

(2) If the Telephone Company acquires another company (or portion thereof) that provides any services similar to DS1 Units, the Customer and the Telephone Company may mutually agree in writing to adjust any of the items described in Section (O)(1) preceding and DS1 Mileage on a proportionate basis to account for Customer's purchases from the acquired company (or portion thereof). For the avoidance of any doubt, no Customer purchases from the acquired company (or portion thereof) shall be included in DS1 Billed Revenues, DS1 Billed Units, DS1 Mileage, or Qualifying TDM Base Credit Revenues for any period prior to the effective date for such inclusion to which the Customer and the Telephone Company mutually agree in writing. (N)

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32. Contract Tariffs (Cont'd)

32.64 Contract Tariff Option 63 (Cont'd) (N)

(P) Orders for Unbundled Network Elements

(1) Customer, as a material condition of the Telephone Company's offering the Billing Credits described in this Option 63, agrees that during the Service Period it may not submit orders for any of the following unbundled network elements (UNEs) that the Telephone Company offers: (i) UNE DS1 loops; (ii) UNE DS1 dedicated transport; (iii) any combination of any of the foregoing UNEs (which combinations are sometimes referred to as **Enhanced Extended Loops** or **EELs** or (iv) any of the foregoing UNEs commingled with special access services or other services ((i), (ii), (iii) and (iv), collectively **Prohibited UNEs**). The foregoing prohibition includes both orders for new Prohibited UNEs as well as orders for the conversion of special access services to Prohibited UNEs (collectively, **Prohibited UNE Orders**).

(2) Accordingly, the Telephone Company and Customer agree that if either the Telephone Company or Customer discovers any Prohibited UNE Orders submitted during the Service Period, then such discovering party shall notify the other party and Customer, no later than sixty (60) days after either the Telephone Company's or Customer's provision of such notice, shall promptly request conversion of such Prohibited UNEs to a Special Access service. The Telephone Company shall reasonably assist in this effort. The rates applicable to the Special Access service to which a Prohibited UNE is converted shall apply retroactively for the full period during which the Prohibited UNE was billed at UNE rates. For the avoidance of any doubt, no Billing Credits or Excessive DS1 Mileage Surcharge for any past Quarters or Plan Years shall be recalculated as a result of any such conversions of Prohibited UNEs to Special Access services. If Customer fails to submit an order to convert a Prohibited UNE to a Special Access service (**Conversion Order**) within sixty (60) days after notifying the Telephone Company of a Prohibited UNE Order (or, in cases where the Telephone Company discovers a Prohibited UNE Order and notifies Customer, within sixty (60) days after the date on which the Telephone Company provides such notice), then, without limiting Customer's continuing obligation to submit such Conversion Order, the Telephone Company shall have the right (but not the obligation) to submit such Conversion Order on Customer's behalf and take such other steps as necessary to complete the conversion. For the avoidance of any doubt, Customer shall bear the sole responsibility for monitoring its internal ordering processes to ensure that no Prohibited UNE Orders are submitted during the Service Period. (N)

32. Contract Tariffs (Cont'd)

32.65 Contract Tariff Option 64 (N)

(A) Scope

Contract Tariff Option 64 (**Option 64)** provides temporary discount pricing to certain DS1 (1.544 Mbps High Capacity) circuits that satisfy all of the eligibility criteria set forth in Section 32.65(B) following (**Qualifying DS1 Circuits**)as specified in more detail in this Section 32.65.

Customer will provide a written list of Qualifying DS1 Circuits to the Telephone Company to which Customer and Verizon (**Parties**) mutually agree (**Qualifying Circuit List**). If the Parties should determine that such Qualifying Circuit List is incomplete, then the Parties, by mutual agreement in writing, may add Qualifying DS1 Circuits to the Qualifying Circuit List, and absent such a further written revision to the Qualifying Circuit List, no other DS1 circuits (or any other services) shall be eligible for the rates, terms, or conditions of this Option 64.

(B) Eligibility for Benefits

Customer is eligible for the pricing set forth in Section 32.65(D) following (**Temporary Discount Pricing**) with respect to certain DS1 1.544 Mbps High Capacity circuits if Customer satisfies all of the following criteria as well as all other terms of this Option 64 (collectively, the **Temporary Discount Plan**).

(1) The DS1 circuit must be installed from one of the two following Telephone Company wire centers (**Qualifying Wire Centers):** 104 Broad Street, New York, NY (CLLI NYCMNYBS) or 140 West Street, New York, NY (CLLI NYCMNYWS).

(2) The DS1 circuit must have been installed no earlier than November 1, 2012 to a location (**Qualifying Customer Location**) at which, (i) as of October 29, 2012, Customer purchased at least one (1) conditioned DS0 copper loop provided by the Telephone Company with the circuit service code modifier ARDU or AQDU, (ii) such loop(s) (either individually or by bonding together with up to twenty-three (23) other such loop(s)) must have been used by Customer to provide service to an end user at that location, and (iii) such loop(s) were rendered inoperable by Hurricane Sandy and unbundled copper loops are not available at such Qualifying Customer Location when Customer orders the DS1 circuit. (N)

32. Contract Tariffs (Cont'd)

32.65 Contract Tariff Option 64 (Cont'd) (N)

(B) Eligibility for Benefits (Cont'd)

(3) The Temporary Discount Pricing shall not apply to any DS1 circuit that existed as of October 30, 2012, or where the order was in-progress as of October 29, 2012, or where any other eligibility criterion set forth herein is not met.

(4) A Qualifying DS1 Circuit may include only (i) a DS1 Channel Termination (as defined in Section 7.1.2(A) of this tariff) and (ii) if applicable, DS1 Channel Mileage (as defined in Section 7.1.2(B)) that connects to such Channel Termination and that does not exceed ten (10) miles (**Qualifying DS1 Mileage**).

(5) Customer must subscribe to Option 64 in a manner designated by the Telephone Company during the thirty (30) day period following the date on which this Option 64 becomes effective.

(6) If Customer is subscribed to another contract tariff option that prohibits Customer from concurrently subscribing to another contract tariff option, such prohibition is waived for purposes of Customer's subscription to this Option 64. (N)

32. Contract Tariffs (Cont'd)

32.65 Contract Tariff Option 64 (Cont'd) (N)

(C) Temporary Discount Period

The Temporary Discount Pricing is available only for the period beginning on the Qualifying DS1 Circuit installation date (which in any event may be no earlier than the effective date of this Option 64), and ending on the earlier of (i) the date on which the Qualifying DS1 Circuit is terminated, moved, or rearranged, and (ii) October 29, 2014 (**Temporary Discount Period**). At the end of the Temporary Discount Period, the Temporary Discount Plan shall no longer apply, and all remaining Qualifying DS1 Circuits shall be provided in accordance with the rates, terms and conditions of this tariff without the benefit of the Temporary Discount Pricing or other terms and conditions set forth in this Option 64.

(D) Temporary Discount Pricing

Temporary Discount Pricing, where applicable for a Qualifying DS1 Circuit under Section 32.65(B)(2) preceding, is a monthly recurring rate for a Channel Termination (and, as applicable, any Qualifying DS1 Mileage) calculated as follows: The amount of $8.76 or $9.99 (whichever monthly recurring rate the Telephone Company charged to Customer for the subject ARDU or AQDU loop(s)) multiplied by the number of ARDU or AQDU loops (up to 24 total) that Customer used to provide service to an end user at a Qualifying Customer Location at which Customer purchases a Qualifying DS1 Circuit to replace those ARDU and AQDU loops.

Example 1: Assume Customer purchased, to a particular location served by a Qualifying Wire Center, an ARDU or AQDU loop rendered inoperable by Hurricane Sandy, and that the monthly recurring rate for such loop was $8.76. Assume further that, to replace that loop to that same end user location, Customer purchases a DS1 Channel Termination and five (5) miles of Qualifying DS1 Mileage, and unbundled copper loops are no longer available at the subject Qualifying Customer Location when Customer orders that DS1 circuit. The Temporary Discount Pricing rate for that DS1 circuit (Channel Termination and five (5) miles of Qualifying DS1 Mileage) would be one (1) loop x $8.76 = $8.76.

Example 2: Assume Customer purchased, to a particular location served by a Qualifying Wire Center, five (5) ARDU or AQDU loops rendered inoperable by Hurricane Sandy, and that the monthly recurring rate for each such loop was $8.76. Assume further that, to replace those five loops to that same end user location, Customer purchases a DS1 Channel Termination and five (5) miles of Qualifying DS1 Mileage, and unbundled copper loops are no longer available at the subject Qualifying Customer Location when Customer orders that DS1 circuit. The Temporary Discount Pricing rate for that DS1 circuit (Channel Termination and five (5) miles of Qualifying DS1 Mileage) would be five (5) loops x $8.76 = $43.80. (N)

32. Contract Tariffs (Cont'd)

32.65 Contract Tariff Option 64 (Cont'd) (N)

(E) Placement of Orders

(1) To receive the rates, terms and conditions of this Option 64, when ordering a Qualifying DS1 Circuit, Customer must populate the "PROJ" field of the ASR with the term "SANDY2012". Customer shall also populate the "PROJ" field of the ASR with the term "SANDY2012" when disconnecting a Qualifying DS1 Circuit. Customer shall not use the "SANDY2012" designator to order service where Customer is not eligible for the Temporary Discount Pricing based on the provisions of this Option 64.

(2) Customer remains responsible in all respects for ensuring the accuracy of orders for Qualifying DS1 Circuits hereunder, as well as for post-ordering verification that each Qualifying DS1 Circuit has been ordered with the "SANDY2012" designator. Without limitation of the Telephone Company's other rights under this Section 32.65(E)(2)or elsewhere, the Telephone Company may load the Temporary Discount Pricing rates into its billing systems and bill such rates directly, or, the Telephone Company may use billing adjustments (credits/debits)as necessary to effectuate the appropriate rates under the Temporary Discount Plan. (N)

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32. Contract Tariffs (Cont'd)

32.65 Contract Tariff Option 64 (Cont'd) (N)

(F) One-Time Eligibility Credit

Customers that subscribe to this Option 64 and that, as of fifteen (15) days after subscribing, have ordered Qualifying DS1 Circuits as replacement services in the volumes described below are eligible for a one-time eligibility credit under one (but not both) of the alternatives set forth below:

(1) If, under this Option 64, Customer orders at least two (2) Qualifying DS1 Circuits that include only a DS1 Channel Termination and no DS1 Channel Mileage, then Customer will receive a one-time eligibility credit of Four Thousand and 00/100 U.S. Dollars ($4,000).

(2) If, under this Option 64, Customer orders at least ten (10) Qualifying DS1 Circuits that include both a DS1 Channel Termination and DS1 Channel Mileage, then Customer will receive a one-time eligibility credit of Seventeen Thousand and 00/100 U.S. Dollars ($17,000).

(G) Other Terms and Conditions

Special Construction charges, Special Handling Charges, and standard NRCs shall not apply for installation of Qualifying DS1 Circuits. If Customer terminates a Qualifying DS1 Circuit prior to October 30, 2014, early termination charges and minimum period charges shall not apply. If Customer terminates a Qualifying DS1 Circuit on or after October 30, 2014, then early termination charges and/or minimum period charges shall apply in accordance with the tariff. Except as specified in this Option 64, all other rates, charges, terms, and conditions for Qualifying DS1 Circuits are as set forth in the tariff (including any term plan or discount plan to which Customer is subscribed). Such other charges include, by way of example, any nonrecurring charges, special handling charges, monthly recurring charges, special construction charges, minimum period charges, and termination liability charges, in addition to the rates and charges set forth in Section 32.65(D). (N)

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32. Contract Tariffs (Cont'd)

32.66 Contract Tariff Option 65 (N)

(A) Scope

Contract Tariff Option 65 (**Option 65**) provides a customer with certain aggregate discounts and Billing Credits (as defined following) on certain services offered by the Telephone Company when the customer satisfies the criteria as set forth in this Option 65.

(B) Specific Terms

Unless otherwise defined in this Section 32.66, the following terms are used in this Option 65:

(1) **Alternative Tariff Arrangement** shall mean, collectively, any other generally available tariff arrangement, contract tariff option, specialized service or arrangement, or Individual Case Basis (**ICB**) tariff arrangement offered by the Telephone Company and available to the customer pursuant to this tariff with respect to any of the services covered by this Option 65.

(2) **BANs** shall mean Billing Account Numbers of the customer which shall be used to provide the Billing Credits to the customer.

(3) **Billed DS1 Service Revenue** shall mean, with respect to each month during the Service Period, the Qualifying Monthly Recurring Charges (as defined in (F) following) billed under one of the Customer ACNAs provided under (C)(3) following and which were paid in full by the customer for DS1 Qualifying Services for the applicable Quarter.

(4) **Billed DS1 Unit with Mileage** shall mean, with respect to each month during the Service Period, a DS1 Unit for which the Telephone Company billed Qualifying Monthly Recurring Charges (as defined in (F) following) under one of the Customer ACNAs provided under (C)(3) following for that month and for which a portion of the Qualifying Monthly Recurring Charges includes Billed DS1 Mileage Charges.

(5) **Billed DS1 Unit without Mileage** shall mean, with respect to each month during the Service Period, a DS1 Unit for which the Telephone Company billed Qualifying Monthly Recurring Charges (as defined in (F) following) under one of the Customer ACNAs provided under (C)(3) following for that month and for which none of the Qualifying Monthly Recurring Charges includes Billed DS1 Mileage Charges. (N)

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32. Contract Tariffs (Cont'd)

32.66 Contract Tariff Option 65 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(6) **Billed DS1 Mileage Charges** shall mean, with respect to each month during the Service Period, the Qualifying Monthly Recurring Charges for DS1 Mileage billed under one of the Customer ACNAs provided under (C)(3) following.

(7) **Billed DS3 CLF Service Revenues** shall mean, with respect to each month during the Service Period, the Qualifying Monthly Recurring Charges billed under one of the Customer ACNAs provided under (C)(3) following and which are paid in full by the Customer for Special Access DS3 CLF Services for the applicable Quarter.

(8) **Billed DS3 CLS Service Revenues** shall mean, with respect to each month during the Service Period, the Qualifying Monthly Recurring Charges billed under one of the Customer ACNAs provided under (C)(3) following and which are paid in full by the Customer for Special Access DS3 CLS Services for the applicable Quarter.

(9) **Billed DS3 CLF Unit** shall mean, with respect to each month during the Service Period, a DS3 CLF Unit for which the Telephone Company billed Qualifying Monthly Recurring Charges (as defined in (F) following) under one of the Customer ACNAs provided under (C)(3) following for that month.

(10) **Billed DS3 CLS Unit** shall mean, with respect to each month during the Service Period, a DS3 CLS Unit for which the Telephone Company billed Qualifying Monthly Recurring Charges (as defined in (F) following) under one of the Customer ACNAs provided under (C)(3) following for that month.

(11) **Billed Facilities Management Services (FMS) Revenue** shall mean, with respect to each month during the Service Period, the Qualifying Monthly Recurring Charges billed under one of the Customer ACNAs provided under (C)(3) following and which were paid in full by the Customer for Special Access Facilities Management Services. (N)

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32. Contract Tariffs (Cont'd)

32.66 Contract Tariff Option 65 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(12) **Billed Qualifying Service Revenue** shall mean each of Billed DS1 Service Revenue, Billed DS3 CLF Service Revenue, Billed DS3 CLS Service Revenue, and Billed FMS Revenue.

(13) **Billed Qualifying Service Units** shall mean Billed DS1 Units with Mileage, Billed DS1 Units without Mileage, Billed DS3 CLF Units, and Billed DS3 CLS Units.

(14) **Billing Credits** shall mean, collectively, the Quarterly DS1 Flat Rate Credit, the Quarterly DS3 CLF Flat Rate Credit, and the Quarterly DS3 CLS Flat Rate Credit offered to Customer pursuant to this Option 65. Calculation of applicable Billing Credits is described in (G) following.

(15) **Disputed Charges** shall mean Qualifying Monthly Recurring Charge amounts billed for any time period during the Service Period that are under dispute, regardless of whether the amounts have been paid in full by Customer.

(16) **DS1 Mileage** shall mean the channel mileage for DS1 Services (as described in Section 7.1.2(B) of this tariff and Section 7.1.2(B) of FCC Tariff No. 1 (**FCC 1**), special transport for DS1 Services (as described in Section 5.1.1(B) of FCC Tariff No. 14 (**FCC 14**), and circuit mileage for DS1 Services (as described in Section 7.2.1(B) of FCC Tariff No. 16 (**FCC 16**). (x)(x)(x)(x)

(17) **DS1 Average Mileage** shall mean the total DS1 Mileage billed to Customer for a given time period divided by the Billed DS1 Units with Mileage for that same time period.

(18) **DS1 Unit** shall mean Special Access DS1 Services that meet the following definitions: (i) a DS1 "Channel Termination" as defined in Section 7.1.2(A) of this tariff, (ii) a DS1 "Channel Termination" as defined in FCC 1, Section 7.1.2(A), (iii) a DS1 "Special Access Line" as defined in FCC 14, Section 5.1.1(C), and (iv) a DS1 "Circuit Termination" as defined in FCC 16, Section 7.2.1(A). Fractions of a "DS1 Unit" are not counted as a "DS1 Unit". (x)(x)(x)(x) (N)

(x) Issued under authority of Special Permission No. 14-003 of the Federal Communications Commission.

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32. Contract Tariffs (Cont'd)

32.66 Contract Tariff Option 65 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(19) **DS3 CLF Unit** shall mean an individual Special Access DS3 Services circuit that has a facilities formatted circuit identifier in accordance with the Common Language Circuit Identifier (CLCI) format administered by Telcordia (e.g., 967 T3Z PITBPADTHPE PITBPADTK18).

(20) **DS3 CLS Unit** shall mean an individual Special Access DS3 Services circuit that has a serial number formatted circuit identifier in accordance with the Common Language Circuit Identifier (CLCI) format administered by Telcordia (e.g., 95.HFGS.634683..NE).

(21) **Flat Rate** shall mean the flat rate monthly recurring charge that applies per Billed Qualifying Service Unit, per service type (i.e., DS1 with mileage, DS1 without mileage, DS3 CLF, and DS3 CLS), for a given Plan Year, each such charge being the charge that the Parties agree results from the application of the rate calculation methodology set forth in (G)(1)(a) following.

(22) **Plan Year** shall mean each of the following periods during the Service Period: (1) Plan Year 1 shall commence on March 1, 2014 and end on February 28, 2015; (2) Plan Year 2 shall commence on March 1, 2015 and end on February 29, 2016; (3) Plan Year 3 shall commence on March 1, 2016 and end on February 28, 2017.

(23) **Quarter** shall mean either of the following periods, as applicable: (i) the first (1st) Quarter of each Plan Year is the period beginning with the first date of the applicable Plan Year and ending on the last calendar day of the second month after the month in which the first date occurs (i.e., approximately ninety (90) days thereafter); or (ii) each consecutive three (3) month period thereafter commencing on the first day of the calendar month following the end of the prior Quarter and ending on the last calendar day of the second month after the month in which the first day occurs.

(24) **Special Access DS1 Services** shall mean DS1 Services of 1.544 Mbps bandwidth, as described in Section 7.2.9 of this tariff, FCC 1 (Section 7.2.9), FCC 14 (Section 5.3.6) and FCC 16 (Section 7.11.1). (x) (x) (N) (x)

(x) Issued under authority of Special Permission No. 14-003 of the Federal Communications Commission.

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32. Contract Tariffs (Cont'd)

32.66 Contract Tariff Option 65 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(25) **Special Access DS3 CLF Services** shall mean DS3 Services of 44.736 Mbps bandwidth, as described in Section 7.2.9 of this tariff, FCC 1 (Section 7.2.9), FCC 14 (Section 5.3.6) and FCC 16 (Section 7.11.1) which has a facilities formatted circuit identifier in accordance with the Common Language Circuit Identifier (CLCI) format administered by Telcordia (e.g., 967 T3Z PITBPADTHPE PITBPADTK18). (x) (x)

(26) **Special Access DS3 CLS Services** shall mean DS3 Services of 44.736 Mbps bandwidth, as described in Section 7.2.9 of this tariff, FCC 1 (Section 7.2.9), FCC 14 (Section 5.3.6) and FCC 16 (Section 7.11.1) which has a serial number formatted circuit identifier in accordance with the Common Language Circuit Identifier (CLCI) format administered by Telcordia (e.g., 95.HFGS.634683..NE). (x) (x)

(27) **Special Access Facilities Management Services** shall mean FMS Services as described in Section 7.2.16 of this tariff and Section 7.2.13 of FCC 1. (x)

(28) **TDM Annual Revenue Commitment** shall mean the annual minimum required Billed Qualifying Service Revenues and shall be equal to $84,000,000.

(C) Eligibility

The customer must meet all of the following criteria in order to be eligible to receive the Billing Credits and other benefits of this Option 65. All references to amounts represented in dollars followed by the letter "M" shall refer to such number in millions (e.g., $10M shall mean $10,000,000).

(1) As of March 1, 2014, the customer must:

(a) have billed a minimum of $10M of Billed Qualifying Service Revenue for the thirty (30) days immediately prior to March 1, 2014 and between Twenty-Five Thousand (25,000) and Sixty Thousand (60,000) Billed DS1 Units;

(b) be subscribed to the Commitment Discount Plan (Section 25.1 of this tariff and FCC 1, Section 25.1), and the DS1 Term Volume Plan (FCC 14, Section 5.6.14(G)) (**Existing Plans**); (x) (x)

(c) not have been required in connection with the most recent true-up to pay any shortfall payments or penalties as a result of a failure to maintain volume commitments, under any of the Existing Plans;

(d) have been subscribed to Option 55 of this tariff, Option 57 of FCC 1, and Option 29 of FCC 14 immediately prior to execution of this Option 65. (x) (N)

(x) Issued under authority of Special Permission No. 14-003 of the Federal Communications Commission.

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32. Contract Tariffs (Cont'd)

32.66 Contract Tariff Option 65 (Cont'd) (N)

(C) Eligibility (Cont'd)

(2) Except for Existing Plans, Customer may not concurrently subscribe to an Alternative Tariff Arrangement which provides discounts, credits, or other reductions in rates or terms based upon the achievement of total billed revenue. If Customer wishes to subscribe to such an Alternative Tariff Arrangement, then Customer shall not receive any Discounts and Billing Credits under this Option 65, and such subscription shall be considered a termination by Customer of this Option 65, subject to (L) following.

(3) The customer must subscribe to this Option 65 in a manner designated by the Telephone Company during the thirty (30) day period beginning March 1, 2014 and ending March 31, 2014. Such subscription must include a list of the customer's access customer name abbreviations (**Customer ACNA(s)**) that the Telephone Company agrees to, in writing, for inclusion in this Option 65. Subscription to this Option 65 shall be an automatic subscription to Option 65 of FCC 1 and Option 34 of FCC 14. (x)

(D) Service Period

The Service Period of this Option 65 shall commence on March 1, 2014 and end on February 28, 2017.

(E) 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, FCC 1, and FCC 14. Wire (x)
centers for the Phase II MSAs are listed in Section 15.3 preceding of this tariff, Section 14.7 of FCC 1, and Section 19.1 of FCC 14. (x)
Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 15.3 preceding of this tariff, Section 14.7 of FCC 1, and (x)
Section 19.1 of FCC 14) that occur during the Service Period will (x)
apply. No Billing Credits will be provided in the operating territories of FCC 16. (N) (x)

(x) Issued under authority of Special Permission No. 14-003 of the Federal Communications Commission.

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32. Contract Tariffs (Cont'd)

21.66 Contract Tariff Option 65 (Cont'd) (N)

(F) Qualifying Monthly Recurring Charges

Subject to the exclusions set forth following as well as all other terms of this Option 65 (includes Disputes following), Qualifying Monthly Recurring Charges include total monthly recurring charges (**MRCs**) billed to Customer with respect to a particular service for a particular timeframe. Qualifying Monthly Recurring Charges do not include any of the following (among other items that are not MRCs, the following list by way of example only):

(1) Nonrecurring charges, surcharges, late payment charges, credits (including any credits provided under the Contract Tariffs), fractional debit/credit amounts, adjustments, minimum period charges, termination liabilities, or any other billings other than billed amounts that are applied on a recurring monthly basis for the applicable Quarter of the Service Period.

(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 amount that appears in the "Other Charges and Credits" section of the Telephone Company's invoice;

(5) Any other billed amount for which payment is being withheld or under dispute by the Customer or that is otherwise a Disputed Charge; provided, however, that if an amount would have been included in Qualifying Monthly Recurring Charges but for the fact that it was disputed, and if such dispute is then resolved in favor of the Customer, then the amount credited to Customer as a result of such resolution shall be included in Qualifying Monthly Recurring Charges in the Quarter in which the Telephone Company issues such credit; and

(6) Shortfall or overage charges associated with term plan true-ups (e.g., charges assessed for failure to satisfy commitment levels). (N)

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32. Contract Tariffs (Cont'd)

32.66 Contract Tariff Option 65 (Cont'd) (N)

(G) Quarterly Review; Calculation and Payment of Billing Credits

(1) The Flat Rate pricing for the Services set forth in Tables 1 and 2 following is achieved by providing a DS1 Flat Rate Credit, a DS3 CLF Flat Rate Credit, and a DS3 CLS Flat Rate Credit.

(a) Calculation of Flat Rates

The DS1 Flat Rates without Mileage and the DS3 CLS Flat Rates for each Plan Year will be equal to a fixed percentage of the benchmark (as specified in (G)(1)(c) following) average revenue per DS1 Unit (**DS1 ARPU**) and DS3 CLS Unit (**DS3 CLS ARPU**), respectively. The DS3 CLF Flat Rates will be equal to a fixed percentage of the applicable DS3 CLS Flat Rate. The DS1 Flat Rates with Mileage will be equal to a fixed percentage of the DS1 Flat Rate without Mileage and will be based upon DS1 Average Mileage tiers. A more detailed description of the calculation of the DS1 Flat Rates without Mileage is provided in Table 2 following.

(b) Calculation of Quarterly Billing Credits

The dollar amount of the quarterly Billing Credits shall be determined as follows:

(i) The Telephone Company shall determine on a Quarterly basis the Billed Qualifying Service Revenue and Billed Qualifying Service Units for each Service, and the Average DS1 Mileage for Billed DS1 Units with Mileage.

(ii) The DS3 CLF Flat Rate Credit and the DS3 CLS Flat Rate Credit will be in an amount equal to the applicable Billed Qualifying Service Revenue (i.e., Billed Qualifying DS3 CLF Service Revenue and Billed Qualifying DS3 CLS Service Revenue) for the applicable Quarter **minus** the applicable flat rate revenue (i.e., applicable Billed Qualifying Service Units (i.e., Billed DS3 CLF Units and Billed DS3 CLS Units) **multiplied by** the applicable flat rate for the Plan Year from Table 1). (N)

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32. Contract Tariffs (Cont'd)

32.66 Contract Tariff Option 65 (Cont'd) (N)

(G) Quarterly Review; Calculation and Payment of Billing Credits (Cont'd)

(1) (Cont'd)

(b) Calculation of Quarterly Billing Credits (Cont'd)

Table 1: Flat Rates

Qualifying Service	**Plan Year 1 Flat Rate**	**Plan Year 2 Flat Rate**	**Plan Year 3 Flat Rate**
DS1 Units without Mileage	61.06% of DS1 ARPU	60.25% of DS1 ARPU	59.43% of DS1 ARPU
DS3 CLF Units	60.61% of DS3 CLS Plan Year 1 Flat Rate	60.67% of DS3 CLS Plan Year 2 Flat Rate	61.11% of DS3 CLS Plan Year 3 Flat Rate
DS3 CLS Units	54.00% of DS3 CLS ARPU	53.67% of DS3 CLS ARPU	53.02% of DS3 CLS ARPU

(iii) The DS1 Flat Rate Credit will be an amount equal to the Billed Qualifying DS1 Service Revenue for the applicable Quarter minus the sum of the Billed DS1 Units without Mileage for the applicable Quarter multiplied by the applicable flat rate for the Plan Year from Table 1 plus the Billed DS1 Units with Mileage for the applicable Quarter multiplied by the applicable flat rate for the Average DS1 Mileage for the applicable Quarter from Table 2.

Table 2: Flat Rates (DS1 Units with Mileage) Applicable to All Plan Years

Minimum Average DS1 Mileage	**Maximum Average DS1 Mileage**	**Flat Rate MRC**
0	7.24	107.33% of DS1 Units without Mileage Plan Year 1 Flat Rate
7.25	8.99	108.00% of DS1 Units without Mileage Plan Year 1 Flat Rate
9.00	10.74	108.67% of DS1 Units without Mileage Plan Year 1 Flat Rate
10.75	12.49	110.67% of DS1 Units without Mileage Plan Year 1 Flat Rate
12.50	14.24	112.67% of DS1 Units without Mileage Plan Year 1 Flat Rate
14.25	15.99	114.67% of DS1 Units without Mileage Plan Year 1 Flat Rate
16.00	17.74	116.00% of DS1 Units without Mileage Plan Year 1 Flat Rate
17.75	+	117.33% of DS1 Units without Mileage Plan Year 1 Flat Rate

(N)

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32. Contract Tariffs (Cont'd)
32.66 Contract Tariff Option 65 (Cont'd)
(G) Quarterly Review; Calculation and Payment of Billing Credits (Cont'd) (N)
(1) (Cont'd)

(c) Calculation of Benchmark Average Revenues

The benchmark average revenues per unit will be established at the time of subscription to Option 65 and will be calculated as follows:

(i) **DS1 ARPU** shall be calculated as follows:

Step 1 Sum the Billed DS1 Service Revenue for October 2013, November 2013, and December 2013.

Step 2 Sum the Billed FMS Revenue for October 2013, November 2013, and December 2013.

Step 3 Multiply the total calculated in Step 2 by the percentage of Billed FMS Revenue that is attributable to DS1 transport and multiplexing.

Step 4 Sum the amounts calculated in Step 1 and Step 3.

Step 5 Sum the Billed DS1 Units with Mileage and Billed DS1 Units without Mileage for October 2013, November 2013, and December 2013.

Step 6 Divide the amount calculated in Step 4 by the amount calculated in Step 5.

(ii) **DS3 CLS ARPU** shall be calculated as follows:

Step 1 Sum the Billed DS3 CLS Service Revenue exclusive of amounts included in the definition of Billed FMS Revenues for October 2013, November 2013, and December 2013.

Step 2 Sum the Billed FMS Revenue for October 2013, November 2013, and December 2013.

Step 3 Multiply the total calculated in Step 2 by the percentage of Billed FMS Revenue that is attributable to DS3 CLS transport and channel terminations.

Step 4 Sum the amounts calculated in Step 1 and Step 3.

Step 5 Sum the Billed DS3 CLS Units for October 2013, November 2013, and December 2013.

Step 6 Divide the amount calculated in Step 4 by the amount calculated in Step 5. (N)

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32. Contract Tariffs (Cont'd)

32.66 Contract Tariff Option 65 (Cont'd) (N)

(G) Quarterly Review; Calculation and Payment of Billing Credits (Cont'd)

(1) (Cont'd)

(c) Calculation of Benchmark Average Revenues (Cont'd)

(iii) Illustrative Example:

Assume the following information for all scenarios in this Section 32.66(G)(1)(c)(iii):

	DS1 ARPU	DS3 CLS ARPU
Billed Qualifying Service Revenue	$5,000,000; $5,000,000; and $5,000,000	$2,000,000; $2,000,000; and $2,000,000
Billed Qualifying DS3 CLS Revenue from FMS USOCs	N/A	$10,000; $10,000; and $10,000
Billed FMS Revenue	$5,000,000; $5,000,000; and $5,000.000	
Billed FMS Revenue Allocation Percentage	34.21%	36.08%
Billed Qualifying Service Units (includes both Billed DS1 Units with Mileage and Billed DS1 Units without Mileage)	25,000; 25,000; and 25,000	1,100; 1,100; and 1,100

Scenario 1: DS1 ARPU would be calculated as follows:

Step 1: Total Billed Qualifying DS1 Service Revenue is $15,000,000 ($5,000,000 * 3).

Step 2: Billed FMS Revenue is $15,000,000 ($5,000,000 * 3).

Step 3: Billed FMS Revenue allocated to DS1 transport and multiplexing is $5,131,500 ($15,000,000 * 34.21%).

Step 4: Total DS1 Revenue is $20,131,500 ($15,000,000 + $5,131,500).

Step 5: DS1 Billed Units are 75,000 (25,000 * 3).

Step 6: DS1 ARPU is $268.42 ($20,131,500/75,000). (N)

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32. Contract Tariffs (Cont'd)

32.66 Contract Tariff Option 65 (Cont'd) (N)

(G) Quarterly Review; Calculation and Payment of Billing Credits (Cont'd)

(1) (Cont'd)

(c) Calculation of Benchmark Average Revenues (Cont'd)

(iii) (Cont'd)

Scenario 2: DS3 CLS ARPU would be calculated as follows:

Step 1: Total Billed Qualifying DS3 CLS Service Revenue exclusive of amounts billed to FMS USOCs is $5,970,000 (($2,000,000 * 3) - $10,000 * 3).

Step 2: Billed FMS Revenue is $15,000,000 ($5,000,000 * 3).

Step 3: Billed FMS Revenue allocated to DS3 CLS transport and channel terminations is $5,412,000 ($15,000,000 * 36.08%).

Step 4: Total DS3 CLS Revenue is $11,382,000 ($5,970,000 + $5,412,000).

Step 5: DSL CLS Billed Units are 3,300 (1,100 * 3).

Step 6: DS3 CLS ARPU is $3,449.09 ($11,382,000 / 3,300).

(d) Calculation of Quarterly DS1 Flat Rate Credit

Customer will receive the applicable discounted flat rate pricing for all Billed DS1 Units with Mileage and all Billed DS1 Units without Mileage during each Quarter of each Plan Year of the Service Period. The Billed DS1 Units with Mileage and Billed DS1 Units without Mileage shall be billed on a monthly basis at the applicable tariff rates, and the Telephone Company shall provide the Quarterly DS1 Flat Rate Credit equal to the difference between the tariff rates and the pricing set forth herein: (N)

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32. Contract Tariffs (Cont'd)

32.66 Contract Tariff Option 65 (Cont'd) (N)

(G) Quarterly Review; Calculation and Payment of Billing Credits (Cont'd)

(1) (Cont'd)

(d) Calculation of Quarterly DS1 Flat Rate Credit (Cont'd)

(i) Example of Calculation of Quarterly DS1 Flat Rate Credit:

Assume the following information for Quarter 1 of Plan Year 3:

	Quarter 1 of Plan Year 3
DS1 ARPU	$268.42
Billed DS1 Units with Miles	18,000; 18,000; and 19,000
Average DS1 Mileage	15.00
Billed DS1 Units without Miles	7,000; 7,000; and 6,000
Total Billed Qualifying DS1 Service Revenue	$15,000,000

Based on the above assumptions:

Step 1: The Plan Year 3 flat rate for DS1 Units with Miles is $152.14 ($268.42 * 49.43% * 114.67%).

Step 2: The Plan Year 3 flat rate for DS1 Units without Miles is $132.68 ($268.42 * 49.43%).

Step 3: The total Billed DS1 Units with Miles for the Quarter are 55,000 (18,000 + 18,000 + 19,000).

Step 4: The total Billed DS1 Units without Miles for the Quarter are 20,000 (7,000 + 7,000 + 6,000).

Step 5: The Quarterly DS1 Flat Rate Credit due under this Option 65 equals $3,978,700 ($15,000,000 – ((20,000 * $132.68) + (55,000 * $152.14))). (N)

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32. Contract Tariffs (Cont'd)

32.66 Contract Tariff Option 65 (Cont'd) (N)

(G) Quarterly Review; Calculation and Payment of Billing Credits (Cont'd)

(1) (Cont'd)

(e) Calculation of Quarterly DS3 CLF Flat Rate Credit

Customer will receive the applicable discounted flat rate pricing set forth in this Option 65 for all Billed DS3 CLF Units during each Quarter of each Plan Year of the Service Period. The Billed DS3 CLF Units shall be billed on a monthly basis at the applicable tariff rates, and the Telephone Company shall provide the Quarterly DS3 CLF Flat Rate Credit, which shall be a contra credit (i.e., debit) equal to the positive difference between the tariff rates and the pricing set forth herein.

(i) Example of Calculation of Quarterly DS3 CLF Billing Credit:

Assume the following information for Quarter 1 of Plan Year 3:

	Quarter 1 of Plan Year 3
DS3 CLS ARPU	$3,449.09
Billed DS3 CLF Units	1,000; 1,000; and 1,000
Total Billed Qualifying DS3 CLF Service Revenue	$3,000,000

Based on the above assumptions:

Step 1: The Plan Year 3 flat rate for DS3 CLF Units is $1,117.52 ($3,449.09 * 53.02% * 61.11%).

Step 2: The total Billed DS3 CLF Units for the Quarter are 3,000 (1,000 + 1,000 + 1,000).

Step 3: The Quarterly DS3 CLF Flat Rate Credit due under Option 65 equals ($352,560)($3,000,000 -(3,000 * $1,117.52)). (N)

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32. Contract Tariffs (Cont'd)

32.66 Contract Tariff Option 65 (Cont'd) (N)

(G) Quarterly Review; Calculation and Payment of Billing Credits (Cont'd)

(1) (Cont'd)

(f) Calculation of Quarterly DS3 CLS Flat Rate Credit

Customer will receive the applicable discounted flat rate pricing set forth in this Option 65 for all Billed DS3 CLS Units during each Quarter of each Plan Year of the Service Period. The Billed DS3 CLS Units shall be billed on a monthly basis at the applicable tariff rates, and the Telephone Company shall provide the Quarterly DS3 CLS Flat Rate Credit, equal to the difference between the tariff rates and the pricing set forth herein.

(i) Example of Calculation of Quarterly DS3 CLS Billing Credit:

Assume the following information for Quarter 1 of Plan Year 3:

	Quarter 1 of Plan Year 3
DS3 CLS ARPU	$3,449.09
Billed DS3 CLS Units	400; 500; and 600
Total Billed Qualifying DS3 CLS Service Revenue	$4,350,000

Based on the above assumptions:

Step 1: The Plan Year 3 flat rate for DS3 CLS Units is $1,828.71 ($3,449.09 * 53.02%).

Step 2: The total Billed DS3 CLS Units for the Quarter are 1,500 (400 + 500 + 600).

Step 3: The Quarterly DS3 CLS Flat Rate Credit due under Option 65 equals $1,606,935 ($4,350,000 – (1,500 * $1,828.71)).

(g) Application of Billing Credits to CABS Bill

The Telephone Company shall provide the net Billing Credit for each Quarter on Customer's CABS billing by no later than sixty (60) days following the end of the applicable Quarter. (N)

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32. Contract Tariffs (Cont'd)

32.66 Contract Tariff Option 65 (Cont'd) (N)

(G) Quarterly Review; Calculation and Payment of Billing Credits (Cont'd)

(1) (Cont'd)

(g) Application of Billing Credits to CABS Bill (Cont'd)

(i) Continuing the Examples Preceding in Calculating the net Billing Credit for Quarter 1 of Plan Year 3:

Based upon a Quarterly DS1 Flat Rate Credit of $3,978,700, a Quarterly DS3 CLF Flat Rate Credit of ($352,560), and a Quarterly DS3 CLS Flat Rate Credit of $1,606,935, in each case for Quarter 1 of Plan Year 3, the net Billing Credit for Quarter 1 of Plan Year 3 equals $5,233,075 ($3,978,700 - $352,560 + $1,606,935).

(h) Annual True Up

After the end of each Plan Year, the Telephone Company will perform a true-up to determine whether Customer qualified for any Billing Credits Customer received for that just-completed Plan Year based on Customer's overall annual performance under Option 65. If Customer's Billed Qualifying Service Revenues for the Plan Year just completed are less than the TDM Annual Revenue Commitment, then the Telephone Company will issue to Customer's applicable account(s) a debit equal to (i) the TDM Annual Revenue Commitment minus (ii) the aggregate Billed Qualifying Service Revenues for the just-completed Plan Year.

(H) Disputes

Notwithstanding any other provisions of this Option 65, the Telephone Company's calculation of the Billing Credits shall be subject to the following additional requirements (as well as other terms of this Option 65):

(1) The Telephone Company shall not include in the calculation of the Billing Credits any amounts which are unpaid and/or disputed by Customer as of the thirtieth (30th) day following the end of each Quarter. For example, assume that Customer had MRCs that were billed in Quarter 1 of $3,000,000. Assume further that Customer disputed and did not pay $450,000 of such billed MRCs. Hence, in calculating the Billing Credit (as set forth in (G) preceding), the MRCs would be calculated as $2,550,000 ($3,000,000 - $450,000). (N)

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32. Contract Tariffs (Cont'd)

32.66 Contract Tariff Option 65 (Cont'd) (N)

(H) Disputes (Cont'd)

(2) For the purpose of calculating the Billing Credits, the Telephone Company shall not include in MRCs any credits or debits for Services provided during any prior periods (regardless of whether such credits or debits were the result of a valid dispute by Customer or were the result of a billing error by the Telephone Company) or any prior Quarter other than the then current Quarter for which the Billing Credits are being calculated. For avoidance of doubt and as an illustrative example, assume that Customer had MRCs for DS1 Services which were billed in Quarter 1 of $4,000,000. Assume further that Customer disputed and did not pay $300,000 of such billed MRCs. Hence, in calculating the Quarterly DS1 Flat Rate Credit, the MRCs would be calculated as $3,700,000 ($4,000,000 - $300,000). Assume further that in Quarter 2, the Telephone Company and Customer agree that such billing was partially in error and that Customer should have received a credit of $200,000 for DS1 Services. Then, in Quarter 2, the Telephone Company shall not include such credit adjustment of $200,000 nor the subsequent debit of $100,000 for purposes of calculating Customer's Quarterly DS1 Flat Rate Credit in Quarter 2.

(3) To the extent that Customer has any disputes, then Customer must submit such disputes to the Telephone Company no later than the thirtieth (30th) day following the end of each Quarter. Each dispute must be submitted on a claim description form as provided by the Telephone Company and must clearly state next to the circuit ID and amount under dispute the following: "Dispute Associated with 2014 Contract Tariff".

(4) If the Telephone Company bills amounts after the determination of the Billing Credits that would have otherwise been included in the determination of the Billing Credits, there in no event will be any adjustment to the Billing Credits.

(5) Any amounts or Services that are included in calculation of the Billing Credits will not be subject to any claims or disputes by Customer at any time in the future.

(6) The Billing Credits as determined by the Telephone Company are not subject to dispute; provided, however, that the foregoing prohibition against disputes shall not be deemed (i) to preclude any debit issued pursuant to an annual true-up under (G)(1)(h) preceding, or (ii) to apply in a situation where the Telephone Company applies a Billing Credit that does not match the mutually agreed upon credit amount. For the avoidance of any doubt, the Telephone Company will not issue any Billing Credits until the applicable credit amount is agreed to by Customer.

(7) The amount of the Billing Credits shall in no event be subject to any late payment, interest or penalty as set forth in Section 2. (N)

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32. Contract Tariffs (Cont'd)

32.66 Contract Tariff Option 65 (Cont'd) (N)

(I) Access Planning Tools

Customer agrees to use commercially reasonable efforts to implement into its network access planning tools the flat rates for Service circuits provided under this Option 65. If such flat rates for such Services are not available to Customer, then Customer may remove such discounted pricing from its network access planning tools.

(J) Mergers and Acquisitions

In the event that after the effective date of Option 65, the Customer merges with another company, acquires a company or a portion of the business of another company which may be referred to collectively as the **Customer Acquired Properties** and such merger or acquisition may be referred to in either case as an **Acquisition**), and the Telephone Company provides any Qualifying Services in connection with such Customer Acquired Properties, then Customer shall notify the Telephone Company prior to the closing of the Acquisition (the **Acquisition Closing Date**) and the Parties shall determine whether such Customer Acquired Properties shall be included in or excluded from Option 65 in accordance with (J)(1)-(6) following.

(1) For an Acquisition where the Acquired Customer DS1 Unit Percentage (as defined in (J)(3) following) is no more than two percent (2%), the Parties shall automatically include the Customer Acquired Properties in this Option 65 in accordance with (J)(5) following.

(2) For an Acquisition where the Acquired Customer DS1 Unit Percentage is greater than two percent (2%), the Parties may, but shall have no obligation to, include the Customer Acquired Properties in this Option 65 in accordance with (J)(5)(a) following.

(3) Determination of Acquired Customer DS1 Unit Percentage

Upon the Telephone Company's receipt of the Acquisition notice, the Telephone Company and the Customer will work cooperatively to determine whether the number of DS1 Units generated by the Customer Acquired Properties is less than or greater than two percent (2%) of the Existing Customer DS1 Unit Quantity (as defined in Step 1 following) using the steps shown following:

Step 1: Determine the total volume of Billed DS1 Units that Customer purchased from the Telephone Company during the three (3) full calendar months prior to the Acquisition Closing Date. Divide such total by three (3) to arrive at an average monthly volume (such average monthly volume is the **Existing Customer DS1 Unit Quantity**. (N)

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32. Contract Tariffs (Cont'd)
32.66 Contract Tariff Option 65 (Cont'd)
(J) Mergers and Acquisitions of Customer (Cont'd) (N)

(3) Determination of Acquired Customer DS1 Unit Percentage (Cont'd)

Step 2: Determine the total volume of DS1 Units (purchased from the Telephone Company) that the Customer Acquired Properties generated during the three (3) full calendar months prior to the Acquisition Closing Date. Divide such total by three (3) to arrive at an average monthly volume (such average monthly volume is the **Existing Acquired DS1 Unit Quantity**).

Step 3: Divide the Existing Acquired DS1 Unit Quantity determined in Step 2 preceding by the Existing Customer DS1 Unit Quantity determined in Step 1 preceding. The resulting percentage is the **Acquired Customer DS1 Unit Percentage.**

(4) Inclusion or Exclusion of Customer Acquired Properties

(a) If the Acquired Customer DS1 Unit Percentage is determined to be less than or equal to two percent (2%), then the Telephone Company shall make a pro-rata increase to Customer's TDM Annual Revenue Commitment and such increase, and application of the applicable Flat Rates, will be effective as of the later of (a) the Acquisition Closing Date if such Date occurs on the first (1st) day of a calendar month (or the first day of the calendar month following the Acquisition Closing Date if such Date occurs on a day other than the first (1st) day of a calendar month) and (b) the date specified by the Telephone Company, which shall be no later than the first (1st) day of the third (3rd) calendar month after the Acquisition Closing Date. The Telephone Company shall calculate such increase in the TDM Annual Revenue Commitment using the steps set forth in Section (J)(5) following.

(b) If the Acquired Customer DS1 Unit Percentage is greater than two percent (2%), Customer may notify the Telephone Company in writing if, in its sole discretion, it seeks to include the Customer Acquired Properties in this Option 65. The Telephone Company may, in its sole discretion, agree in writing to such inclusion based upon a number of interrelated factors, including by way of example (a) the amount by which the Acquired Customer DS1 Unit Percentage exceeds two percent (2%); (b) the amount of additional Billing Credits that would result from such inclusion; and (c) the impact on the TDM Annual Revenue Commitment. If the Telephone Company agrees in writing to such inclusion, then the Telephone Company shall increase Customer's applicable TDM Annual Revenue Commitment and such increase will be effective as of a mutually-agreed date no earlier than the first (1st) day of the first full month after the Acquisition Closing Date. Effective as of the Acquisition Closing Date, the Telephone Company will also apply the applicable Flat Rates. The Telephone Company shall calculate such increase in the TDM Annual Revenue Commitment using the steps set forth in Section (J)(5) following. (N)

ACCESS SERVICE

32. Contract Tariffs (Cont'd)

32.66 Contract Tariff Option 65 (Cont'd) (N)

(J) Mergers and Acquisitions of Customer (Cont'd)

(4) Inclusion or Exclusion of Customer Acquired Properties (Cont'd)

(c) The effective date upon which the Telephone Company is to adjust the TDM Annual Revenue Commitment and implement the Flat Rates for an Acquisition where the Acquired Customer DS1 Unit Percentage is less than or equal to two percent (2%) as described in (J)(4)(a) preceding, or for an Acquisition where the Acquired Customer DS1 Unit Percentage is greater than two percent (2%) as described in Section (J)(4)(b) preceding, and the Parties have agreed in writing to include the Customer Acquired Properties in this Option 65, shall be referred to herein as the **Property Adjustment Date.**

(d) In the absence of the Parties' mutual written agreement to include the Customer Acquired Properties with an Acquired Customer DS1 Unit Percentage that is greater than two percent (2%) in this Option 65 as described in Section (J)(4)(b) preceding, the following shall apply:

(i) The TDM Annual Revenue Commitment shall remain unchanged.

(ii) The Flat Rates shall not apply to any Qualifying Service purchases attributable to the Customer Acquired Properties. The Customer Acquired Properties shall not otherwise receive the Flat Rates and shall not gain any other benefit of this Option 65.

(iii) Customer may not combine or include any Qualifying Services (or revenues associated therewith) from the Customer's Acquired Properties for the purposes of this Option 65.

(iv) Customer's Billed Qualifying Service Units and Billed Qualifying Service Revenue shall be determined using Customer's business with Verizon using the Customer ACNAs provided under (C)(3) preceding, without adding the services and/or ACNAs attributable to expansion of Customer's purchase of services from the Telephone Company through the Acquisition.

(v) Without limiting any other right of the Telephone Company to terminate Option 65, if the Telephone Company determines that Customer has failed to comply with any of the provisions of this Section (J)(4)(d), the Telephone Company, pursuant to mutually agreed dispute resolution provisions, may pursue all remedies available to it at law, in equity, or otherwise, including, but not limited to, termination of this Option 65. (N)

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32. Contract Tariffs (Cont'd)

32.66 Contract Tariff Option 65 (Cont'd) (N)

(J) Mergers and Acquisitions of Customer (Cont'd)

(5) Contract Tariff TDM Annual Revenue Commitment Adjustment

In the event the Customer Acquired Properties are included in this Option 65 pursuant to (J)(4) preceding, the Telephone Company shall adjust the TDM Annual Revenue Commitment set forth in Section (B)(28) preceding as follows.

(a) For the Plan Year in which the Property Adjustment Date is to occur:

Step 1A: Determine the Billed Qualifying Service Revenues generated by the Customer Acquired Properties during the three (3) full calendar months prior to the Acquisition Closing Date.

Step 2A: Divide the amount determined in Step 1A by three (3) to arrive at an average monthly revenue.

Step 3A: Multiply the amount determined in Step 2A by the number of full months remaining in the Plan Year in which the Property Adjustment Date is to occur.

Step 4A: Add the amount resulting from Step 3A to the TDM Annual Revenue Commitment for the subject Plan Year to arrive at an adjusted TDM Annual Revenue Commitment for that Plan Year.

(b) For subsequent Plan Years:

Step 1B: Multiply the quarterly volume determined in Step 1A by four (4) to arrive at an annualized amount.

Step 2B: Add the amount resulting from Step 1B to the TDM Annual Revenue Commitment. The result of such addition is the adjusted TDM Annual Revenue Commitment for all Plan Years after the Plan Year in which the Property Adjustment Date occurred.

The Parties shall work cooperatively and in good faith with each other to take such action as may be necessary to achieve the intent of this Section (J), and neither Party shall unreasonably withhold from the other Party any data that is necessary or reasonably required to achieve such intent. (N)

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32. Contract Tariffs (Cont'd)

32.66 Contract Tariff Option 65 (Cont'd) (N)

(K) Sale of Verizon Operating Telephone Company

If some or all of the assets or stock of a Verizon Operating Telephone Company that provides Services are acquired by an unaffiliated third party during the Service Period, effective with the closing of such transaction, the Telephone Company will proportionally adjust the TDM Annual Revenue Commitment.

Illustrative Example:

Assume the following information for the third quarter of Plan Year 2:

(1) The TDM Annual Revenue Commitment is $125,000,000.

(2) The Telephone Company sells Verizon New York to a third party at the end of month 8 of Plan Year 2.

(3) During the three month period prior to the sale, Verizon New York accounted for $6,000,000 in Billed Qualifying Service Revenue.

Based on the above assumptions:

(1) The average monthly Billed Qualifying Service Revenue for Verizon New York is $2,000,000 ($6,000,000 / 3).

(2) There are four (4) months remaining in Plan Year 2 (12 months – 8 months).

(3) The Plan Year 2 TDM Annual Revenue Commitment would be reduced by $8,000,000 ($2,000,000 * 4).

(4) The TDM Annual Revenue Commitment for the remaining Plan Year will be reduced by the $24,000,000 annualized Billed Qualifying Service Revenue in Verizon New York ($2,000,000 * 12) resulting in a revised TDM Annual Revenue Commitment of $101,000,000 ($125,000,000 - $24,000,000). (N)

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32. Contract Tariffs (Cont'd)

21.66 Contract Tariff Option 65 (Cont'd) (N)

(L) Termination of Plan

The customer may terminate its subscription to this Option 65 at any time during the Service Period. The customer must provide written notice of termination at least ninety (90) calendar days prior to the requested date of termination. Termination of the customer's subscription to this Option 65 shall be an automatic termination of the customer's subscription to Option 65 of FCC 1 (x) and Option 34 of FCC 14. (x)

If the Customer terminates or cancels its subscription to this Option 65 at any time during the Service Period for any reason, or if the customer fails to comply with the terms or conditions set forth herein, then the Customer shall pay to the Telephone Company by no later than thirty (30) calendar days after such date of termination or non-compliance an amount equal to the following percentage of all Billing Credits paid under this Option 65, Option 65 of FCC 1, and Option 34 of FCC 14 through the date of (x) termination.

Month of Termination/ Non-Compliance	Termination Percentage
1-12	100%
13-24	60%
25-36	40%

Additionally, the Customer will not receive any Billing Credits after receipt of notice of termination.

(M) Suspension of True-Ups During Service Period

During the Service Period of Option 65, the Parties agree to suspend the true-up requirements for the Services provided under this tariff, FCC 1 and FCC 14, including any shortfall payments or (x) penalties that would otherwise result for failure to maintain volume commitments under the Commitment Discount Plan (FCC 1 and (x) FCC 11, Section 25.1.7), and the DS1 Term Volume Plan (FCC 14, (x) Section 5.6.14(G)-(I)). Upon termination of Option 65 for any (x) reason, the true-up process will be re-activated for the underlying Existing Plans. (N)

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32. Contract Tariffs (Cont'd)
32.67 Contract Tariff Option 66 (N)

(A) Scope

Contract Tariff Option 66 (**Option 66**) provides a customer with certain Billing Credits (as defined following) on certain services offered by the Telephone Company when the customer satisfies the criteria as set forth in this Option 66.

(B) Specific Terms

Unless otherwise defined in this Section 32.67, the following terms are used in this Option 66:

(1) **Alternative Tariff Arrangement** shall mean collectively any other generally available tariff arrangement, contract tariff option, specialized service or arrangement, or Individual Case Basis (**ICB**) tariff arrangement offered by the Telephone Company and available to the customer pursuant to this tariff, Tariff FCC No. 1 (FCC 1), (x)
Tariff FCC No. 14 (FCC 14), and Tariff FCC No. 16 (FCC 16) with (x)
respect to any of the services covered by this Option 66.

(2) **BANs** shall mean Billing Account Numbers of the customer which shall be used to provide the Billing Credits, if any, to the customer.

(3) **Billed DS1 Service Revenue** shall mean the Qualifying Monthly Recurring Charges (as defined in Section (F) following) billed under one of the Customer ACNAs provided under Section (C)(3) following for Special Access DS1 Services which are paid by the customer.

(4) **Billed DS3 CLF Service Revenue** shall mean the Qualifying Monthly Recurring Charges billed under one of the Customer ACNAs provided under Section (C)(3) following for Special Access DS3 CLF Services which are paid by the customer.

(5) **Billed DS3 CLS Service Revenue** shall mean the Qualifying Monthly Recurring Charges billed under one of the Customer ACNAs provided under Section (C)(3) following for Special Access DS3 CLS Services which are paid by the customer.

(6) **Billed Qualifying TDM Service Revenue** shall mean the sum of Billed DS1 Service Revenue, Billed DS3 CLF Service Revenue, and Billed DS3 CLS Service Revenue.

(7) **Billing Credits** shall mean the applicable Billing Credits as described in Section (G) following.

(8) **Delayed Billing Grace Period** shall mean the sixty (60) day period immediately following the end of each Plan Year. (N)

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32. Contract Tariffs (Cont'd)

32.67 Contract Tariff Option 66 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(9) **Delayed Billing Revenue** shall mean customer identified amounts billed during the Delayed Billing Grace Period for Qualifying TDM Services that, in the ordinary course of the Telephone Company's standard billing practice for the subject Qualifying TDM Services should have occurred during the immediately preceding Plan Year.

(10) **Delayed Billing Preceding Plan Year** shall mean the Plan Year immediately preceding the Delayed Billing Grace Period.

(11) **Disputed Amounts** shall mean Qualifying Monthly Recurring Charge amounts billed for any time period during the Service Period that are under dispute, regardless of whether the amounts have been paid in full by customer.

(12) **Plan Year** shall mean each of the following periods during the Service Period: (1) Plan Year 1 shall commence on August 1, 2014 and end on July 31, 2015; (2) Plan Year 2 shall commence on August 1, 2015 and end on July 31, 2016; (3) Plan Year 3 shall commence on August 1, 2016 and end on July 31, 2017.

(13) **Qualifying Monthly Recurring Charges** shall have the meaning as described in Section (F) following.

(14) **Qualifying TDM Service** shall mean Special Access DS1 Service, Special Access DS3 CLF Service, and Special Access DS3 CLS Service.

(15) **Qualifying TDM Services Annual Revenue Commitment** shall mean the annual minimum required Billed Qualifying TDM Service Revenue and shall be equal to $19.0M.

(16) **Regulatory Change** shall mean any legislative, regulatory, judicial, or other governmental decision, order, determination, complaint (whether formal or informal) or action or any change in applicable laws which affects any term or condition of Option 66, or otherwise prohibits or interferes with the Telephone Company's ability to offer the Services, or prohibits or interferes with the Telephone Company's ability to perform its obligations under this Option 66.

(17) **Regulatory Termination** shall mean the termination or withdrawal of this Option 66, Option 66 of FCC 1 and Option 35 of FCC 14 as a result of a Regulatory Change as defined in Section (B)(17) preceding. (x) (N)

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32. Contract Tariffs (Cont'd)

32.67 Contract Tariff Option 66 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(18) **Service Period** shall have the meaning set forth in Section (D) following.

(19) **Special Access DS1 Services** shall mean DS1 Service of 1.544 Mbps bandwidth, as described in Section 7.2.9 of this tariff, FCC 1 (Section 7.2.9), FCC 14 (Section 5.3.6) and FCC 16 (Section 7.11.1), but shall not include MetroLAN service. (x) (x) (x)

(20) **Special Access DS3 CLF Services** shall mean DS3 Service of 44.736 Mbps bandwidth, as described in Section 7.2.9 of this tariff, FCC 1 (Section 7.2.9), FCC 14 (Section 5.3.6) and FCC 16 (Section 7.11.1) which has a facilities formatted circuit identifier in accordance with the Common Language Circuit Identifier (CLCI™) format administered by Telcordia (e.g., 967 T3Z PITBPADTHPE PITBPADTK18). (x) (x)

(21) **Special Access DS3 CLS Services** shall mean DS3 Service of 44.736 Mbps bandwidth, as described in Section 7.2.9 of this tariff, FCC 1 (Section 7.2.9), FCC 14 (Section 5.3.6) and FCC 16 (Section 7.11.1) which has a serial number formatted circuit identifier in accordance with the Common Language Circuit Identifier (CLCI™) format administered by Telcordia (e.g., 95.HFGS.634683..NE. (x) (x) (N)

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32. Contract Tariffs (Cont'd)

32.67 Contract Tariff Option 66 (Cont'd) (N)

(C) Eligibility

The customer must meet all of the following criteria in order to be eligible to receive the rates, terms, and other benefits of this Option 66. All references to amounts represented in dollars followed by the letter "M" shall refer to such number in millions (e.g., $10M shall mean $10,000,000), and all references to amounts represented in dollars followed by the letter "K" shall refer to such number in thousands (e.g., $10K shall mean $10,000.00).

(1) As of August 1, 2014, the customer must:

(a) have billed a minimum of $24.0M of Billed Qualifying TDM Service Revenue for the twelve (12) months immediately prior to August 1, 2014; and

(b) be subscribed to the Commitment Discount Plan (Section 25.1 of this tariff and FCC 1, Section 25.1), and the DS1 Term Volume Plan (FCC 14, Section 5.6.14(G)) (collectively, **Existing Plans**) and the Term Payment Plan (TPP) (FCC 16, Section 7.2.1(G)); and (x) (x) (x)

(c) not have been required in connection with the most recent true-up to pay any shortfall payments or penalties as a result of a failure to maintain volume commitments under any of the Existing Plans or the TPP.

(2) Except for Existing Plans and the TPP, customer may not concurrently subscribe to, or within three (3) years prior to August 1, 2014, have subscribed to, an Alternative Tariff Arrangement which provides discounts, credits, or other reductions in rates or terms based upon the achievement of total billed revenue. If customer wishes to subscribe to such an Alternative Tariff Arrangement, then customer shall not receive any Billing Credits under this Option 66, and such subscription shall be considered a termination by customer of this Option 66, subject to Section (L) following.

(3) The customer must subscribe to this Option 66 in a manner designated by the Telephone Company during the thirty (30) day period beginning August 1, 2014 and ending August 31, 2014. Such subscription must include a list of the customer's access customer name abbreviations (**Customer ACNA(s)**) that the Telephone Company agrees to, in writing, for inclusion in this Option 66. Subscription to this Option 66 shall be an automatic subscription to Option 66 of FCC 1 and Option 35 of FCC 14. (x)

(D) Service Period

The Service Period of this Option 66 shall commence on August 1, 2014 and end on July 31, 2017, unless this Option 66 is earlier terminated. (N)

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32. Contract Tariffs (Cont'd)
32.67 Contract Tariff Option 66 (Cont'd)

(E) Serving Area (N)

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, FCC 1, or FCC 14. Wire centers for the Phase II MSAs are listed in Section 15.3 preceding of this tariff, Section 14.7 of FCC 1, and Section 19.1 of FCC 14. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 15.3 preceding of this tariff, Section 14.7 of FCC 1, and Section 19.1 of FCC 14) that occur during the Service Period will apply. No Billing Credits will be provided in the operating territories of FCC 16. (x)(x)(x)(x)

(F) Qualifying Monthly Recurring Charges

Subject to the exclusions set forth following as well as all other terms of this Option 66 (including Section (H) following), Qualifying Monthly Recurring Charges include total monthly recurring charges (**MRCs**) billed to customer by the Telephone Company with respect to a particular Qualifying TDM Service for a particular Plan Year. Qualifying Monthly Recurring Charges do not include any of the following (among other items that are not MRCs, the following list is by way of example only):

(1) Charges for special construction;

(2) Nonrecurring charges, surcharges, interest, late payment charges, credits (including any credits provided under the Contract Tariffs), fractional debit/credit amounts, adjustments, or any other billings other than billed amounts that are applied on a recurring monthly basis for the applicable Plan Year of the Service Period.

(3) Taxes, fees, surcharges, charges, or other tax-like amounts imposed by a federal, state, local, or other governmental entity (e.g., Federal Universal Service Fund);

(4) Service or administrative fees or charges (e.g., interest penalty, late payment penalty);

(5) Any other billed amount for which payment is being withheld or under dispute by the customer or that is otherwise a Disputed Amount; provided, however, that if an amount would have been included in Qualifying Monthly Recurring Charges but for the fact that it was disputed, and if such dispute is then resolved in favor of the Telephone Company, then the amount paid by the customer as a result of such resolution shall be included in Qualifying Monthly Recurring Charges in the month in which the customer pays such amount; (N)

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32. Contract Tariffs (Cont'd)
32.67 Contract Tariff Option 66 (Cont'd)
(F) Qualifying Monthly Recurring Charges (Cont'd) (N)

(6) Shortfall or overage charges associated with term plan true-ups (e.g., charges assessed for failure to satisfy commitment levels); and

(7) Any amounts associated with any service (or any portion of a service) that is not a Qualifying TDM Service.

(G) Annual Review; Billing Credits

The Telephone Company shall determine Billing Credits as follows:

(1) Plan Year 1

(a) By October 1, 2015, the Telephone Company shall calculate the customer's Billed Qualifying TDM Service Revenue for Plan Year 1.

(b) If the customer's Billed Qualifying TDM Service Revenue is equal to or greater than $19.7M, the Telephone Company shall apply a Billing Credit of $200K to customer's CABS billing by no later than ninety (90) days following the end of Plan Year 1.

(c) If the customer's Billed Qualifying TDM Service Revenue is less than $19.0M for Plan Year 1, Option 66 shall immediately terminate, and the true-up process will be re-activated for Existing Plans.

(2) Plan Year 2

(a) By October 1, 2016, the Telephone Company shall calculate the customer's Billed Qualifying TDM Service Revenue for Plan Year 2.

(b) If the customer's Billed Qualifying TDM Service Revenue is equal to or greater than $19.7M, the Telephone Company shall apply a Billing Credit of $200K to customer's CABS billing by no later than ninety (90) days following the end of Plan Year 2.

(c) If the customer's Billed Qualifying TDM Service Revenue is less than $19.0M for Plan Year 2, Option 66 shall immediately terminate, and the true-up process will be re-activated for Existing Plans.

(3) Plan Year 3

(a) By October 1, 2017, the Telephone Company shall calculate the customer's Billed Qualifying TDM Service Revenue for Plan Year 3.

(b) If the customer's Billed Qualifying TDM Service Revenue is equal to or greater than $19.7M, the Telephone Company shall apply a Billing Credit of $200K to customer's CABS billing by no later than ninety (90) days following the end of Plan Year 3. (N)

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32. Contract Tariffs (Cont'd)

32.67 Contract Tariff Option 66 (Cont'd) (N)

(G) Annual Review; Billing Credits (Cont'd)

(3) Plan Year 3 (Cont'd)

(c) If the customer's Billed Qualifying TDM Service Revenue is equal to or greater than $19.0M, the customer will have the option of resetting its CDP and TVP commitment levels in accordance with the guidelines established in the Commitment Discount Plan (Section 25.1.3 of this tariff and FCC 1) and the Term Volume Plan (Section 5.6.14(F) of FCC 14).

(H) Disputes

Notwithstanding any other provisions of this Option 66 and except as otherwise provided in FCC 16, the Telephone Company's calculation of the customer's Billed Qualifying TDM Service Revenue shall be subject to the following additional requirements (as well as other terms of this Option 66): (x)

(1) The Telephone Company shall not include in the calculation of the customer's Billed Qualifying TDM Service Revenue any amounts which are unpaid and/or disputed by customer as of the sixtieth (60th) day following the applicable Plan Year.

(2) If any portion of an amount invoiced to customer under this Option 66 is subject to a good faith dispute, customer shall give written notice to the Telephone Company of the amounts it disputes (**Disputed Amount**) through the Telephone Company dispute submission process and include in such notice the specific details and reasons for disputing each item. Customer shall undertake a reasonable good faith effort to review an invoice received from the Telephone Company under this Option 66 within sixty (60) days following the due date to determine whether there are any Disputed Amounts. Customer shall pay on or before the due date all undisputed amounts.

(3) If the Telephone Company denies a dispute submitted by customer, customer shall have thirty (30) days by which either to pay the Disputed Amount or escalate the dispute no higher than the Vice President level. The Telephone Company may deny such escalation if customer does not provide new or additional detailed information supporting its dispute.

(4) Charges due to the Telephone Company that are not paid on or before the due date shall be subject to a late payment charge. The late payment charge shall be calculated utilizing a rate of one-and-one-half percent (1.5%) of the overdue amount (including any unpaid previously billed late payment charges) per month. No late payment charge shall apply to Disputed Amounts that are allowed by the Telephone Company through the dispute submission process or to Disputed Amounts not owed to the Telephone Company after resolution of the dispute. (N)

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32. Contract Tariffs (Cont'd)

32.67 Contract Tariff Option 66 (Cont'd) (N)

(I) Delayed Billing

(1) If, during a period of sixty (60) days after the end of an applicable Plan Year (**Delayed Billing Grace Period**), customer identifies amounts billed during that Delayed Billing Grace Period for Qualifying TDM Services that, in the ordinary course of the Telephone Company's standard billing practice for the subject Qualifying TDM Services, should have occurred during the immediately preceding Plan Year (**Delayed Billing Preceding Plan Year**) of the Service Period, then customer, no later than the end of the Delayed Billing Grace Period, may request in writing that the Telephone Company treat such amounts as Billed Qualifying TDM Service Revenue for the Delayed Billing Preceding Plan Year. For the avoidance of doubt, an amount may qualify for treatment as Delayed Billing Revenue as described in this Section (I)(1) only if the amount would have qualified as Billed Qualifying TDM Service Revenue if it had been billed on a timely basis.

(2) The Telephone Company will verify customer's request and include in the Plan Year calculation of the Billed Qualifying TDM Service Revenue for the Delayed Billing Preceding Plan Year any amounts verified as meeting the definition of Delayed Billing Revenue. Any Delayed Billing Revenue used for purposes of calculating the Billed Qualifying TDM Service Revenue for Plan Year shall not be used for purposes of calculating the Plan Year Billed Qualifying TDM Service Revenue for any subsequent Plan Year, nor may it be used to reopen the Billing Credit calculation for any Plan Year prior to the Delayed Billing Preceding Plan Year.

(3) If customer wishes to have any Delayed Billing Revenue used for purposes of the Billed Qualifying TDM Service Revenue calculation under Section (G) preceding, customer must, within the Delayed Billing Grace Period during which the Delayed Billing Revenue was billed, submit a written request for inclusion of the Delayed Billing Revenue in the calculation of the Billed Qualifying TDM Service Revenue for the Delayed Billing Preceding Plan Year. Subject to Section (I)(4) following, if customer does not claim the Delayed Billing Revenue in a written request to the Telephone Company during the Delayed Billing Grace Period in which the Delayed Billing Revenue was billed, then customer may not later request that the Delayed Billing Revenue be used for purposes of calculating any Plan Year Billing Credit. (N)

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32. Contract Tariffs (Cont'd)

32.67 Contract Tariff Option 66 (Cont'd) (N)

(J) Remedial Billing Credits and Related Provisions

(1) In the event that (a) customer disputes charges that it believes were improperly billed for Qualifying TDM Services, (b) any such Disputed Amounts were included as Billed Qualifying TDM Service Revenue for purposes of calculating a Billing Credit under this Option 66, and (c) the Telephone Company resolves all or a portion of the dispute in favor of customer before the end of Plan Year 3, then any credit issued by the Telephone Company to remedy the dispute (**Remedial Billing Credit**) prior to the end of Plan Year 3 shall be included as an offset to Billed Qualifying TDM Service Revenue for the purposes of calculating the Billing Credit for the Plan Year in which such Remedial Billing Credit is issued by the Telephone Company.

(2) In the event that (a) customer disputes charges that it believes were improperly billed for Qualifying TDM Services, (b) any such Disputed Amounts were included as Billed Qualifying TDM Service Revenue for purposes of calculating a Billing Credit under this Option 66, and (c) the Telephone Company resolves all or a portion of the dispute in favor of customer after the end of Plan Year 3, then any Remedial Billing Credit issued by the Telephone Company to remedy the dispute after the end of Plan Year 3 shall be included as an offset to Billed Qualifying TDM Service Revenue for Plan Year 3 for a final revenue adjustment. To the extent such final revenue adjustment produces a change in the Billing Credit, then (a) if the Telephone Company has not yet issued a Billing Credit for the last Plan Year of Option 66, then the Telephone Company shall take account of the final revenue adjustment for purposes of the Billing Credit for Plan Year 3, and (b) if the Telephone Company has already issued the Billing Credit for Plan Year 3, then the Telephone Company will issue an adjustment in an amount necessary to reflect recalculation of the Billing Credit for Plan Year 3 to take account of the final revenue adjustment.

(3) Once a Billing Credit is issued by the Telephone Company, customer may not thereafter dispute such Billing Credit regardless of the outcome of any Disputed Amounts; provided, however, that, for the avoidance of any doubt, the foregoing prohibition against disputes by customer shall not be deemed (a) to preclude any adjustments by the Telephone Company to take account of Remedial Billing Credits as described in Sections (J)(1) and (J)(2) preceding or (b) to preclude customer from disputing the amount of a Billing Credit in any case where the Telephone Company applies a Billing Credit that does not match the mutually agreed upon amount of the Billing Credit. The Telephone Company will not issue any Billing Credit until the applicable Billing Credit amount is agreed to by customer.

(4) In no event shall the Telephone Company be subject to any late payment, interest, or penalty with respect to any Billing Credit. (N)

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32. Contract Tariffs (Cont'd)

32.67 Contract Tariff Option 66 (Cont'd) (N)

(K) Mergers and Acquisitions of Customer

If, after August 1, 2014, the customer merges with another company, acquires a company or a portion of the business of another company (including, by way of example, any ACNA(s) not provided under Section (C)(3) preceding)(the company with which customer merges and the company or portion of the business thereof that customer acquires (including, by way of example, any ACNA(s) not provided under Section (C)(3) preceding) may be referred to collectively as the **Customer Acquired Properties** and such merger or acquisition may be referred to in either case as an **Acquisition**), and the Telephone Company provides any Qualifying TDM Services in connection with such Customer Acquired Properties, then customer shall notify the Telephone Company in writing (the **Acquisition Notice**) prior to the closing date of the Acquisition (the **Acquisition Closing Date**), and the customer and the Telephone Company shall determine whether such Customer Acquired Properties shall be included in or excluded from Option 66.

(L) Sale of Verizon Operating Telephone Company

If some or all of the assets or stock of a Verizon Operating Telephone Company that provides Services are acquired by an unaffiliated third party during the Service Period, effective with the closing of such transaction, the Telephone Company will proportionally adjust the TDM Services Annual Revenue Commitment.

Illustrative Example:

Assume the following information for Plan Year 2:

(1) The Qualifying TDM Services Annual Revenue Commitment is $19.0M.
(2) The Telephone Company sells Verizon New York to a third party at the end of month 8 of Plan Year 2.
(3) During the three month period prior to the sale, Verizon New York accounted for $3.0M in Billed Qualifying TDM Service Revenue.

Based on the above assumptions:

(1) The average monthly Billed Qualifying TDM Service Revenue for Verizon New York is $1.0M ($3.0M / 3).
(2) There are four (4) months remaining in Plan Year 2 (12 months – 8 months).
(3) The Plan Year 2 Qualifying TDM Services Annual Revenue Commitment would be reduced by $4.0M ($1.0M * 4).
(4) The adjusted Qualifying TDM Services Annual Revenue Commitment for Plan Year 2 is $15.0M ($19.0M – $4.0M).
(5) The Qualifying TDM Services Annual Revenue Commitment for Plan Year 3 will be reduced by the $12.0M ($1.0M * 12), resulting in a revised Qualifying TDM Services Annual Revenue Commitment of $7.0M ($19.0M - $12.0M). (N)

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32. Contract Tariffs (Cont'd)

32.67 Contract Tariff Option 66 (Cont'd) (N)

(M) Termination of Option 66

(1) Subject to the terms set forth in this Section (M), customer may terminate this Option 66 at any time during the Service Period. Customer must provide written notice of termination at least ninety (90) days prior to the requested date of termination of this Option 66. Termination of less than all of the Contract Tariffs (i.e., terminations of the contract option under this tariff or FCC 1 or FCC 14 only) shall be deemed to be an automatic termination of all Contract Tariffs. If customer terminates or cancels this Option 66 at any time during the Service Period for any reason other than by Regulatory Termination (as defined in Section (B) preceding), or a default by the Telephone Company, or if customer breaches the terms or conditions of the Option 66 and fails to cure such breach within thirty (30) days' written notice, then customer shall pay to the Telephone Company by no later than thirty (30) days after such date of termination or breach an amount equal to the percentage of the Billing Credit issued to customer for the prior Plan Year as indicated in the following table. (x)

Month of Termination/Breach	Termination Percentage
13-24	60%
25-36	40%

(2) Customer will not receive any Billing Credits after receipt of notice of termination.

(3) The customer and the Telephone Company, by mutual written agreement, may terminate this Option 66 at any time. Except as otherwise mutually agreed in writing by the customer and the Telephone Company: (a) any termination under this Section (M)(3) in Plan Year 1 shall be effective as of August 1, 2014 and customer shall not be eligible for any Billing Credits for Plan Year 1; (b) any termination under this Section (M)(3) in Plan Year 2 or Plan Year 3 shall be effective as of the end of the applicable Plan Year preceding the termination, and customer shall be charged for all Billing Credits applied for the Plan Year preceding termination and shall not be eligible for any Billing Credits for any period of time after the end of such Plan Year. (N)

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32. Contract Tariffs (Cont'd)

32.67 Contract Tariff Option 66 (Cont'd) (N)

(N) Suspension of True-Ups During Service Period

During the Service Period, the customer and the Telephone Company agree to suspend the true-up requirements for the Existing Plans, including any shortfall payments or penalties that would otherwise result for failure to maintain volume commitments under the Commitment Discount Plan (FCC 1 and FCC 11, Section 25.1.7), and (x)
the DS1 Term Volume Plan (FCC 14, Section 5.6.14(G)-(I)). Upon (x)
termination of Option 66 for any reason other than noted in Section (G)(3)(c) preceding, the true-up process will be re-activated for the underlying Existing Plans based on original commitments under Existing Plans. Upon expiration of this Option 66 in compliance with Section (G)(3)(c) preceding, the true-up process will be re-activated for the underlying Existing Plans based on then current quantities of TDM Services under Existing Plans. (N)

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32. Contract Tariffs (Cont'd)
32.68 Contract Tariff Option 67

(N)

(A) Scope

Contract Tariff Option 67 (**Option 67**) provides a customer with certain Billing Credits (as defined following) on certain services offered by the Telephone Company when the customer satisfies the terms and conditions of this Option 67.

(B) Specific Terms

Unless otherwise defined in this Section 32.68, the following terms are used in this Option 67:

(1) **Alternative Tariff Arrangement** shall mean collectively any other generally available tariff arrangement, contract tariff option, specialized service or arrangement, or Individual Case Basis (**ICB**) tariff arrangement offered by the Telephone Company and available to the customer pursuant to this tariff, Tariff FCC No. 1 (FCC 1), and Tariff FCC No. 14 (FCC 14) with respect to any of the services covered by this Option 67. (x) (x)

(2) **BANs** shall mean Billing Account Numbers of the customer which shall be used to provide the Billing Credits, if any, to the customer.

(3) **Billed DS1 Service Revenue** shall mean the Qualifying Monthly Recurring Charges (as defined in Section (F) following) billed under one of the Customer ACNAs provided under Section (C)(3) following for Special Access DS1 Services which are paid by the customer.

(4) **Billed DS3 CLF Service Revenue** shall mean the Qualifying Monthly Recurring Charges billed under one of the Customer ACNAs provided under Section (C)(3) following for Special Access DS3 CLF Services which are paid by the customer.

(5) **Billed DS3 CLS Service Revenue** shall mean the Qualifying Monthly Recurring Charges billed under one of the Customer ACNAs provided under Section (C)(3) following for Special Access DS3 CLS Services which are paid by the customer.

(6) **Billed Qualifying TDM Service Revenue** shall mean the sum of Billed DS1 Service Revenue, Billed DS3 CLF Service Revenue, and Billed DS3 CLS Service Revenue.

(7) **Billing Credits** shall mean the applicable Billing Credits as described in Section (G) following.

(8) **Buy-Up Amount** shall mean the applicable Buy-Up Amount as described in Section (O) following.

(9) **Delayed Billing Grace Period** shall mean the sixty (60) day period immediately following the end of each Plan Year. (N)

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32. Contract Tariffs (Cont'd)

32.68 Contract Tariff Option 67 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(10) **Delayed Billing Revenue** shall mean customer identified amounts billed during the Delayed Billing Grace Period for Qualifying TDM Services that, in the ordinary course of the Telephone Company's standard billing practice for the subject Qualifying TDM Services should have occurred during the immediately preceding Plan Year.

(11) **Delayed Billing Preceding Plan Year** shall mean the Plan Year immediately preceding the Delayed Billing Grace Period.

(12) **Disputed Amounts** shall mean Qualifying Monthly Recurring Charge amounts billed for any time period during the Service Period that are under dispute, regardless of whether the amounts have been paid in full by customer.

(13) **Plan Year** shall mean each of the following periods during the Service Period: (1) Plan Year 1 shall commence on October 1, 2014 and end on September 30, 2015; (2) Plan Year 2 shall commence on October 1, 2015 and end on September 30, 2016; (3) Plan Year 3 shall commence on October 1, 2016 and end on September 30, 2017.

(14) **Qualifying Monthly Recurring Charges** shall have the meaning as described in Section (F) following.

(15) **Qualifying TDM Service** shall mean Special Access DS1 Service, Special Access DS3 CLF Service, and Special Access DS3 CLS Service.

(16) **Qualifying TDM Services Annual Revenue Commitment** shall mean the annual minimum required Billed Qualifying TDM Service Revenue and shall be equal to $14.0M.

(17) **Regulatory Change** shall mean any legislative, regulatory, judicial, or other governmental decision, order, determination, complaint (whether formal or informal) or action or any change in applicable laws which affects any term or condition of Option 67, or otherwise prohibits or interferes with the Telephone Company's ability to offer the Services, or prohibits or interferes with the Telephone Company's ability to perform its obligations under this Option 67.

(18) **Regulatory Termination** shall mean the termination or withdrawal of this Option 67, Option 67 of FCC 1 and Option 36 of FCC 14 as a result of a Regulatory Change as defined in Section (B)(17) preceding. (x) (N)

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32. Contract Tariffs (Cont'd)

32.68 Contract Tariff Option 67 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(19) **Service Period** shall have the meaning set forth in Section (D) following.

(20) **Special Access DS1 Services** shall mean DS1 Service of 1.544 Mbps bandwidth, as described in Section 7.2.9 of this tariff, FCC 1 (Section 7.2.9), FCC 14 (Section 5.3.6) and Tariff FCC No. 16 (FCC 16) (Section 7.11.1), but shall not include MetroLAN service. (x) (x) (x)

(21) **Special Access DS3 CLF Services** shall mean DS3 Service of 44.736 Mbps bandwidth, as described in Section 7.2.9 of this tariff, FCC 1 (Section 7.2.9), FCC 14 (Section 5.3.6) and FCC 16 (Section 7.11.1) which has a facilities formatted circuit identifier in accordance with the Common Language Circuit Identifier (CLCI™) format administered by Telcordia (e.g., 967 T3Z PITBPADTHPE PITBPADTK18). (x) (x)

(22) **Special Access DS3 CLS Services** shall mean DS3 Service of 44.736 Mbps bandwidth, as described in Section 7.2.9 of this tariff, FCC 1 (Section 7.2.9), FCC 14 (Section 5.3.6) and FCC 16 (Section 7.11.1) which has a serial number formatted circuit identifier in accordance with the Common Language Circuit Identifier (CLCI™) format administered by Telcordia (e.g., 95.HFGS.634683..NE. (x) (x) (x) (N)

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32. Contract Tariffs (Cont'd)

32.68 Contract Tariff Option 67 (Cont'd) (N)

(C) Eligibility

The customer must meet all of the following criteria in order to be eligible to receive the rates, terms, and conditions of this Option 67. All references to amounts represented in dollars followed by the letter "M" shall refer to such number in millions (e.g., $10M shall mean $10,000,000.00), and all references to amounts represented in dollars followed by the letter "K" shall refer to such number in thousands (e.g., $10K shall mean $10,000.00).

(1) As of October 1, 2014, the customer must:

(a) have billed a minimum of $14.0M of Billed Qualifying TDM Service Revenue for the twelve (12) months immediately prior to October 1, 2014; and

(b) be subscribed to the Commitment Discount Plan (Section 25.1 of this tariff and FCC 1, Section 25.1), and the DS1 Term Volume Plan (FCC 14, Section 5.6.14(G)) (collectively, **Existing Plans**); and (x) (x)

(c) have at least five thousand (5,000) circuits of Special Access DS1 Service at locations other than Commercial Mobile Radio Service (CMRS) cell sites.

(2) Except for Existing Plans, customer may not concurrently subscribe to, or within three (3) years prior to October 1, 2014, have subscribed to, an Alternative Tariff Arrangement which provides discounts, credits, or other reductions in rates or terms based upon the achievement of total billed revenue. If customer wishes to subscribe to such an Alternative Tariff Arrangement, then customer shall not receive any Billing Credits under this Option 67, and such subscription shall be considered a termination by customer of this Option 67, subject to Section (L) following.

(3) The customer must subscribe to this Option 67 in a manner designated by the Telephone Company during the thirty (30) day period beginning October 1, 2014 and ending October 31, 2014. Such subscription must include a list of the customer's access customer name abbreviations (**Customer ACNA(s)**) that the Telephone Company agrees to, in writing, for inclusion in this Option 67. Subscription to this Option 67 shall be an automatic subscription to Option 67 of FCC 1 and Option 36 of FCC 14. (x)

(D) Service Period

The Service Period of this Option 67 shall commence on October 1, 2014 and end on September 30, 2017, unless this Option 67 is earlier terminated. (N)

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32. Contract Tariffs (Cont'd)
32.68 Contract Tariff Option 67 (Cont'd)

(E) Serving Area (N)

The Billing Credits and the Buy-Up Amount will be provided only in the Metropolitan Statistical Areas (**MSAs**) that have achieved Phase I or Phase II pricing flexibility under this tariff, FCC 1, or FCC 14. Wire centers for the Phase II MSAs are listed in Section 15.3 preceding of this tariff, Section 14.7 of FCC 1, and Section 19.1 of FCC 14. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 15.3 preceding of this tariff, Section 14.7 of FCC 1, and Section 19.1 of FCC 14) that occur during the Service Period will apply. No Billing Credits and no Buy-Up Amount will be provided in the operating territories of FCC 16. (x)

(F) Qualifying Monthly Recurring Charges

Subject to the exclusions set forth following as well as all other terms of this Option 67 (including Section (H) following), Qualifying Monthly Recurring Charges include total monthly recurring charges (**MRCs**) billed to customer by the Telephone Company with respect to a particular service for a particular timeframe. Qualifying Monthly Recurring Charges do not include any of the following (among other items that are not MRCs, the following list is by way of example only):

(1) Charges for special construction;

(2) Nonrecurring charges, surcharges, interest, late payment charges, credits (including any credits provided under the Contract Tariffs), fractional debit/credit amounts, adjustments, minimum period charges, termination liabilities, or any other billings other than billed amounts that are applied on a recurring monthly basis for the applicable Plan Year of the Service Period;

(3) Taxes, fees, surcharges, charges, or other tax-like amounts imposed by a federal, state, local, or other governmental entity (e.g., Federal Universal Service Fund);

(4) Service or administrative fees or charges (e.g., interest penalty, late payment penalty);

(5) Any other billed amount for which payment is being withheld or under dispute by the customer or that is otherwise a Disputed Amount; provided, however, that if an amount would have been included in Qualifying Monthly Recurring Charges but for the fact that it was disputed, and if such dispute is then resolved in favor of the Telephone Company, then the amount paid by the customer as a result of such resolution shall be included in Qualifying Monthly Recurring Charges in the month in which the customer pays such amount; (N)

(x) Issued under authority of Special Permission No. 14-010 of the Federal Communications Commission.

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32. Contract Tariffs (Cont'd)
32.68 Contract Tariff Option 67 (Cont'd)
(F) Qualifying Monthly Recurring Charges (Cont'd) (N)

(6) Shortfall or overage charges associated with term plan true-ups (e.g., charges assessed for failure to satisfy commitment levels); and

(7) Any amounts associated with any service (or any portion of a service) that is not a Qualifying TDM Service.

(G) Annual Review; Billing Credits

The Telephone Company shall determine Billing Credits as follows:

(1) Plan Year 1

(a) By December 1, 2015, the Telephone Company shall calculate the customer's Billed Qualifying TDM Service Revenue for Plan Year 1.

(b) If the customer's Billed Qualifying TDM Service Revenue is equal to or greater than $14.5M, the Telephone Company shall apply a Billing Credit of $100K to customer's CABS billing by no later than ninety (90) days following the end of Plan Year 1.

(c) Subject to Section (O) following, if the customer's Billed Qualifying TDM Service Revenue is less than $14.0M for Plan Year 1, Option 67 shall immediately terminate, and the true-up process will be re-activated for Existing Plans.

(2) Plan Year 2

(a) By December 1, 2016, the Telephone Company shall calculate the customer's Billed Qualifying TDM Service Revenue for Plan Year 2.

(b) If the customer's Billed Qualifying TDM Service Revenue is equal to or greater than $14.5M, the Telephone Company shall apply a Billing Credit of $300K to customer's CABS billing by no later than ninety (90) days following the end of Plan Year 2.

(c) Subject to Section (O) following, if the customer's Billed Qualifying TDM Service Revenue is less than $14.0M for Plan Year 2, Option 67 shall immediately terminate, and the true-up process will be re-activated for Existing Plans.

(3) Plan Year 3

(a) By December 1, 2017, the Telephone Company shall calculate the customer's Billed Qualifying TDM Service Revenue for Plan Year 3.

(b) If the customer's Billed Qualifying TDM Service Revenue is equal to or greater than $14.5M, the Telephone Company shall apply a Billing Credit of $600K to customer's CABS billing by no later than ninety (90) days following the end of Plan Year 3. (N)

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32. Contract Tariffs (Cont'd)

32.68 Contract Tariff Option 67 (Cont'd) (N)

(G) Annual Review; Billing Credits (Cont'd)

(3) Plan Year 3 (Cont'd)

(c) Subject to Section (O) following, if the customer's Billed Qualifying TDM Service Revenue is equal to or greater than $14.0M, the customer will have the option of resetting its CDP and TVP commitment levels in accordance with the guidelines established in the Commitment Discount Plan (Section 25.1.3 of this tariff and FCC 1) and the Term Volume Plan (Section 5.6.14(F) of FCC 14). (x) (x)

(H) Disputes

Notwithstanding any other provisions of this Option 67 and except as otherwise provided in FCC 16, the Telephone Company's calculation of the customer's Billed Qualifying TDM Service Revenue shall be subject to the following additional requirements (as well as other terms of this Option 67): (x)

(1) The Telephone Company shall not include in the calculation of the customer's Billed Qualifying TDM Service Revenue any amounts which are unpaid and/or disputed by customer as of the sixtieth (60th) day following the applicable Plan Year.

(2) If any portion of an amount invoiced to customer under this Option 67 is subject to a good faith dispute, customer shall give written notice to the Telephone Company of the amounts it disputes (**Disputed Amount**) through the Telephone Company dispute submission process and include in such notice the specific details and reasons for disputing each item. Customer shall undertake a reasonable good faith effort to review an invoice received from the Telephone Company under this Option 67 within sixty (60) days following the due date to determine whether there are any Disputed Amounts. Customer shall pay on or before the due date all undisputed amounts.

(3) If the Telephone Company denies a dispute submitted by customer, customer shall have thirty (30) days by which either to pay the Disputed Amount or escalate the dispute no higher than the Vice President level. The Telephone Company may deny such escalation if customer does not provide new or additional detailed information supporting its dispute.

(4) Charges due to the Telephone Company that are not paid on or before the due date shall be subject to a late payment charge. The late payment charge shall be calculated utilizing a rate of one-and-one-half percent (1.5%) of the overdue amount (including any unpaid previously billed late payment charges) per month. No late payment charge shall apply to Disputed Amounts that are allowed by the Telephone Company through the dispute submission process or to Disputed Amounts not owed to the Telephone Company after resolution of the dispute. (N)

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32. Contract Tariffs (Cont'd)

32.68 Contract Tariff Option 67 (Cont'd) (N)

(I) Delayed Billing

(1) If, during a period of sixty (60) days after the end of an applicable Plan Year (**Delayed Billing Grace Period**), customer identifies amounts billed during that Delayed Billing Grace Period for Qualifying TDM Services that, in the ordinary course of the Telephone Company's standard billing practice for the subject Qualifying TDM Services, should have occurred during the immediately preceding Plan Year (**Delayed Billing Preceding Plan Year**) of the Service Period, then customer, no later than the end of the Delayed Billing Grace Period, may request in writing that the Telephone Company treat such amounts as Billed Qualifying TDM Service Revenue for the Delayed Billing Preceding Plan Year. For the avoidance of doubt, an amount may qualify for treatment as Delayed Billing Revenue as described in this Section (I)(1) only if the amount would have qualified as Billed Qualifying TDM Service Revenue if it had been billed on a timely basis.

(2) The Telephone Company will verify customer's request and include in the Plan Year calculation of the Billed Qualifying TDM Service Revenue for the Delayed Billing Preceding Plan Year any amounts verified as meeting the definition of Delayed Billing Revenue. Any Delayed Billing Revenue used for purposes of calculating the Billed Qualifying TDM Service Revenue for Plan Year shall not be used for purposes of calculating the Plan Year Billed Qualifying TDM Service Revenue for any subsequent Plan Year, nor may it be used to reopen the Billing Credit calculation for any Plan Year prior to the Delayed Billing Preceding Plan Year.

(3) If customer wishes to have any Delayed Billing Revenue used for purposes of the Billed Qualifying TDM Service Revenue calculation under Section (G) preceding, customer must, within the Delayed Billing Grace Period during which the Delayed Billing Revenue was billed, submit a written request for inclusion of the Delayed Billing Revenue in the calculation of the Billed Qualifying TDM Service Revenue for the Delayed Billing Preceding Plan Year. Subject to Section (I)(4) following, if customer does not claim the Delayed Billing Revenue in a written request to the Telephone Company during the Delayed Billing Grace Period in which the Delayed Billing Revenue was billed, then customer may not later request that the Delayed Billing Revenue be used for purposes of calculating any Plan Year Billing Credit. (N)

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32. Contract Tariffs (Cont'd)

32.68 Contract Tariff Option 67 (Cont'd) (N)

(J) Remedial Billing Credits and Related Provisions

(1) In the event that (a) customer disputes charges that it believes were improperly billed for Qualifying TDM Services, (b) any such Disputed Amounts were included as Billed Qualifying TDM Service Revenue for purposes of calculating a Billing Credit under this Option 67, and (c) the Telephone Company resolves all or a portion of the dispute in favor of customer before the end of Plan Year 3, then any credit issued by the Telephone Company to remedy the dispute (**Remedial Billing Credit**) prior to the end of Plan Year 3 shall be included as an offset to Billed Qualifying TDM Service Revenue for the purposes of calculating the Billing Credit for the Plan Year in which such Remedial Billing Credit is issued by the Telephone Company.

(2) In the event that (a) customer disputes charges that it believes were improperly billed for Qualifying TDM Services, (b) any such Disputed Amounts were included as Billed Qualifying TDM Service Revenue for purposes of calculating a Billing Credit under this Option 67, and (c) the Telephone Company resolves all or a portion of the dispute in favor of customer after the end of Plan Year 3, then any Remedial Billing Credit issued by the Telephone Company to remedy the dispute after the end of Plan Year 3 shall be included as an offset to Billed Qualifying TDM Service Revenue for Plan Year 3 for a final revenue adjustment. To the extent such final revenue adjustment produces a change in the Billing Credit, then (a) if the Telephone Company has not yet issued a Billing Credit for the last Plan Year of Option 67, then the Telephone Company shall take account of the final revenue adjustment for purposes of the Billing Credit for Plan Year 3, and (b) if the Telephone Company has already issued the Billing Credit for Plan Year 3, then the Telephone Company will issue an adjustment in an amount necessary to reflect recalculation of the Billing Credit for Plan Year 3 to take account of the final revenue adjustment.

(3) Once a Billing Credit is issued by the Telephone Company, customer may not thereafter dispute such Billing Credit regardless of the outcome of any Disputed Amounts; provided, however, that, for the avoidance of any doubt, the foregoing prohibition against disputes by customer shall not be deemed (a) to preclude any adjustments by the Telephone Company to take account of Remedial Billing Credits as described in Sections (J)(1) and (J)(2) preceding or (b) to preclude customer from disputing the amount of a Billing Credit in any case where the Telephone Company applies a Billing Credit that does not match the mutually agreed upon amount of the Billing Credit. The Telephone Company will not issue any Billing Credit until the applicable Billing Credit amount is agreed to by customer.

(4) In no event shall the Telephone Company be subject to any late payment, interest, or penalty with respect to any Billing Credit. (N)

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32. Contract Tariffs (Cont'd)

32.68 Contract Tariff Option 67 (Cont'd) (N)

(K) Mergers and Acquisitions of Customer

If, after October 1, 2014, the customer merges with another company, acquires a company or a portion of the business of another company (including, by way of example, any ACNA(s) not provided under Section (C)(3) preceding)(the company with which customer merges and the company or portion of the business thereof that customer acquires (including, by way of example, any ACNA(s) not provided under Section (C)(3) preceding) may be referred to collectively as the **Customer Acquired Properties** and such merger or acquisition may be referred to in either case as an **Acquisition**), and the Telephone Company provides any Qualifying TDM Services in connection with such Customer Acquired Properties, then customer shall notify the Telephone Company in writing (the **Acquisition Notice**) prior to the closing date of the Acquisition (the **Acquisition Closing Date**), and the customer and the Telephone Company shall determine whether such Customer Acquired Properties shall be included in or excluded from Option 67.

(L) Sale of Verizon Operating Telephone Company

If some or all of the assets or stock of a Verizon Operating Telephone Company that provides Qualifying TDM Services are acquired by an unaffiliated third party during the Service Period, effective with the closing of such transaction, the Telephone Company will proportionally adjust the Qualifying TDM Services Annual Revenue Commitment.

Illustrative Example:

Assume the following information for Plan Year 2:

(1) The Qualifying TDM Services Annual Revenue Commitment is $14.0M.
(2) The Telephone Company sells Verizon New York to a third party at the end of month 8 of Plan Year 2.
(3) During the three month period prior to the sale, Verizon New York accounted for $3.0M in Billed Qualifying TDM Service Revenue.

Based on the above assumptions:

(1) The average monthly Billed Qualifying TDM Service Revenue for Verizon New York is $1.0M ($3.0M / 3).
(2) There are four (4) months remaining in Plan Year 2 (12 months – 8 months).
(3) The Plan Year 2 Qualifying TDM Services Annual Revenue Commitment would be reduced by $4.0M ($1.0M * 4).
(4) The adjusted Qualifying TDM Services Annual Revenue Commitment for Plan Year 2 is $10.0M ($14.0M – $4.0M).
(5) The Qualifying TDM Services Annual Revenue Commitment for Plan Year 3 will be reduced by the $12.0M ($1.0M * 12), resulting in a revised Qualifying TDM Services Annual Revenue Commitment of $2.0M ($14.0M - $12.0M). (N)

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32. Contract Tariffs (Cont'd)

32.68 Contract Tariff Option 67 (Cont'd) (N)

(M) Termination of Option 67

(1) Subject to the terms set forth in this Section (M), customer may terminate this Option 67 at any time during the Service Period. Customer must provide written notice of termination at least ninety (90) days prior to the requested date of termination of this Option 67. Termination of less than all of the Contract Tariffs (i.e., terminations of the contract option under this tariff or FCC 1 or FCC 14 only) shall be deemed to be an automatic termination of all Contract Tariffs. If customer terminates or cancels this Option 67 at any time during the Service Period for any reason other than by Regulatory Termination (as defined in Section (B) preceding), or a default by the Telephone Company, or if customer breaches the terms or conditions of the Option 67 and fails to cure such breach within thirty (30) days' written notice, then customer shall pay to the Telephone Company by no later than thirty (30) days after such date of termination or breach an amount equal to the percentage of the Billing Credit issued to customer for the prior Plan Year as indicated in the following table. (x)

Month of Termination/Breach	Termination Percentage
13-24	60%
25-36	40%

(2) Customer will not receive any Billing Credits after receipt of notice of termination.

(3) The customer and the Telephone Company, by mutual written agreement, may terminate this Option 67 at any time. Except as otherwise mutually agreed in writing by the customer and the Telephone Company: (a) any termination under this Section (M)(3) in Plan Year 1 shall be effective as of October 1, 2014, and customer shall not be eligible for any Billing Credits for Plan Year 1; (b) any termination under this Section (M)(3) in Plan Year 2 or Plan Year 3 shall be effective as of the end of the applicable Plan Year preceding the termination, and customer shall be charged for all Billing Credits applied for the Plan Year preceding termination and shall not be eligible for any Billing Credits for any period of time after the end of such Plan Year.

(4) CDP and TVP true-up calculations will resume beginning for the tariff review period in which the termination occurred. The review period for TVP true-up calculations is twelve (12) months, and the tariff review period for CDP true-up calculations is six (6) months, both based on the effective date of the contracts. (N)

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32. Contract Tariffs (Cont'd)

32.68 Contract Tariff Option 67 (Cont'd) (N)

(N) Suspension of True-Ups During Service Period

During the Service Period, the customer and the Telephone Company agree to suspend the true-up requirements for the Existing Plans, including any shortfall payments or penalties that would otherwise result for failure to maintain volume commitments under the Commitment Discount Plan (FCC 1 and FCC 11, Section 25.1.7) and the DS1 Term Volume Plan (FCC 14, Section 5.6.14(G)-(I)). Upon termination of Option 67 for any reason other than noted in Section (G)(3)(c) preceding, the true-up process will be re-activated for the underlying Existing Plans based on original commitments under Existing Plans. Upon expiration of this Option 67 in compliance with Section (G)(3)(c) preceding, the true-up process will be re-activated for the underlying Existing Plans based on then current quantities of TDM Services under Existing Plans. (x) (x)

(O) Buy-Up Amount

(1) In the event that the Customer's Billed Qualifying TDM Service Revenue during any Plan Year falls short of the Customer's Qualifying TDM Services Annual Revenue Commitment, the Customer may, subject to the limitation set forth in (2) following, pay an amount equal to the amount by which the Customer's Billed Qualifying TDM Service Revenue fell short of the Customer's Qualifying TDM Services Annual Revenue Commitment (the **Buy-Up Amount**). In the event that the Customer pays a Buy-Up Amount within sixty (60) calendar days after (i) the close of such Plan Year or (ii) the date of the Telephone Company's notice to Customer of the Buy-Up Amount of such Plan Year, whichever is later, it will be deemed to have met the Customer's Qualifying TDM Services Annual Revenue Commitment for such Plan Year, and Customer's Billed Qualifying TDM Service Revenue for such Plan Year will be deemed to be $14.0M. In the event that the Customer does not pay the Buy-Up Amount within sixty (60) calendar days after (i) the close of such Plan Year or (ii) the date of the Telephone Company's notice to Customer of the Buy-Up Amount of such Plan Year, whichever is later, this Service Agreement shall immediately terminate and the true-up process will be re-activated for Existing Plans as of the close date of such Plan Year.

(2) The Customer shall not be entitled to pay a Buy-Up Amount if the amount of the Buy-Up Amount exceeds $1.0M. (N)

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32. Contract Tariffs (Cont'd)

32.69 Contract Tariff Option 68 (N)

(A) Scope

Contract Tariff Option 68 (**Option 68**) provides Billing Credits on certain services.

(B) Specific Terms

Unless otherwise defined in this Section 32.69, the following terms are used in this Option 68:

(1) **Affiliate** shall mean an individual, partnership, association, joint-stock company, trust, or corporation that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, Customer. For purposes of this paragraph, the term "own" means to own an equity interest (or the equivalent thereof) of more than 10 percent.

(2) **Baseline DS1 Average Mileage** shall mean DS1 Average Mileage of 4.8 miles.

(3) **Reserved**

(4) **Billing Credits** shall mean, collectively, the Price Flex Base Credit, the SPA DS1 Flat Rate Credit, the TDM Shortfall Credit, and the One-Time DS1 Performance Credit.

(5) **Disputed Charges** shall mean Qualifying Monthly Recurring Charge amounts billed for any time period during the Service Period that are under dispute, regardless of whether the amounts have been paid in full by Customer.

(6) **DS1 Average Mileage** shall mean the total DS1 Mileage billed to Customer for a given time period divided by the DS1 Billed Units with charges for DS1 Mileage for that same time period.

(7) **DS1 Billed Revenues** shall mean Qualifying Monthly Recurring Charges billed to Customer, under the ACNAs included with the Customer's subscription to this Option 68 for Special Access DS1 Services of 1.544 Mbps bandwidth as described in Section 7.2.9 of this tariff, Section 7.2.9 of Telephone Company FCC Tariff No. 1 (**FCC 1**), Section 5.3.6 of Telephone Company FCC Tariff No. 14 (**FCC 14**), and Section 7.11.1 of Telephone Company FCC Tariff No. 16 (**FCC 16**) with respect to a particular time period for purposes of determining whether Customer qualified for a Price Flex Base Credit and calculating any such credit earned and for purposes of calculating any SPA DS1 Flat Rate Credit that Customer may earn. (x) (x) (x) (x) (N)

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32. Contract Tariffs (Cont'd)

32.69 Contract Tariff Option 68 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(8) **DS1 Billed Unit** shall mean, with respect to each month during the Service Period, a DS1 Unit for which the Telephone Company billed Qualifying Monthly Recurring Charges to Customer under the ACNAs included with the Customer's subscription to this Option 68 for that month.

(9) **DS1 Mileage** shall mean the channel mileage for DS1 Services (as described in Section 7.1.2(B) of this tariff and Section 7.1.2(B) of FCC 1), special transport for DS1 Services (as described in Section 5.1.1(B) of FCC 14), and circuit mileage for DS1 Services (as described in Section 7.2.1(B) of FCC 16). (x) (x) (x)

(10) **DS1 Unit** shall mean Special Access DS1 Services that meet the following definitions: (i) a DS1 "Channel Termination" as defined in Section 7.1.2(A) of this tariff, (ii) a DS1 "Channel Termination" as defined in FCC 1, Section 7.1.2(A), (iii) a DS1 "Special Access Line" as defined in FCC 14, Section 5.1.1(C), (iv) a DS1 "Circuit Termination" as defined in FCC 16, Section 7.2.1(A), (v) a DS1 to Voice "Central Office Multiplexing BSE" as defined in Section 7.2.9(D)(3)(c) and (d) of this tariff, (vi) a DS1 to Voice "Central Office Multiplexing" as defined in FCC 1, Section 7.2.9(D)(3)(c), (vii) a DS1 to Voice "Multiplexing Arrangement" as defined in FCC 14, Section 5.5(D), and (viii) a DS1 to Voice "Central Office Multiplexing" as defined in FCC 16, Section 7.11.4(3)(e). (x) (x) (x) (x) (x) (x) (x)

(11) **Effective Date** and the start of the Service Period shall be April 1, 2015, provided that the contract tariffs are deemed effective as of such date following a fifteen-day filing period with the FCC. The Telephone Company will inform the customer in writing upon filing of such contract tariffs.

(12) **Plan Year** shall mean each of the following periods during the Service Period: (1) Plan Year 1 shall commence on April 1, 2015 and end on June 30, 2015; (2) Plan Year 2 shall commence on July 1, 2015 and end on June 30, 2016; and (3) Plan Year 3 shall commence on July 1, 2016 and end on June 30, 2017.

(13) **Quarter** shall mean either of the following periods, as applicable: (i) the first (1st) Quarter of each Plan Year is the period beginning with the first date of the applicable Plan Year and ending on the last calendar day of the second month after the month in which the first date occurs (i.e., approximately 90 days thereafter); or (ii) each consecutive three (3) month period thereafter commencing on the first day of the calendar month following the end of the prior Quarter and ending on the last calendar day of the second month after the month in which the first day occurs (with Plan Year 1 having only two Quarters as indicated under the definition of "Plan Year" preceding). (N)

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32. Contract Tariffs (Cont'd)

32.69 Contract Tariff Option 68 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(14) **Qualifying TDM Base Credit Revenues** shall mean Qualifying Monthly Recurring Charges, as defined in Section (F) following, billed to Customer under the ACNAs provided to the Telephone Company under Section (C) following, for Qualifying TDM Base Credit Services under this tariff and FCC 1, FCC 14 and FCC 16, with respect to a particular time period for purposes of determining whether Customer qualifies for the Price Flex Base Credit and calculating any such credit earned. (x)

(15) **Qualifying TDM Base Credit Services** shall mean Special Access Voice Grade Services, Special Access DDS Services, Special Access DS1 Services, Special Access DS3 Services, and SwA Direct Trunked Transport Services.

(16) **Service Period** shall have the meaning set forth in Section (D) following.

(17) **Special Access Voice Grade Services** shall mean Voice Grade Services as described in Section 7.2.3 of this tariff, Section 7.2.3 of FCC 1, Section 5.2.1 of FCC 14 and Section 7.5 of FCC 16. (x) (x)

(18) **Special Access DDS Services** shall mean Digital Data Services as described in Sections 7.2.8 and 7.2.11 of this tariff, Section 7.2.8 of FCC 1, Section 5.2.9 of FCC 14, and Section 7.10 of FCC 16. (x) (x) (x)

(19) **Special Access DS1 Services** shall mean DS1 Services of 1.544 Mbps bandwidth, as described in Section 7.2.9 of this tariff, Section 7.2.9 of FCC 1, Section 5.3.6 of FCC 14, and Section 7.11.1 of FCC 16. (x) (x)

(20) **Special Access DS3 Services** shall mean DS3 Services of 44.736 Mbps bandwidth, as described in Section 7.2.9 of this tariff, Section 7.2.9 of FCC 1, Section 5.3.6 of FCC 14, and Section 7.11.1 of FCC 16. (x) (x)

(21) **SwA Direct Trunked Transport Services** shall mean transport services as described in Section 6.1.3(A) of this tariff, Section 6.1.2(A)(2) of FCC 1, Section 4.2.3(C) of FCC 14, and Section 6.5.2(C) of FCC 16. (x) (N) (x)

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32. Contract Tariffs (Cont'd)

32.69 Contract Tariff Option 68 (Cont'd)
(C) Eligibility for Benefits (N)

Customer must meet all of the following criteria in order to be eligible for Option 68. In this Option 68, all references to amounts represented in dollars followed by the letter "M" shall refer to such number in millions (e.g., $10M shall mean $10,000,000).

(1) The customer must subscribe to Option 68 in a manner designated by the Telephone Company no later than fifteen (15) days following the Effective Date. Such subscription must include a list of the customer's access customer name abbreviations (**Customer ACNAs**) that the Telephone Company agrees to, in writing, for inclusion in this Option 68. Subscription to Option 68 shall be an automatic subscription to Option 68 of FCC 1 and (x)
Option 37 of FCC 14. (x)

(2) For the full calendar month prior to the Effective Date, the customer must have achieved a minimum of $10M in aggregate monthly billed recurring charges for Special Access Voice Grade Services, Special Access DDS Services, Special Access DS1 Services, and Special Access DS3 Services purchased by customer from Telephone Company (**Eligibility Minimum Monthly Revenue**).

(3) The percentage of revenues included in Eligibility Minimum Monthly Revenue billed to a subsidiary or Affiliate of the customer that is a provider of mobile wireless telecommunications services must be no more than fifty percent (50%).

(4) Customer must be concurrently subscribed as of the Effective Date to one or more of, and must remain concurrently subscribed during the Service Period, to one or more of, the following plans or their equivalents if these plans cease to be offered under the applicable tariffs: the Commitment Discount Plan (**CDP**) (Section 25.1 of this tariff and FCC 1); the National (x)
Discount Plan (**NDP**) (Section 25.2 of this tariff, Section 25.3 (x)
of FCC 1, Section 23.1 of FCC 14, and Section 22.1 of FCC 16); (x)
Term Pricing Plan (**TPP**) (Section 7.4.17 of FCC 1 and Section (x)
7.2.1(G) of FCC 16); and Term Volume Plan (**TVP**) (Section 5.6.14 (x)
of FCC 14)(**Existing Plans**). For the avoidance of any doubt, at (x)
any time during the Service Period, Customer may elect to terminate its subscription to any of the Existing Plans and subscribe to a different Existing Plan.

(5) Customer may not be subscribed, at any time during the Service Period, to any other contract tariff option contained in this tariff or in FCC 1 or FCC 14. Any contract tariff options to (x)
which customer is subscribed immediately prior to the Effective Date under this tariff, FCC 1 or FCC 14 shall be deemed (x)
terminated as of the day that is one day prior to the Effective Date, with no further action by either the customer or the Telephone Company to effectuate such termination. (N)

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32. Contract Tariffs (Cont'd)

32.69 Contract Tariff Option 68 (Cont'd) (N)

(C) Eligibility for Benefits (Cont'd)

(6) During the Service Period, in order to receive any Price Flex Base Credits, SPA DS1 Flat Rate Credits, or TDM Shortfall Credits, Customer must achieve the required amounts of Qualifying TDM Base Credit Revenues and DS1 Billed Units as described in more detail in Sections (G), (H), and (I) following.

(D) Service Period

The Service Period of Option 68 shall be the period commencing on the Effective Date and ending on June 30, 2017.

(E) Serving Area

The Billing Credits (to the extent any are earned by Customer) will be provided only in the Metropolitan Statistical Areas (**MSAs**) that have achieved Phase I or Phase II pricing flexibility under the Telephone Company's tariffs in accordance with applicable law. Wire centers for the Phase II MSAs are listed in Section 15.3 of this tariff, Section 14.7 of FCC 1, and Section 19.1 of FCC 14. (x) Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in the Tariffs) that occur during the Service Period of this Option 68 will automatically apply. For the avoidance of doubt, no Billing Credits will be provided in the operating territories of FCC 16. (x)

(F) Qualifying Monthly Recurring Charges

Subject to the exclusions set forth following, as well as other terms of this Option 68 (including Section (L), Disputes, following), **Qualifying Monthly Recurring Charges** include total monthly recurring charges (**MRCs**) billed to Customer with respect to a particular service for a particular timeframe. Qualifying Monthly Recurring Charges do not include any of the following (among other items that are not MRCs, the following list being illustrative only):

(1) Any NRCs, surcharges, taxes, late payment charges, credits, fractional debit/credit amounts, adjustments, minimum period charges, termination liabilities, and any other billings other than billed amounts that are applied on a recurring monthly basis for the applicable Quarter or Plan Year of the Service Period;

(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 charges, late payment charges); (N)

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32. Contract Tariffs (Cont'd)

32.69 Contract Tariff Option 68 (Cont'd)

(F) Qualifying Monthly Recurring Charges (Cont'd)

(4) Any amount that appears in the "Other Charges and Credits" section of the Telephone Company's invoice (other than a backbilled MRC of greater than $50,000 on a particular invoice) for which the billed charges would have been Qualifying Monthly Recurring Charges had the charges been billed in the appropriate billing period within the Service Period. For the purposes of this Section (F)(4), the term "invoice" shall mean the aggregate of all billing in invoices issued by the Telephone Company to Customer for Qualifying TDM Base Credit Services under the ACNAs included with Customer's subscription to this Option 68 in any calendar month; (N)

(5) Any amount for which payment is being withheld by Customer or that is otherwise a Disputed Charge; provided, however, that if an amount would have been included in Qualifying Monthly Recurring Charges but for the fact that it was disputed, and if such dispute is then resolved in favor of the Telephone Company, then the amount credited to Customer as a result of such resolution shall be included in Qualifying Monthly Recurring Charges in the Quarter in which the Telephone Company issues such credit; and

(6) Shortfall or overage charges associated with term plan true-ups (e.g., for failure to satisfy commitment levels).

(G) Price Flex Base Credit

Provided that Customer has satisfied all applicable eligibility requirements and subject to all other terms set forth in this Option 68, at the end of each Quarter of the Service Period, the Telephone Company will determine whether Customer qualifies to receive a Price Flex Base Credit based on Steps 1 through 3 set forth following. If Customer satisfies all applicable requirements to receive the Price Flex Base Credit for a particular Quarter, then the Telephone Company will apply such credit to one or more of Customer's applicable special access billing accounts within ninety (90) days after the end of the applicable Quarter. All calculations under this Section (G) shall take account of any adjustments resulting from Section (L)(3) (Treatment of Remedial Billing Credits) following.

(**Step 1**) The Telephone Company will calculate the Qualifying TDM Base Credit Revenues for the Quarter.

(**Step 2**) Using the Price Flex Base Credit Table 1 following, the Telephone Company will determine which TDM Base Credit Percentage corresponds to the Qualifying TDM Base Credit Revenues that Customer achieved for that Quarter. (N)

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32. Contract Tariffs (Cont'd)

32.69 Contract Tariff Option 68 (Cont'd)

(N)

(G) Price Flex Base Credit (Cont'd)

Price Flex Base Credit Table 1

Minimum Qualifying TDM Base Credit Revenue	Maximum Qualifying TDM Base Credit Revenue	TDM Base Credit Percentage
$0	$32.99M	0.0%
$33.00M	$33.89M	1.0%
$33.90M	$34.79M	2.0%
$34.80M	$35.39M	3.0%
$35.40M	$35.99M	3.7%
$36.00M	$36.59M	4.4%
$36.60M	$37.19M	5.1%
$37.20M	$37.79M	5.8%
$37.80M	$38.39M	7.00%
$38.40M	$38.99M	8.00%
$39.00M	$39.59M	9.00%
$39.60M	$40.19M	10.00%
$40.20M	+	11.00%

(**Step 3**) The Price Flex Base Credit shall be equal to the Qualifying TDM Base Credit Percentage identified in Step 2 times the TDM Base Credit Revenues for the applicable Quarter.

(H) DS1 Volume Discount Rates and Associated SPA DS1 Flat Rate Credit

Provided that Customer has satisfied all applicable eligibility requirements and subject to all other terms set forth in this Option 68, at the end of each Quarter of the Service Period, the Telephone Company will determine whether Customer qualifies to receive a volume discount, applied using the SPA DS1 Flat Rate Credit, based on the following provisions, subject to the annual true-up described following. For the avoidance of any doubt, before reaching a determination of whether Customer qualifies for the SPA DS1 Flat Rate Credit under Sections (H)(1), (H)(2) and (H)(3) following, Customer must first satisfy the threshold requirements set forth in Section (H)(4) following. All calculations under Section (H) shall take account of any adjustments resulting from Section (L)(3) (Treatment of Remedial Billing Credits) following.

(N)

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32. Contract Tariffs (Cont'd)

32.69 Contract Tariff Option 68 (Cont'd)

(H) DS1 Volume Discount Rates and Associated SPA DS1 Flat Rate Credit (Cont'd) (N)

(1) After each Quarter, the Telephone Company shall determine the DS1 Billed Revenue and DS1 Billed Units that Customer achieved for that Quarter. The SPA DS1 Flat Rate Credit will be in an amount equal to the applicable DS1 Billed Revenues for the applicable Quarter minus the applicable flat rate revenue (i.e., "applicable flat rate revenue" means the applicable DS1 Billed Units multiplied by the applicable flat rate for the Plan Year from Table 2 following. If Customer satisfies all applicable requirements to receive the SPA DS1 Flat Rate Credit for a particular Quarter, the Telephone Company shall apply such credit to one or more of Customer's applicable special access billing accounts within ninety (90) days after the end of the applicable Quarter.

SPA DS1 Flat Rate Table 2

Credit Tier	Plan Year 1 SPA DS1 Flat Rate	Plan Year 2 SPA DS1 Flat Rate	Plan Year 3 SPA DS1 Flat Rate
Tier 1	$173.00	$173.00	$173.00
Tier 2	$162.00	$161.00	$160.00

(N)

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32. Contract Tariffs (Cont'd)

32.69 Contract Tariff Option 68 (Cont'd)

(H) DS1 Volume Discount Rates and Associated SPA DS1 Flat Rate Credit (Cont'd) (N)

(2) Eligibility for Tier 1

If the total volume of DS1 Billed Units that Customer achieved for the Quarter (i.e., the monthly totals added together for a sum) is equal to or greater than ninety thousand (90,000) and less than one hundred five thousand (105,000), then Customer will qualify (subject to meeting all other eligibility requirements) for the DS1 flat rates for Tier 1 in Table 2 preceding.

(3) Eligibility for Tier 2

If the total volume of DS1 Billed Units that Customer achieved for the Quarter (i.e., the monthly totals added together for a sum) is equal to or greater than one hundred five thousand (105,000), then Customer will qualify for the DS1 flat rates for Tier 2 in Table 2 preceding.

(4) In order to qualify for any SPA DS1 Flat Rate Credit in any Quarter under the preceding provisions, Customer must satisfy all of the following conditions (as well as all other eligibility requirements set forth in this Option 68):

(a) Customer must qualify for a discount (i.e., greater than 0%) for the Price Flex Base Credit for that same Quarter; and

(b) As of the end of that same Quarter (i.e., a snapshot view, not a quarterly total), Customer must have had DS1 Billed Units in volumes equal to or greater than thirty thousand (30,000). (N)

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32. Contract Tariffs (Cont'd)

32.69 Contract Tariff Option 68 (Cont'd)

(I) TDM Shortfall Credit (N)

Provided that Customer has satisfied all applicable eligibility requirements and subject to all other terms set forth in this Option 68, at the end of each Plan Year of the Service Period, Customer may qualify to receive a TDM Shortfall Credit as described in this Section (I).

(1) After the end of each Plan Year, the Telephone Company will determine whether Customer achieved a total volume of DS1 Billed Units of at least one hundred five thousand (105,000) in each of the Quarters of that Plan Year (the **TDM Shortfall Credit Threshold**).

(2) If, for a given Plan Year, Customer has met the applicable TDM Shortfall Credit Threshold set forth in Section (I)(1) preceding, then the Telephone Company will determine the total amount that Customer, during that just-completed Plan Year, paid to the Telephone Company in the form of shortfall payments for Special Access DS1 Services under Customer's Existing Plans for CDP, NDP and TVP pursuant to Sections 25.1 and 25.2 of this tariff, Sections 25.1 and 25.3 of FCC 1, and Sections 5.6.14 and 23.1 of FCC 14 (the **Total Annual Shortfall Payment**). The Telephone Company will issue a credit (**TDM Shortfall Credit**) in an amount equal to the lesser of: (i) the Total Annual Shortfall Payment and (ii) Two Million and 00/100 U.S. Dollars ($2,000,000). (x) (x) (N)

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32. Contract Tariffs (Cont'd)

32.69 Contract Tariff Option 68 (Cont'd)

(I) TDM Shortfall Credit (Cont'd) (N)

(3) If Customer did not meet the applicable TDM Shortfall Credit Threshold with respect to each Quarter of a given Plan Year, or did not pay any CDP, NDP or TVP shortfall payments to the Telephone Company during that Plan Year as described in Section (I)(2) preceding, then Customer will not receive a TDM Shortfall Credit for that Plan Year. If Customer receives a TDM Shortfall Credit for a given Plan Year, Customer may not thereafter dispute or receive a refund of any shortfall payments that were paid during the Plan Year for which Customer received a TDM Shortfall Credit. Once the Telephone Company issues a TDM Shortfall Credit, Customer may not later dispute the amount of such credit.

(J) One-Time DS1 Performance Credit

If, as of the Effective Date, Customer has achieved a total of thirty-five thousand (35,000) DS1 Billed Units, then the Telephone Company, no later than sixty (60) days after the Effective Date, will provide Customer with a one-time billing credit equal to Three Million Seven-Hundred Fifty Thousand and 00/100 U.S. Dollars ($3,750,000) (**One-Time DS1 Performance Credit**). Customer will determine and communicate to the Telephone Company within fifteen (15) days after the Effective Date the special access billing account on which Customer wishes the credit to appear. The One-Time DS1 Performance Credit is a single credit provided for Customer's collective subscription to this Option 68, Option 68 of FCC 1, and Option 37 of FCC 14 (i.e., Customer may not receive a One-Time DS1 Performance Credit under more than one of the three Options). (x)

(K) Excessive DS1 Mileage Surcharge

At the end of each Quarter of the Service Period, the Telephone Company will follow the steps set forth below to calculate the **Excessive DS1 Mileage Surcharge** that Customer will owe for that Quarter:

(**Step 1**) The Telephone Company will calculate the DS1 Average Mileage as defined in Section (B) preceding.

(**Step 2**) Divide the DS1 Average Mileage from Step 1 by the Baseline DS1 Average Mileage to determine the ratio of DS1 Average Mileage to the Baseline DS1 Average Mileage (**Baseline DS1 Mileage Ratio**).

(**Step 3**) Using Table 3 following, the Telephone Company will determine what DS1 Mileage Surcharge Percent applies based on the Baseline DS1 Mileage Ratio calculated in Step 2. (N)

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32. Contract Tariffs (Cont'd)

32.69 Contract Tariff Option 68 (Cont'd)

(K) Excessive DS1 Mileage Surcharge (Cont'd) (N)

Table 3 DS1 Mileage Surcharge Table

Minimum Baseline DS1 Mileage Ratio	Maximum Baseline DS1 Mileage Ratio	DS1 Mileage Surcharge Percent
0	1.39	0.00%
1.40	1.59	10.00%
1.60	1.79	15.00%
1.80	1.99	20.00%
2.00	+	25.00%

(**Step 4**) The Excessive DS1 Mileage Surcharge for the Quarter shall be calculated by multiplying (i) the SPA DS1 Flat Rate Credit earned during that Quarter under Section (H) preceding times (ii) the DS1 Mileage Surcharge Percent identified in Step 3.

(**Step 5**) If the Excessive DS1 Mileage Surcharge is greater than $0, the Telephone Company, within ninety (90) days after the Quarter for which the Excessive DS1 Mileage Surcharge is owed, will apply the Excessive DS1 Mileage Surcharge by issuing a debit(s) (**Excessive DS1 Mileage Surcharge Debits**) to one or more of Customer's applicable special access billing accounts.

Example 1: Assume that Customer's DS1 Average Mileage achieved for Quarter 2 of Plan Year 1 is 4.9 miles and the SPA DS1 Flat Rate Credit achieved for that same Quarter is $1.30M. The Baseline DS1 Mileage Ratio is 1.02. The Excessive DS1 Mileage Surcharge is $0 ($1.3M x 0.00% = $0).

Example 2: Assume that Customer's DS1 Average Mileage achieved for Quarter 3 of Plan Year 2 is 7.0 miles and the SPA DS1 Flat Rate Credit achieved for that same Quarter is $1.60M. The Baseline DS1 Mileage Ratio is 1.46. The Excessive DS1 Mileage Surcharge is $0.16M ($1.6M x 10.00% = $0.16M). (N)

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32. Contract Tariffs (Cont'd)

32.69 Contract Tariff Option 68 (Cont'd)

(L) Disputes (N)

Notwithstanding any other provision of this Option 68, the Telephone Company's calculation of the Billing Credits and Excessive DS1 Mileage Surcharges under this Option 68 shall be subject to the following additional requirements (as well as all other terms of this Option 68):

(1) For the purposes of calculating the Price Flex Base Credit and the SPA DS1 Flat Rate Credit, the Telephone Company shall not include any credits or debits for Services provided during any periods prior to the Effective Date (regardless of whether such credits or debits were the result of a valid dispute by Customer or were the result of a billing error by the Telephone Company).

(2) Customer agrees to undertake a good faith effort to review, within forty-five (45) calendar days of receipt, each bill from the Telephone Company that includes amounts to be included in Qualifying Monthly Recurring Charges and, at such time that Customer determines there is a dispute, to promptly raise the dispute with the Telephone Company. For the avoidance of any doubt, Customer is not obligated or required to raise billing disputes within forty-five (45) calendar days of receipt of a bill.

(3) Treatment of Remedial Billing Credits

(a) In the event that (i) Customer disputes charges that it believes were improperly billed for Services billed in prior Quarters, (ii) any such disputed charges were included as Qualifying Monthly Recurring Charges for purposes of calculating any Price Flex Base Credits or SPA DS1 Flat Rate Credits under this Option 68, and (iii) the Telephone Company honors all or a portion of the dispute in favor of Customer, then any billing credit issued by the Telephone Company to remedy the dispute (**Remedial Billing Credit**) shall be included as an offset to Qualifying Monthly Recurring Charges for the purpose of calculating the Price Flex Base Credits and SPA DS1 Flat Rate Credits for the Quarter in which such Remedial Billing Credit is issued by the Telephone Company. For the avoidance of any doubt, if a Remedial Billing Credit results in Customer falling below the Minimum Qualifying TDM Base Credit Revenue necessary to qualify for a Price Flex Base Credit, but for which Customer would have otherwise qualified for a Price Flex Base Credit for each Quarter to which the underlying dispute is attributable, Customer will still qualify for the SPA DS1 Flat Rate Credit if all other requirements have been met to do so for the Quarter in which the Remedial Billing Credit is offset against Qualifying Monthly Recurring Charges; provided, however that any (N)

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32. Contract Tariffs (Cont'd)

32.69 Contract Tariff Option 68 (Cont'd)

(L) Disputes (Cont'd) (N)

(3) Treatment of Remedial Billing Credits (Cont'd)

(a) (Cont'd)

Remedial Billing Credit relating to DS1 Billed Revenues will be included as an offset to DS1 Billed Revenue for purposes of calculating the SPA DS1 Flat Rate Credit (and thus could cause Customer to be ineligible for the SPA DS1 Flat Rate Credit). For the avoidance of any doubt, if the Telephone Company offsets a Remedial Billing Credit against Billed DS1 Revenue set forth above, such offsetting shall not result in any adjustment to any Excessive DS1 Mileage Surcharge assessed with respect to any previous Quarter, but such offsetting will affect the Excessive DS1 Mileage Surcharge for the then current Quarter insofar as the Excessive DS1 Mileage Surcharge calculation is, as set forth in Section (K) above, based in part on the amount of the SPA DS1 Flat Rate credit (which in turn is based in part on DS1 Billed Revenues) for the then current Quarter.

(b) The provisions set forth in Section (L)(3)(a) preceding apply in cases where Customer disputes charges up to six (6) months after the end of the Service Period. In the event of any such disputes, any Remedial Billing Credit that the Telephone Company issues shall be included as an offset to Qualifying Monthly Recurring Charges for the last Quarter of the Service Period for the purpose of calculating the Price Flex Base Credits and SPA DS1 Flat Rate Credits for the last Quarter of the Service Period. To the extent the inclusion of the Remedial Billing Credit produces a lower Price Flex Base Credit or SPA DS1 Flat Rate Credit (or disqualifies Customer from either or both of such credits) for the last Quarter of the Service Period, the Telephone Company will issue a debit in an amount equal to (i) the Price Flex Base Credit and SPA DS1 Flat Rate Credit actually provided by the Telephone Company for the last Quarter of the Service Period minus (ii) the Price Flex Base Credit and SPA DS1 Flat Rate Credit (if any, in either case) due to Customer once the Remedial Billing Credit is included as an offset to the Qualifying Monthly Recurring Charges for the last Quarter of the Service Period. (N)

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32. Contract Tariffs (Cont'd)

32.69 Contract Tariff Option 68 (Cont'd)

(L) Disputes (Cont'd) (N)

(4) The Price Flex Base Credits and SPA DS1 Flat Rate Credits, as determined by the Telephone Company and agreed to by Customer, and the Excessive DS1 Mileage Surcharge are not subject to dispute after being issued by the Telephone Company, regardless of the outcome of any Disputed Charges; provided, however, that the foregoing prohibition against disputes shall not be deemed (i) to preclude any adjustment pursuant to Section (L)(3) preceding; or (ii) to apply in a situation where the Telephone Company applies a Price Flex Base Credit or SPA DS1 Flat Rate Credit that does not match the mutually agreed upon credit amount. For the avoidance of any doubt, the Telephone Company will not issue any Price Flex Base Credits or SPA DS1 Flat Rate Credits until the applicable credit amount is agreed to by Customer.

(5) In no event shall the Telephone Company be subject to any late payment, interest or penalty with respect to any Billing Credits.

(M) Termination and Termination Liability

(1) Subject to the terms set forth in this Section (M), Customer may terminate this Option 68 at any time during the Service Period. Customer must provide written notice of termination at least ninety (90) days prior to the requested date of termination. Termination of less than all of the Contract Tariff options (i.e., terminations of Option 68 of this tariff, or Option 68 of FCC 1, or Option 37 of FCC 14) shall be deemed to be an automatic termination of all contract tariff options. All obligations under the tariffs with respect to the Services shall continue to apply. (x)

(2) In the event of a termination by Customer under Section (M)(1) preceding, or a termination by the Telephone Company under Section (N)(2) following, Customer shall be liable for payment of termination liability to be calculated as follows:

(a) Termination During Plan Years 1 or 2:

(i) Customer shall receive no further Billing Credits for the Plan Year in which termination occurs;
(ii) Customer must return one hundred percent (100%) of all Billing Credits (which, for the avoidance of any doubt includes the One-Time DS1 Performance Credit) previously received at any time under Option 68; and
(iii) Customer shall not receive any refunds or credits with respect to any Excessive DS1 Mileage Surcharges owed for any previous Quarters, but Customer shall not be responsible for any Excessive DS1 Mileage Surcharge with respect to the Quarter in which termination occurs. (N)

(x) Issued under authority of Special Permission No. 15-001 of the Federal Communications Commission.

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32. Contract Tariffs (Cont'd)

32.69 Contract Tariff Option 68 (Cont'd)

(M) Termination and Termination Liability (Cont'd) (N)

(2) (Cont'd)

(b) Termination During Plan Year 3:

(i) Customer shall receive Price Flex Base Credits and SPA DS1 Flat Rate Credits of zero dollars ($0) for Plan Year 3 (including, by way of example, that Customer must repay to the Telephone Company any Price Flex Base Credits and SPA DS1 Flat Rate Credits already received in that Plan Year);
(ii) Customer must return fifty percent (50%) of any Price Flex Base Credits and SPA DS1 Flat Rate Credits received for Plan Year 2;
(iii) Customer shall not receive any refunds or credits with respect to any Excessive DS1 Mileage Surcharges owed for any previous Quarters, but Customer shall not be responsible for any Excessive DS1 Mileage Surcharge with respect to the Quarter in which termination occurs.

Any termination liability payment owed by Customer under any of the preceding provisions shall be due and payable by Customer to the Telephone Company no later than sixty (60) days after the termination date.

(3) The Customer and the Telephone Company, by mutual written agreement in their sole discretion, may terminate this Option 68. Except as otherwise mutually agreed in writing by Customer and the Telephone Company: (i) any termination under this Section (M)(3) in Plan Year 1 shall be effective as of the Effective Date, and Customer shall not be eligible for any Billing Credits, including the One-Time DS1 Performance Credit, for Plan Year 1; (ii) if the termination under this Section (M)(3) is in Plan Years 2 through 3, such termination shall be effective as of the end of the Plan Year preceding the termination, and the Customer shall be entitled to all Billing Credits earned for the Plan Year preceding the termination, but shall not be eligible for any Billing Credits for any period of time after the end of such Plan Year; and (iii) regardless of the Plan Year in which the termination occurs, Customer shall not receive any refunds or credits with respect to any Excessive DS1 Mileage Surcharges owed for any previous Quarters, but Customer shall not be responsible for any Excessive DS1 Mileage Surcharge with respect to the Quarter in which termination occurs. (N)

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32. Contract Tariffs (Cont'd)

32.69 Contract Tariff Option 68 (Cont'd)

(N) Mergers and Acquisitions of Customer (N)

(1) In the event that after the Effective Date, Customer or its direct or indirect parent company merges with another company, acquires a company or a portion of the business of another company (including, by way of example, acquisition of any ACNAs other than those submitted with Customer's subscription to Option 68), becomes an Affiliate of another company, or is acquired in whole or in part by another company, the terms and conditions set forth in this Section (N) will apply in addition to all other terms and conditions set forth in this Option 68. Customer may not combine or include any DS1 Billed Revenues, DS1 Billed Units, DS1 Mileage, DS1 Units, Qualifying TDM Base Credit Revenues, or Qualifying Monthly Recurring Charges from the merged, acquiring, or acquired company, or from the assets of such merged, acquiring, or acquired company, for any purposes hereunder.

(2) Except where the Customer and the Telephone Company elect otherwise pursuant to Section (N)(3) following, Customer's DS1 Billed Revenues, DS1 Billed Units, DS1 Mileage, DS1 Units, Qualifying TDM Base Credit Revenues, and Qualifying Monthly Recurring Charges shall be calculated based on Customer's business and revenue with the Telephone Company using the ACNAs submitted with Customer's subscription to this Option 68, without adding any revenues, units, DS1 Mileage, and/or ACNAs attributable to expansion of Customer's purchase of any services from the Telephone Company through merger, transfer, assignment, or acquisition. If Customer violates the provisions of this Section (N)(2), then the Telephone Company may terminate Option 68 without liability upon written notice to Customer. (N)

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32. Contract Tariffs (Cont'd)

32.69 Contract Tariff Option 68 (Cont'd)

(N) Mergers and Acquisitions of Customer (Cont'd) (N)

(3) In lieu of excluding the acquired business, revenue, DS1 Mileage, units, and the like as described in Section (N)(2) preceding, the Customer and the Telephone Company, in order to reflect the impact of mergers, acquisitions, divestitures or other transactions described in Section (N)(1) preceding, may in their sole discretion mutually agree in writing to make proportionate adjustments to Customer's Baseline DS1 Average Mileage, the amounts and/or percentages set forth in Table 1 (Price Flex Base Credit Table) in Section (G) preceding, and/or the volume of DS1 Billed Units required for Customer to receive the Tier 1 or Tier 2 rates set forth in Table 2 (SPA DS1 Flat Rate Table) of Section (H) preceding. For the avoidance of any doubt, no revenue, units or DS1 Mileage of the acquired business shall be included in the calculation of the Price Flex Base Credit or SPA DS1 Flat Rate Credit for any period prior to the effective date to which the parties mutually agree in writing.

(4) Customer shall provide the Telephone Company written notice no later than twenty (20) business days after filing any request with the FCC for approval of a transaction that is the subject of Section (N)(1) and, to the extent provided in writing publicly by the date of such notice, shall include a good faith estimate of the expected close date so that Customer and the Telephone Company can assess and implement their associated rights and obligations under this Option 68. Once the transaction closes, Customer shall further notify the Telephone Company of such closing within thirty (30) days after such closing occurs. Under no circumstance shall this Section (N) require Customer to provide the Telephone Company written notice of mergers solely between Customer entities holding, as of the Effective Date, the ACNAs submitted with Customer's subscription to this Option 68, such as Customer's internal merging of legal entities. For the avoidance of any doubt, the above reference to notice following an FCC filing affects only the notice that Customer is required to provide under this Section (N)(4), and does not alter application of the substantive provisions set forth in Sections (N)(1) through (N)(3) (e.g., prohibition against including acquired business, revenue, units and the like as described in Sections (N)(1) and (N)(2)) to transactions that are not subject to an FCC filing. (N)

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32. Contract Tariffs (Cont'd)

32.69 Contract Tariff Option 68 (Cont'd)

(O) Sale of Telephone Company Telephone Operating Company (N)

(1) If some or all of the assets or stock of a Telephone Company Operating Telephone Company that provides DS1 Units are acquired by an unaffiliated third party during the Service Period, then effective with the closing of such transaction, the Telephone Company will make proportionate adjustments to Customer's DS1 Billed Revenues, DS1 Billed Units, DS1 Units, Qualifying TDM Base Credit Revenues, Qualifying Monthly Recurring Charges, or Baseline DS1 Average Mileage, the amounts and/or percentages set forth in Table 1 (Price Flex Base Credit Table) in Section (G) preceding, and/or the volume of DS1 Billed Units required for Customer to receive the Tier 1 or Tier 2 rates set forth in Table 2 (SPA DS1 Flat Rate Table) of Section (H) preceding. For the avoidance of any doubt, no such adjustments shall apply to any period prior to the effective date of the closing of such acquisition transaction.

(2) If the Telephone Company acquires another company (or portion thereof) that provides any services similar to DS1 Units, the Customer and the Telephone Company may mutually agree in writing to adjust any of the items described in Section (O)(1) preceding and DS1 Mileage on a proportionate basis to account for Customer's purchases from the acquired company (or portion thereof). For the avoidance of any doubt, no Customer purchases from the acquired company (or portion thereof) shall be included in DS1 Billed Revenues, DS1 Billed Units, DS1 Mileage, or Qualifying TDM Base Credit Revenues for any period prior to the effective date for such inclusion to which the Customer and the Telephone Company mutually agree in writing. (N)

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32. Contract Tariffs (Cont'd)

32.69 Contract Tariff Option 68 (Cont'd)

(P) Orders for Unbundled Network Elements (N)

(1) Customer, as a material condition of the Telephone Company's offering the Billing Credits described in this Option 68, agrees that during the Service Period it may not submit orders for any of the following unbundled network elements (UNEs) that the Telephone Company offers: (i) UNE DS1 loops; (ii) UNE DS1 dedicated transport; (iii) any combination of any of the foregoing UNEs (which combinations are sometimes referred to as **Enhanced Extended Loops** or **EELs** or (iv) any of the foregoing UNEs commingled with special access services or other services ((i), (ii), (iii) and (iv), collectively **Prohibited UNEs**). The foregoing prohibition includes both orders for new Prohibited UNEs as well as orders for the conversion of special access services to Prohibited UNEs (collectively, **Prohibited UNE Orders**).

(2) Accordingly, the Telephone Company and Customer agree that if either the Telephone Company or Customer discovers any Prohibited UNE Orders submitted during the Service Period, then such discovering party shall notify the other party and Customer, no later than sixty (60) days after either the Telephone Company's or Customer's provision of such notice, shall promptly request conversion of such Prohibited UNEs to a Special Access service. The Telephone Company shall reasonably assist in this effort. The rates applicable to the Special Access service to which a Prohibited UNE is converted shall apply retroactively for the full period during which the Prohibited UNE was billed at UNE rates. For the avoidance of any doubt, no Billing Credits or Excessive DS1 Mileage Surcharge for any past Quarters or Plan Years shall be recalculated as a result of any such conversions of Prohibited UNEs to Special Access services. If Customer fails to submit an order to convert a Prohibited UNE to a Special Access service (**Conversion Order**) within sixty (60) days after notifying the Telephone Company of a Prohibited UNE Order (or, in cases where the Telephone Company discovers a Prohibited UNE Order and notifies Customer, within sixty (60) days after the date on which the Telephone Company provides such notice), then, without limiting Customer's continuing obligation to submit such Conversion Order, the Telephone Company shall have the right (but not the obligation) to submit such Conversion Order on Customer's behalf and take such other steps as necessary to complete the conversion. For the avoidance of any doubt, Customer shall bear the sole responsibility for monitoring its internal ordering processes to ensure that no Prohibited UNE Orders are submitted during the Service Period. (N)

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32. Contract Tariffs (Cont'd)

32.70 Contract Tariff Option 69

(A) Scope (N)

Contract Tariff Option 69 (**Option 69**) provides certain Billing Credits, the Initial Credit, ETL Credits and TDM True-Up Credits (as defined in (B) following) on certain services.

(B) Definitions

The following terms are used in this Option 69:

(1) Alternative Tariff Arrangement shall mean collectively any contract tariff option or other tariff arrangement or option offered by the Telephone Company that provides a discount, credit, or other reduction in rates or terms with respect to any Qualifying Services, but shall not include the Commitment Discount Plan (CDP), National Discount Plan (NDP), Service Discount Plan (SDP), or Term Payment Plan (TPP), each as set forth in this tariff and in Tariff F.C.C. No. 1 (FCC1), or their substantial equivalent. (x)

(2) Billing Credits shall mean the applicable Billing Credits as described in Section (G) following.

(3) Billed DS1 Service Revenue shall mean the Qualifying Monthly Recurring Charges billed under one of the customer ACNAs provided to the Telephone Company under Section (C)(1) following for Special Access DS1 Service and which are paid by the customer.

(4) Billed DS3 CLF Service Revenue shall mean the Qualifying Monthly Recurring Charges billed under one of the customer ACNAs provided to the Telephone Company under Section (C)(1) following for Special Access DS3 CLF Service and which are paid by the customer.

(5) Billed DS3 CLS Service Revenue shall mean the Qualifying Monthly Recurring Charges billed under one of the customer ACNAs provided to the Telephone Company under Section (C)(1) following for Special Access DS3 CLS Service and which are paid by the customer.

(6) Billed Qualifying TDM Service Revenue shall mean the sum of Billed DS1 Service Revenue, Billed DS3 CLF Service Revenue and Billed DS3 CLS Service Revenue.

(7) Buy-Up Amount shall mean the applicable Buy-Up Amount as described in Section (O) following. (N)

(x) Issued under authority of Special Permission No. 15-004 of the Federal Communications Commission.

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32. Contract Tariffs (Cont'd)

32.70 Contract Tariff Option 69

(B) Specific Terms (Cont'd) (N)

(8) Channel Mileage Rate Elements shall mean the Special Access Per Mile Channel Mileage rate elements, as such rate elements are described in this tariff (Section 7.1.2(B)) and FCC1 (Section 7.1.2(B). (x) (x)

(9) Delayed Billing Grace Period shall mean the ninety (90) day period immediately following the end of each of the Plan Years.

(10) Delayed Billing Revenue shall mean customer identified amounts billed during Plan Year 2 or later for Qualifying TDM Services that, in the ordinary course of the Telephone Company's standard billing practice for the subject Qualifying TDM Services should have occurred during a preceding Plan Year.

(11) Delayed Billing Preceding Plan Year shall mean the Plan Year immediately preceding the Delayed Billing Grace Period.

(12) Disputed Charges shall mean Qualifying Monthly Recurring Charge amounts billed for any time period during the Service Period that are under dispute, regardless of whether the amounts have been paid in full by customer.

(13) DS1 Channel Mileage Rate Elements shall mean the Per Mile component of one of the following Universal Service Order Codes (USOCs): 1A5ZS, 1A8ZS, 1J53S, 1J54S, 1L5LS, 1L5XX, 1T58S; provided that such component has a Network Channel (NC) Code of HC (DS1) and is billed as one of the following Classes of Service (COSs): XDH1X, XZH1R, XZH18, XZH1H.

(14) Effective Date and the start of the Service Period shall be June 2, 2015, provided that the contract tariffs are deemed effective on or before June 2, 2015. The Telephone Company will provide information to customer in writing upon filing of such contract tariffs.

(15) Eligible LATAs shall mean LATAs 130, 132, 134, 136, 140 and 228.

(16) ETL Credits shall mean an amount equal to the total amount of Termination Liability charges applicable to customer for termination of any of its Existing Plans.

(17) Force Majeure Event shall mean any event beyond the reasonable control of the Telephone Company or the customer, whether reasonably foreseeable or not, including, by way of example, an act of God; fire; flood; shortages or unavailability of facilities, equipment, software, or other materials; lack of or delay in transportation; laws, rules, regulations or restrictions; war, acts of terrorism, civil disorder, strikes, or other labor disputes. Force Majeure Events shall include all force majeure events declared by the Telephone Company. (N)

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32. Contract Tariffs (Cont'd)

32.70 Contract Tariff Option 69

(B) Specific Terms (Cont'd) (N)

(18) Plan Year shall mean each of the following periods during the Service Period: (1) Plan Year 1 (PY1) shall commence on the Effective Date and end on December 31 2015; (2) Plan Year 2 (PY2) shall commence on January 1, 2016 and end on December 31, 2016; (3) Plan Year 3 (PY3) shall commence on January 1, 2017 and end on December 31, 2017.

(19) Qualifying Monthly Recurring Charges shall have the meaning as described in Section (F) following.

(20) Qualifying TDM Service shall mean Special Access DS1 Service, Special Access DS3 CLF Service and Special Access DS3 CLS Service.

(21) Qualifying TDM Services Annual Revenue Commitment shall mean the annual minimum required Billed Qualifying TDM Service Revenue and shall be equal to $7.6M for PY1, $13.0M for PY2, and $13.0M for PY3.

(22) Regulatory Change shall mean any legislative, regulatory, judicial, or other governmental decision, order, determination, complaint (whether formal or informal) or action or any change in applicable laws which affects any term of condition of this Option 69, or otherwise prohibits or interferes with the Telephone Company's ability to offer the Services, or prohibits or interferes with the Telephone Company's ability to perform its obligations under this Option 69. (N)

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32. Contract Tariffs (Cont'd)

32.70 Contract Tariff Option 69

(B) Specific Terms (Cont'd) (N)

(23) Regulatory Termination shall mean the termination or withdrawal of this Option 69 as a result of a Regulatory Change as defined in Section (B)(22) preceding.

(24) Service Period shall have the meaning set forth in Section (D) following.

(25) Special Access DS1 Service shall mean DS1 Service of 1.544 Mbps bandwidth, as described in this tariff (Section 7.2.9) and FCC1 (Section 7.2.9). (x) (x)

(26) Special Access DS3 CLF Service shall mean DS3 Service of 44.736 Mbps bandwidth, as described in this tariff (Section 7.2.9) and FCC1 (Section 7.2.9) which has a facilities formatted circuit identifier in accordance with the Common Language Circuit Identifier (CLCI) format administered by Telcordia (e.g., 967 T3Z PITBPADTHPE PITBPADTK18). (x)

(27) Special Access DS3 CLS Service shall mean DS3 Service of 44.736 Mbps bandwidth, as described in this tariff (Section 7.2.9) and FCC1 (Section 7.2.9) which has a serial number formatted circuit identifier in accordance with the Common Language Circuit Identifier (CLCI) format administered by Telcordia (e.g., 95.HFGS.634683..NE). (x)

(28) TDM True-Up Credits shall mean the applicable TDM True-Up Credits as described in Section (I) following.

(29) Initial Credit shall mean a credit of $120K as described in Section (G) following. (N)

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32. Contract Tariffs (Cont'd)

32.70 Contract Tariff Option 69

(C) Eligibility (N)

Customer must meet all of the criteria set forth in this Section (C) in order to be eligible to receive the rates, terms, and conditions under this Option 69. All references to amounts represented in dollars followed by the letter "M" shall refer to such number in millions (e.g., $10M shall mean $10,000,000.00), and all references to amounts represented in dollars followed by the letter "K" shall refer to such number in thousands (e.g., $10K shall mean $10,000.00).

(1) The customer must subscribe to Option 69 in a manner designated by the Telephone Company no later than fifteen (15) days following the Effective Date. Such subscription must include a list of the customer's access customer name abbreviations (**Customer ACNAs**) that the Telephone Company agrees to, in writing, for inclusion in this Option 69. Subscription to Option 69 shall be an automatic subscription to Option 69 of FCC 1. (x)

(2) As of the Effective Date, customer must:

(a) have been billed a minimum of $24.0M of Billed Qualifying TDM Service Revenue in calendar year 2014;
(b) be subscribed to the Commitment Discount Plan (this tariff and FCC1, Section 25.1) (collectively, Existing Plans); and (x)
(c) not have been required in connection with the most recent true-up to pay any shortfall payments or penalties as a result of a failure to maintain volume commitments, under any of the Existing Plans.

(3) The percentage of revenues included in Qualifying TDM Services billed to a subsidiary or affiliate of customer that is a provider of mobile wireless telecommunications services must be no more than fifty percent (50%).

(4) Except for the Existing Plans, customer may not be subscribed, either immediately prior to the Effective Date or any time during the Service Period, to any other contract tariff option contained in this tariff or FCC1. (x)

(5) Except for Existing Plans, customer may not concurrently subscribe to an Alternative Tariff Arrangement that provides discounts, credits or other reductions in rates or terms based on billed revenue. If customer subscribes to such an Alternative Tariff Arrangement, then customer shall not receive any Billing Credits, ETL Credits, Initial Credit, or TDM True-Up Credits under this Option 69, and such subscription shall be considered a termination by customer of this Option 69, subject to Section (N) following. (N)

(x) Issued under authority of Special Permission No. 15-004 of the Federal Communications Commission.

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32. Contract Tariffs (Cont'd)

32.70 Contract Tariff Option 69

(D) Service Period (N)

The Service Period of Option 69 shall commence on the Effective Date and end on December 31, 2017, unless this Option 69 is earlier terminated.

(E) Serving Area

The Discounted Mileage Rate, Billing Credits, ETL Credits, TDM True-up Credits, if applicable, will be provided only in the Metropolitan Statistical Areas (**MSAs**) that have achieved Phase I or Phase II pricing flexibility under the Telephone Company's tariffs in accordance with applicable laws. Wire centers for the Phase II MSAs are listed in Section 15.3 of this tariff and Section 14.7 of FCC 1. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in the Tariffs) that occur during the Service Period of this Option 69 will automatically apply. (x)

(F) Qualifying Monthly Recurring Charges

Subject to the exclusions set forth following, as well as other terms of this Option 69 (including Section (J), Disputes, following), **Qualifying Monthly Recurring Charges** include total monthly recurring charges (**MRCs**) billed to customer by the Telephone Company with respect to a particular Qualifying TDM Service for a particular Plan Year. Except as otherwise provided in Section (J), Disputes, Qualifying Monthly Recurring Charges shall include any Delayed Billing Revenue applicable to Qualifying TDM Service for a particular Plan Year. Qualifying Monthly Recurring Charges do not include any of the following (among other items that are not MRCs, the following list being illustrative only):

(1) Charges for special construction;
(2) Nonrecurring charges, surcharges, interest, late payment charges, and credits provided under this Option 69
(3) Fractional debit/credit amounts, adjustments or any other billings other than billed amounts that are applied on a recurring monthly basis for the applicable Plan Year of the Service Period;
(4) Taxes, fees, surcharges, charges or other tax-like amounts imposed by a federal, state, local, or other governmental entity (e.g., Federal Universal Service Fund);
(5) Service or administrative fees or charges (e.g., interest penalty, late payment penalty); (N)

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32. Contract Tariffs (Cont'd)

32.70 Contract Tariff Option 69

(F) Qualifying Monthly Recurring Charges (Cont'd) (N)

(6) Any other billed amount for which payment is being withheld or disputed by the customer; provided, however, that billed amounts that are disputed and paid shall be treated as set forth in Section (J), Disputes;

(7) Shortfall or overage charges associated with term plan true-ups (e.g., charges assessed for failure to satisfy commitment levels); and

(8) Any amounts associated with any service (or any portion of a service) that is not a Qualifying TDM Service.

(G) Annual Review Process: Billing Credits

Verizon shall determine for Billing Credits as follows:

(1) Plan Year 1

(a) Within sixty (60) days of the Effective Date of this Option 69, the Telephone Company will issue an Initial Credit for $120K (on a mutually agreed BAN).
(b) By April 1, 2016, the Telephone Company shall calculate the customer's Billed Qualifying TDM Service Revenue for Plan Year 1.
(c) If the customer's Billed Qualifying TDM Service Revenue is equal to or greater than $7.6M, the Telephone Company shall apply a Billing Credit of $30K to customer's Carrier Access Billing System (CABS) billing (on a mutually agreed BAN) by no later than one hundred twenty (120) days following the end of Plan Year 1.
(d) Subject to Section (N) following, if the customer's Billed Qualifying TDM Service Revenue is less than $7.6M for Plan Year 1, this Option 69 shall immediately terminate.

(2) Plan Year 2

(a) By April 1, 2017, the Telephone Company shall calculate the customer's Billed Qualifying TDM Service Revenue for Plan Year 2.
(b) If the customer's Billed Qualifying TDM Service Revenue is equal to or greater than $13.0M, the Telephone Company shall apply a Billing Credit of $100K to customer's CABS billing (on a mutually agreed BAN) by no later than one hundred twenty (120) days following the end of Plan Year 2.
(c) Subject to Section (N) following, if the customer's Billed Qualifying TDM Service Revenue is less than $13.0M for Plan Year 2, this Option 69 shall immediately terminate. (N)

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32. Contract Tariffs (Cont'd)

32.70 Contract Tariff Option 69

(G) Annual Review: Billing Credits (Cont'd) (N)

(3) Plan Year 3

(a) By April 1, 2018, the Telephone Company shall calculate the customer's Billed Qualifying TDM Service Revenue for Plan Year 3.
(b) If the customer's Billed Qualifying TDM Service Revenue is equal to or greater than $13.0M, the Telephone Company shall apply a Billing Credit of $100K to Customer's CABS billing (on a BAN to be designated by the customer) by no later than one hundred twenty (120) days following the end of Plan Year 3.
(c) Subject to Section (N) following, if the Customer's Billed Qualifying TDM Service Revenue is less than $13.0M this Option 69 shall be deemed to have terminated at the end of Plan Year 3.

(H) Force Majeure Adjustment

In the event (a) a Force Majeure Event occurs; (b) the Telephone Company ceases to offer or materially reduces the availability of a Qualifying TDM Service; or (c) installation intervals for Qualifying TDM Service are, for a period of time, on average, three times or more the length of the Telephone Company's standard installation interval for such Service, the Telephone Company and customer shall promptly meet and discuss in good faith, what, if any, "Revenue Credits" should be recognized to offset the impact of (a), (b), and (c) above, on customer. Such mutually agreed Revenue Credits, if any, shall be used as Billed Qualifying TDM Service Revenue solely for the purpose of determining whether customer has satisfied the Qualifying TDM Services Annual Revenue Commitment in the pertinent Plan Year as if they were Qualifying MRCs. In no event shall Revenue Credits be used to calculate Billing Credits in any Plan Year.

(I) TDM True-Up Credits

Provided that customer has satisfied all applicable eligibility requirements set forth in Section (C) preceding and has not terminated this Option 69, customer may qualify to receive TDM True-Up Credits as described in this Section (I).

(1) As a result of the calculations performed during the true-up process for Special Access DS1 Services, Special Access DS3 CLF Services, and Special Access DS3 CLS Services under customer's Existing Plans, the Telephone Company will determine whether the customer is subject to either a Shortfall Adjustment or Charge-Up Adjustment. (N)

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32. Contract Tariffs (Cont'd)

32.70 Contract Tariff Option 69

(I) TDM True-Up Credits (Cont'd) (N)

(2) If customer has not terminated Option 69 and is billed a Shortfall Adjustment or Charge-Up Adjustment (the "CDP Billing Adjustment") as a result of its true-up process for Special Access DS1 Services, Special Access DS3 CLF Services, and Special Access DS3 CLS Services under customer's Existing Plans, then the Telephone Company will determine the total amount of the CDP Billing Adjustment that the Telephone Company billed to customer for that same specific true-up period. The Telephone Company will issue a credit ("TDM True-Up Credit") in an amount equal to the CDP Billing Adjustment for that same specific true-up period.

(3) If customer has no CDP Billing Adjustment for a specific true-up period, then customer will not receive a TDM True-Up Credit for that specific true-up period.

(4) If customer receives a TDM True-Up Credit for a specific true-up period, customer may not thereafter dispute the CDP Billing Adjustment or any part thereof or receive a refund of the CDP Billing Adjustment or any part thereof. Once the Telephone Company issues a TDM True-Up Credit, neither the Telephone Company nor customer may later dispute the amount of such TDM True-Up Credit.

(J) Disputes

Notwithstanding any other provisions of this Option 69, the Telephone Company's calculation of the customer's Billed Qualifying TDM Service Revenue under this Option 69 shall be subject to the following additional requirements (as well as all other terms of this Option 69):

(1) The Telephone Company shall not include in the calculation of the customer's Billed Qualifying TDM Service Revenue any amounts which are unpaid and/or disputed by customer as of the ninetieth (90th) day following the applicable Plan Year.

(2) If any portion of an amount invoiced to customer under this Option 69 is subject to a good faith dispute between the parties, customer shall give written notice to the Telephone Company of the amounts it disputes ("Disputed Charges") through the Telephone Company dispute submission process and include in such notice the specific details and reasons for disputing each item. Customer shall pay on or before the due date all undisputed charges.

(3) If the Telephone Company denies a dispute submitted by customer, customer shall have thirty (30) days by which either to pay the Disputed Charges or escalate the dispute in accordance with the Telephone Company's dispute submission process. (N)

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32. Contract Tariffs (Cont'd)

32.70 Contract Tariff Option 69

(J) Disputes (Cont'd) (N)

(4) Charges due to the Telephone Company that are not paid on or before the due date shall be subject to a late payment charge as set forth in Section 2.4.1 preceding.

(5) If customer disputes, in good faith, Qualifying MRCs, but nonetheless pays such Qualifying MRCs, such payment shall constitute Billed Qualifying TDM Service Revenue when received by the Telephone Company for the limited purposes set forth in this Section (J)(5). Such disputed, but nonetheless paid, amounts shall be used solely for the purpose of determining whether customer has satisfied the Qualifying TDM Service Annual Revenue Commitment in the Plan Year in which such disputed amounts were paid. In no event shall such paid disputed amounts be used for the purposes of calculating Billing Credits until such time as the dispute is resolved in favor of the Telephone Company or withdrawn by customer. Such Billing Credit calculation shall occur in the Plan Year in which the dispute is resolved or withdrawn.

(6) Delayed Billing

(a) If, during a period of ninety (90) days after the end of an applicable Plan Year ("Delayed Billing Grace Period"), customer identifies amounts billed during that Delayed Billing Grace Period for Qualifying TDM Services that, in the ordinary course of the Telephone Company's standard billing practice for the subject Qualifying TDM Services, should have occurred during the immediately preceding Plan Year ("Delayed Billing Preceding Plan Year") of the Service Period, then customer, no later than the end of the Delayed Billing Grace Period, may request in writing that the Telephone Company treat such amounts as Billed Qualifying TDM Service Revenue for the Delayed Billing Preceding Plan Year. For the avoidance of any doubt, an amount may qualify for treatment as Delayed Billing Revenue as described in this Section (J)(6)(a) only if the amount would have qualified as Billed Qualifying TDM Service Revenue if it had been billed on a timely basis.

(b) The Telephone Company will verify customer's request and include in the Plan Year calculation of the Billed Qualifying TDM Service Revenue for the Delayed Billing Preceding Plan Year any amounts verified as meeting the definition of Delayed Billing Revenue. Any Delayed Billing Revenue used for purposes of calculating the Billed Qualifying TDM Service Revenue for Plan Year shall not be used for purposes of calculating the Plan Year Billed Qualifying TDM Service Revenue for any subsequent Plan Year, nor may it be used to reopen the Billing Credit calculation for any Plan Year prior to the Delayed Billing Preceding Plan Year. (N)

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32. Contract Tariffs (Cont'd)

32.70 Contract Tariff Option 69

(J) Disputes (Cont'd) (N)

(5) Delayed Billing (Cont'd)

(c) If customer wishes to have any Delayed Billing Revenue used for purposes of the Billed Qualifying TDM Service Revenue calculation under Section (G), customer must, within the Delayed Billing Grace Period during which the Delayed Billing Revenue was billed, submit a written request for inclusion of the Delayed Billing Revenue in the calculation of the Billed Qualifying TDM Service Revenue for the Delayed Billing Preceding Plan Year. Subject to Section (J)(5)(d) of this Option 69, if customer does not claim the Delayed Billing Revenue in a written request to the Telephone Company during the Delayed Billing Grace Period in which the Delayed Billing Revenue was billed, then the Delayed Billing Revenue will be used for purposes of calculating any Plan Year Billing Credit in the Plan Year it was billed.

(d) Notwithstanding the foregoing, if (1) during a Delayed Billing Grace Period, the Telephone Company bills an amount that could have been treated as Delayed Billing Revenue, (2) such amount would have qualified as Billed Qualifying TDM Service Revenue if it had been billed on a timely basis, and (3) Customer does not submit a written request for the amount to be treated as Delayed Billing Revenue prior to the end of the Delayed Billing Grace Period and the amount is not included as Delayed Billing Revenue for purposes of the Plan Year immediately preceding the Delayed Billing Grace Period, then the amount shall be included as Billed Qualifying TDM Service Revenue in the applicable Plan Year in which the Telephone Company issued the invoice in which the Telephone Company billed the amount in question. If Delayed Billing Revenue is billed after the Delayed Billing Grace Period, then the Delayed Billing Revenue will be used for purposes of calculating any Plan Year Billing Credit in the Plan Year it was billed.

(K) Remedial Billing Credits and Related Provisions

(1) In the event that (i) Customer disputes charges that it believes were improperly billed for Qualifying TDM Services, (ii) any such Disputed Charges were included as Billed Qualifying TDM Service Revenue for purposes of calculating a Billing Credit under this Option 69, and (iii) the Telephone Company resolves all or a portion of the dispute in favor of customer before the end of Plan Year 3, then any credit issued by the Telephone Company to remedy the dispute ("Remedial Billing Credit") prior to the end of Plan Year 3 shall be included as an offset to Billed Qualifying TDM Service Revenue for the purposes of calculating the Billing Credit for the Plan Year in which such Remedial Billing Credit is issued by the Telephone Company. (N)

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32. Contract Tariffs (Cont'd)

32.70 Contract Tariff Option 69

(K) Remedial Billing Credits and Related Provisions (Cont'd) (N)

(2) In the event that (i) Customer disputes charges that it believes were improperly billed for Qualifying TDM Services, (ii) any such Disputed Charges were included as Billed Qualifying TDM Service Revenue for purposes of calculating a Billing Credit under this Option 69, and (iii) the Telephone Company resolves all or a portion of the dispute in favor of customer after the end of Plan Year 3, then any Remedial Billing Credit issued by the Telephone Company to remedy the dispute after the end of Plan Year 3 shall be included as an offset to Billed Qualifying TDM Service Revenue for Plan Year 3 for a final revenue adjustment. To the extent such final revenue adjustment produces a change in the Billing Credit, then (i) if the Telephone Company has not yet issued a Billing Credit for the last Plan Year of Option 69, then the Telephone Company shall take account of the final revenue adjustment for purposes of the Billing Credit for Plan Year 3, and (ii) if the Telephone Company has already issued the Billing Credit for Plan Year 3, then the Telephone Company will issue an adjustment in an amount necessary to reflect recalculation of the Billing Credit for Plan Year 3 to take account of the final revenue adjustment; provided, however, that adjustments shall only be permitted for one (1) year following the end of Plan Year 3.

(3) Once a Billing Credit is issued by the Telephone Company, customer may not thereafter dispute such Billing Credit regardless of the outcome of any Disputed Charges; provided, however, that, for the avoidance of any doubt, the foregoing prohibition against disputes by customer shall not be deemed (i) to preclude any adjustments by the Telephone Company to take account of Remedial Billing Credits as described in Section (K)(1) and (2) or (ii) to preclude customer from disputing the amount of a Billing Credit in any case where the Telephone Company applies a Billing Credit that does not match the mutually agreed upon amount of the Billing Credit. The Telephone Company will not issue any Billing Credit until the applicable Billing Credit amount is agreed to by customer. The Telephone Company and the customer will work in good faith to resolve any disputes regarding the Billing Credit.

(4) In no event shall the Telephone Company be subject to any late payment, interest or penalty with respect to any Billing Credit. (N)

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32. Contract Tariffs (Cont'd)

32.70 Contract Tariff Option 69

(L) Mergers and Acquisitions of Customer (N)

If, after the Effective Date, customer merges with another company, acquires a company or a portion of the business of another company (including, but not limited to, any ACNA(s) not provided to the Telephone Company under Section (C)(1) preceding) (the company with which customer merges and the company or portion of the business thereof that customer acquires (including, but not limited to, an ACNA(s) not provided to the Telephone Company under Section (C)(1) preceding) may be referred to collectively as the "**Customer Acquired Properties**" and such merger or acquisition may be referred to in either case as an "**Acquisition**"), and the Telephone Company provides any Qualifying TDM Services in connection with such Customer Acquired Properties, then Customer Acquired Properties shall not be included in calculations associated with the Billing Credits or TDM True-Up Credits in this Option 69.

(M) Sale of Verizon Operating Telephone Company

If some or all of the assets or stock of a Verizon Operating Telephone Company that provides Qualifying TDM Services are acquired by an unaffiliated third party during the Service Period, effective with the closing of such transaction, Verizon will proportionally adjust the Qualifying TDM Services Annual Revenue Commitment.

Illustrative Example:
Assume the following information for Plan Year 2:

(a) The Qualifying TDM Services Annual Revenue Commitment is $13.0M;
(b) The Telephone Company sells Verizon New York to a third-party at the end of month 8 of Plan Year 2;
(c) During the three month period prior to the sale, Verizon New York accounted for $300K in Billed Qualifying TDM Service Revenue.

Based on the above assumptions:

(a) The average monthly Billed Qualifying TDM Service Revenue for Verizon New York is $100K ($300K / 3);
(b) There are four (4) months remaining in Plan Year 2 (12 months – 8 months);
(c) The Plan Year 2 Qualifying TDM Services Annual Revenue Commitment would be reduced by $400K ($100K * 4);
(d) The adjusted Qualifying TDM Services Annual Revenue Commitment for Plan Year 2 is $12.6M ($13.0M - $400K);
(e) The Qualifying TDM Services Annual Revenue Commitment for the Plan Year 3 will be reduced by the $1.2M ($100K x 12) resulting in a revised Qualifying TDM Services Annual Revenue Commitment of $11.8M ($13.0M - $1.2M). (N)

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32. Contract Tariffs (Cont'd)

32.70 Contract Tariff Option 69

(N) Termination of Option 69 (N)

(1) Subject to the terms set forth in this Section (N), customer may terminate this Option 69 at any time during the Service Period. Customer must provide written notice of termination at least ninety (90) days prior to the requested date of termination. Termination of less than all of the Contract Tariffs (i.e., terminations of the contract option under this tariff or FCC1 only) shall be deemed to be an automatic termination of all Contract Tariffs. If customer terminates or cancels this Option 69 at any time during the Service Period for any reason other than by Regulatory Termination (as defined in Section (B) preceding) or a default by the Telephone Company, or if customer breaches the terms or conditions of this Option 69 and fails to cure such breach within thirty (30) days' written notice, then customer shall pay to the Telephone Company by no later than thirty (30) days after such date of termination or breach an amount equal to the percentage of the Billing Credits, Initial Credit, ETL Credits, and TDM True-Up Credit issued to Customer for the prior Plan Year as indicated following: (x)

Month of Termination/Breach	Termination Percentage
0-12	100% of Initial Credit
13-24	60% of Billing Credits and Initial Credit
25-36	40% of Billing Credits

(2) Customer will not receive any Billing Credits and the Discounted Mileage Rate will not apply to new circuits ordered by customer after the effective date of the termination of Option 69.

(3) The parties, by mutual written agreement, may terminate this Option 69 at any time. Any termination under this Section (N)(3) shall be effective as agreed in writing by customer and the Telephone Company, and customer shall not be eligible for any Billing Credits, ETL Credits, or TDM True-Up Credits for any Plan Year after the effective date of such termination.

(4) In the event that Option 69 is terminated (i) by the Telephone Company or customer as a result of a Regulatory Change; (ii) by the Telephone Company or customer because the parties fail to mutually agree to a provision to replace an illegal, invalid or otherwise prohibited provision; or (iii) by customer as a result of a default by the Telephone Company, customer may, at its option, elect to terminate the Existing Plans prior to the effective date of the termination of Option 69, in which event, customer shall be eligible for ETL Credits. If customer does not so elect prior to the effective date, customer shall not be eligible for any ETL Credits. (N)

(x) Issued under authority of Special Permission No. 15-004 of the Federal Communications Commission.

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32. Contract Tariffs (Cont'd)

32.70 Contract Tariff Option 69

(N) Termination of Option 69 (Cont'd) (N)

(5) Upon the earlier of the expiration of the Service Period or termination of Option 69, all benefits provided to customer hereunder shall cease to apply, except that any circuit that was established prior to, and is eligible for the Discounted Mileage Rate, upon expiration of the Service Period or termination of Option 69, shall remain eligible for the Discounted Mileage Rate so long as that circuit remains in service, and so long as such circuit is not subject to an Alternative Tariff Arrangement.

(O) Buy-Up Amount

(1) In the event that the customer's Billed Qualifying TDM Service Revenue during any Plan Year falls short of the customer's Qualifying TDM Services Annual Revenue Commitment, the customer may, subject to the limitation set forth in Section (O)(2) following, pay an amount equal to the amount by which the customer's Billed Qualifying TDM Service Revenue fell short of the Customer's Qualifying TDM Services Annual Revenue Commitment (the "Buy-Up Amount"). In the event that the customer pays a Buy-Up Amount within sixty (60) days after (i) the close of such Plan Year or (ii) the date of the Telephone Company's notice to customer of the Buy-Up Amount of such Plan Year, whichever is later, it will be deemed to have met the customer's Qualifying TDM Services Annual Revenue Commitment for such Plan Year. In the event that the customer does not pay the Buy-Up Amount within sixty (60) days after (i) the close of such Plan Year or (ii) the date of the Telephone Company's notice to customer of the Buy-Up Amount of such Plan Year, whichever is later, this Option 69 shall immediately terminate.

(2) The customer shall not be eligible to pay a Buy-Up Amount if the amount of the customer's Billed Qualifying TDM Service Revenue fell short of the customer's Qualifying TDM Services Annual Revenue Commitment by more than $1M.

(P) Discounted Mileage Rate

The Telephone Company will charge a discounted rate for DS1 Per Mile Channel Mileage rate elements ordered by customer in an Eligible LATA (the "**Discounted Mileage Rate**"). The Discounted Mileage Rate will be five and 00/100 Dollars ($5.00) per mile for DS1 Channel Mileage rate elements. The fixed component of Channel Mileage will not be discounted and will continue to apply at standard tariffed rates (including such discounts as may be applicable if customer is subject to a tariffed discount plan as may be permitted by Option 69). The Discounted Mileage Rate will apply for the full life of any circuit ordered prior to termination of Option 69. The Discounted Mileage Rate will apply in lieu of all other discounts, and will not be subject to any further discounts under this Option 69 or the tariff. (N)

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32. Contract Tariffs (Cont'd)

32.71 Contract Tariff Option 70

(A) Scope (N)

Contract Tariff Option 70 (**Option 70**) provides Billing Credits on certain services.

(B) Specific Terms

Unless otherwise defined in this Section 32.71, the following terms are used in this Option 70:

(1) Alternative Tariff Arrangement shall mean collectively any other generally available tariff arrangement, contract tariff option, specialized service or arrangement, or Individual Case Basis ("ICB") tariff arrangement offered by the Telephone Company and available to Customer pursuant to this tariff, Tariff FCC No. 1 (FCC1), Tariff FCC No. 14 (FCC14) with respect to any of the Services covered by this Option 70. (x) (x)

(2) Billed DS1 Service Revenue shall mean the Qualifying Monthly Recurring Charges (as defined in Section (F) following) billed under one of the customer ACNAs provided under Section (C)(1) following for Special Access DS1 Service and which are paid by the Customer.

(3) Billed DS3 CLF Service Revenue shall mean the Qualifying Monthly Recurring Charges (as defined in Section (F) following) billed under one of the customer ACNAs provided under Section (C)(1) following for Special Access DS3 CLF Service and which are paid by the Customer.

(4) Billed DS3 CLS Service Revenue shall mean the Qualifying Monthly Recurring Charges (as defined in Section (F) following) billed under one of the customer ACNAs provided under Section (C)(1) following for Special Access DS3 CLS Service and which are paid by the Customer.

(5) Billed Qualifying TDM Service Revenue shall mean the sum of Billed DS1 Service Revenue, Billed DS3 CLF Service Revenue and Billed DS3 CLS Service Revenue.

(6) Billing Credits shall mean the applicable TDM Shortfall Credits as described in Section (I) following.

(7) Disputed Amounts shall mean Qualifying Monthly Recurring Charge amounts billed for any time period during the Service Period that are under dispute, regardless of whether the amounts have been paid in full by Customer. (N)

(x) Issued under authority of Special Permission No. 15-013 of the Federal Communications Commission.

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32. Contract Tariffs (Cont'd)

32.71 Contract Tariff Option 70 (Cont'd)

(B) Specific Terms (Cont'd) (N)

(8) DS1 Equivalent Circuit shall mean Equivalent DS1 Channel Termination as defined in Section 25.2.4 of this tariff, FCC1 (Section 25.3.4(a)), FCC14 (Section 23.1.4) and FCC16 (Section 22.1.4). (x) (x) (x)

(9) Effective Date and the start of the Service Period shall be the first day following the date that the contract tariffs are deemed effective. The Telephone Company will inform the customer in writing upon filing of such contract tariffs.

(10) Groom(s) shall mean a change in the connecting facility assignment ("CFA") or termination point of a DS3 Service, and shall include, without limitation, any of the following types of moves, rearrangements, re-terminations, and disconnection and subsequent reconnection, to the DS3 Service: (i) a change in the CFA or termination point within a single Telephone Company wire center; (ii) a change in the CFA or termination point from one Telephone Company wire center to CFA in another Telephone Company wire center (CFA can be a Telephone Company provided facility or a collocation).

(11) Initial DS1 Equivalent Circuit Quantity shall mean the number of DS1 Equivalent Circuits that the Customer had in service as of February 28, 2015.

(12) Plan Year shall mean each of the following periods during the Service Period: (1) Plan Year 1 shall commence on the Effective Date and end on the date that is one day prior to the first anniversary of the Effective Date; (2) Plan Year 2 shall commence on the date that is the first anniversary of the Effective Date and end on the date that is one day prior to the second anniversary of the Effective Date; (3) Plan Year 3 shall commence on the date that is the second anniversary of the Effective Date and end on the date that is one day prior to the third anniversary of the Effective Date.

(13) Qualifying Monthly Recurring Charges shall have the meaning as described in Section (F) following.

(14) Qualifying TDM Service shall mean Special Access DS1 Service, Special Access DS3 CLF Service and Special Access DS3 CLS Service. (N)

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32. Contract Tariffs (Cont'd)

32.71 Contract Tariff Option 70 (Cont'd)

(B) Specific Terms (Cont'd) (N)

(15) Qualifying TDM Services Annual Revenue Commitment shall mean the annual minimum required Billed Qualifying TDM Service Revenue for each Plan Year during the Service Period, and shall be equal to the aggregate amount of Qualifying Monthly Recurring Charges the Customer was billed for the Qualifying TDM Services during the twelve (12) month period commencing on January 1, 2014 and ending on December 31, 2014.

(16) Service Plan Requirements shall mean the three (3) requirements (i.e., the Minimum Annual Revenue Commitment, the Minimum Average DS1 Equivalent Circuit Quantity and Grooms Limitations) set forth in Section (G) following.

(17) Service Period shall have the meaning set forth in Section (D) following.

(18) Special Access DS1 Service shall mean DS1 Service of 1.544 Mbps bandwidth, as described in this tariff (Section 7.2.9), FCC1 (Section 7.2.9), FCC14 (Section 5.3.6) and FCC16 (Section 7.11.1). (x) (x) (x)

(19) Special Access DS3 CLF Service shall mean DS3 Service of 44.736 Mbps bandwidth, as described in this tariff (Section 7.2.9), FCC1 (Section 7.2.9), FCC14 (Section 5.3.6), and FCC16 (Section 7.11.1) which has a facilities formatted circuit identifier in accordance with the Common Language Circuit Identifier (CLCI) format administered by Telcordia (e.g., 968 T3Z PITBPADTHPE PITBPABTK18). (x) (x) (x)

(20) Special Access DS3 CLS Service shall mean DS3 Service of 44.736 Mbps bandwidth, as described in this tariff (Section 7.2.9), FCC1 (Section 7.2.9), FCC14 (Section 5.3.6), and FCC16 (Section 7.11.1) which has a serial number formatted circuit identifier in accordance with the Common Language Circuit Identifier (CLCI) format administered by Telcordia (e.g., 94.HFGS.634783..NE). (x) (x) (x)

(21) TDM Shortfall Credit Threshold shall mean seventy-five percent (75%) of Customer's total Initial DS1 Equivalent Circuit Quantity. (N)

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32. Contract Tariffs (Cont'd)

32.71 Contract Tariff Option 70 (Cont'd)

(C) Eligibility for Benefits (N)

Customer must meet all of the following criteria in order to be eligible for Option 70. In this Option 70, all references to amounts represented in dollars followed by the letter "M" shall refer to such number in millions (e.g., $1M shall mean $1,000,000), and all references to amounts represented in dollars followed by the letter "K" shall refer to such number in thousands (e.g., $10K shall mean $10,000.00).

(1) The customer must subscribe to Option 70 in a manner designated by the Telephone Company no later than fifteen (15) days following the Effective Date. Such subscription must include a list of the customer's access customer name abbreviations (**Customer ACNAs**) that the Telephone Company agrees to, in writing, for inclusion in this Option 70. Subscription to Option 70 shall be an automatic subscription to Option 70 of FCC 1 and (x)
Option 38 of FCC 14. (x)

(2) As of the Effective Date, customer must:

(a) During the twelve (12) month period commencing on January 1, 2014 and ending on December 31, 2014, Customer must have purchased from the Telephone Company a minimum of $6M in aggregate Billed Qualifying TDM Service Revenue;

(b) be subscribed to the National Discount Plan at the Deluxe Commitment Level as defined in this tariff (Section 25.2), FCC1 (x)
(Section 25.3), FCC14 (Section 23.1) and FCC16 (Section 22.1) (x)
("Existing Plan"); and

(c) have been subscribed to the Existing Plan for at least the twelve (12) months immediately prior to the Effective Date.

(3) Except for the Existing Plan, customer may not concurrently subscribe to an Alternative Tariff Arrangement which provides discounts, credits or other reductions in rates or terms based upon the achievement of total billed revenue. If customer wishes to subscribe to such an Alternative Tariff Arrangement, then customer shall not be eligible to receive any Billing Credits under this Option 70, and such subscription shall be considered a termination by customer of this Option 70, subject to Section (L) following. (N)

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32. Contract Tariffs (Cont'd)

32.71 Contract Tariff Option 70 (Cont'd)

(D) Service Period (N)

The Service Period of Option 70 shall be the period commencing on the Effective Date and ending on the date that is one day prior to the third anniversary of the Effective Date, unless this Option 70 is earlier terminated.

(E) Serving Area

The Billing Credits (if applicable) will be provided only in the Metropolitan Statistical Areas (**MSAs**) that have achieved Phase I or Phase II pricing flexibility under the Telephone Company's tariffs in accordance with applicable law. Wire centers for the Phase II MSAs are listed in Section 15.3 of this tariff, Section 14.7 of FCC 1, and Section 19.1 of FCC 14. Any additions of, or changes to, (x)
the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in the Tariffs) that occur during the Service Period of this Option 70 will apply. For the avoidance of doubt, no Billing Credits will be provided in the operating territories of FCC 16. (x)

(F) Qualifying Monthly Recurring Charges

Subject to the exclusions set forth following, as well as other terms of this Option 70 (including, by way of example, Section (L), Disputes, following), **Qualifying Monthly Recurring Charges** include total monthly recurring charges (**MRCs**) billed to Customer with respect to a particular Qualifying TDM Service for a particular Plan Year. Qualifying Monthly Recurring Charges do not include any of the following (among other items that are not MRCs, the following list being illustrative only):

(1) Charges for special construction;
(2) Nonrecurring charges, surcharges, interest, late payment charges, credits (including any credits provided under this Option 70), fractional debit/credit amounts, adjustments or any other billings other than billed amounts that are applied on a recurring monthly basis for the applicable Plan Year of the Service Period;
(3) Taxes, fees, surcharges, charges or other tax-like amounts imposed by a federal, state, local, or other governmental entity (e.g., Federal Universal Service Fund);
(4) Service or administrative fees or charges (e.g., interest penalty, late payment penalty); (N)

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32. Contract Tariffs (Cont'd)

32.71 Contract Tariff Option 70 (Cont'd)

(F) Qualifying Monthly Recurring Charges (Cont'd) (N)

(5) Any other billed amount for which payment is being withheld or under dispute by the customer or that is otherwise a Disputed Amount; provided, however, that if an amount would have been included in Qualifying Monthly Recurring Charges but for the fact that it was disputed, and if such dispute is then resolved in favor of the Telephone Company, then the amount paid by the customer as a result of such resolution shall be included in Qualifying Monthly Recurring Charges in the month in which the customer pays such amount;

(6) Shortfall or overage charges associated with term plan true-ups (e.g., charges assessed for failure to satisfy commitment levels); and

(7) Any amounts associated with any service (or any portion of a service) that is not a Qualifying TDM Service.

(G) Service Plan Requirements

(1) Customer must satisfy each of the three (3) following Service Plan Requirements during each of the Plan Years during the Service Period to continue to be eligible for the terms and conditions of this Option 70 for each Plan Year.

(a) Qualifying Minimum Annual Service Revenue Commitment. Customer must for each Plan Year meet or exceed the Qualifying Minimum Annual Revenue Commitment, which is an amount equal to the aggregate amount of Qualifying Monthly Recurring Charges the Customer was billed for the Qualifying Services during the twelve (12) month period commencing on January 1, 2014 and ending on December 31, 2014.

(b) Minimum Average DS1 Equivalent Circuit Quantity

(i) Each Plan Year during the Term Customer must meet or exceed the "Minimum Average DS1 Equivalent Circuit Quantity" (as defined in the following sentence) for that Plan Year. The Telephone Company will calculate the Minimum Average DS1 Equivalent Circuit Quantity by taking the number of DS1 Equivalent Circuits Customer has in service as of the first day of the subject Plan Year and multiplying that number by 92%. The Telephone Company will then calculate the actual average DS1 Equivalent Circuit quantity for that Plan Year by adding the number of DS1 Equivalent Circuits in service at the end of each month during the twelve (12) month period of that Plan Year and dividing that total by twelve (12) (the "Actual Average DS1 Equivalent Circuit Quantity" for that Plan Year). The Actual Average DS1 Circuit Quantity for the subject Plan Year must meet or exceed the Minimum Average DS1 Equivalent Circuit Quantity for that Plan Year. (N)

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32. Contract Tariffs (Cont'd)

32.71 Contract Tariff Option 70 (Cont'd)

(G) Service Plan Requirements (Cont'd) (N)

(1) (Cont'd)

(b) (Cont'd)

(ii) Example 1: Customer has 2,500 DS1 Equivalent Circuits in service at the beginning of Plan Year 1. The Minimum Average DS1 Equivalent Circuit Quantity for Plan Year 1 is 2,300 DS1 Equivalent Circuits (2,500 x 0.92). During Plan Year 1 Customer's Actual Average DS1 Equivalent Circuit Quantity is 2,400. Accordingly, Customer under this example would have exceeded the Minimum Average DS1 Equivalent Circuit Quantity for Plan Year 1.

(iii) Example 2: Customer has 2,400 DS1 Equivalent Circuits in service at the beginning of Plan Year 2. The Minimum Average DS1 Equivalent Circuit Quantity for Plan Year 2 is 2,208 DS1 Equivalent Circuits (2,400 x 0.92). During Plan Year 2 Customer's Actual Average DS1 Equivalent Circuit Quantity is 2,150. Accordingly, Customer under this example would not have met the Minimum Average DS1 Equivalent Circuit Quantity for Plan Year 2.

(c) Grooms Limitation

During each Plan Year, subject to the exceptions listed below, Customer may not order more than twelve (12) Grooms of Special Access CLF DS3 Services per Plan Year ("Maximum Annual Grooms"). The following types of Grooms shall not be included in the Maximum Annual Grooms and shall be performed by the Telephone Company in accordance with its normal business practices:

(i) Any Groom initiated by the Telephone Company and not requested by Customer;
(ii) Any Grooms where a DS3 Service rides a Telephone Company optical service provided to Customer, which optical service terminates at or, originates from, a Customer Point-of-Presence (PoP);
(iii) A disconnection of a multiplexed DS3 Service that does not (at the time of the Groom) have any DS1 riders on such DS3 Service; and
(iv) Any other Grooms that the Parties mutually agree in writing to not include in the count of Maximum Annual Grooms, which may include Grooms associated with the elimination or decommissioning of a Customer POP. (N)

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32. Contract Tariffs (Cont'd)

32.71 Contract Tariff Option 70 (Cont'd)

(H) Annual Review (N)

(1) Within ninety (90) days of the end of each Plan Year, the Telephone Company shall determine whether customer has met or exceeded the Service Plan Requirements set forth in Section (G) preceding, i.e., the Minimum Annual Revenue Commitment, the Minimum Average DS1 Equivalent Circuit Quantity and Grooms Limitations.

(2) Notwithstanding any other provisions of this Option 70, the Telephone Company's calculation of the customer's Billed Qualifying TDM Service Revenue under this Option 70 shall not include any amounts which are unpaid and/or disputed by Customer as of the forty-fifth (45th) day following end of the applicable Plan Year.

(3) If customer has satisfied each of the Service Plan Requirements for a given Plan Year, then subject to the terms of this Option 70, customer shall remain in Option 70 for the following Plan Year (subject to this Option 70 terminating by its terms at the end of Plan Year 3).

(4) If the customer does not satisfy the Service Plan Requirements, then the Telephone Company may terminate Option 70 in accordance with Section (L) following. (N)

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32. Contract Tariffs (Cont'd)
32.71 Contract Tariff Option 70 (Cont'd)

(I) TDM Shortfall Credit (N)

Provided that customer has satisfied all applicable eligibility requirements and subject to all other applicable terms set forth in this Option 70, at the end of each Plan Year of the Service Period, customer shall qualify to receive a TDM Shortfall Credit as described in this Section (I).

(1) After the end of each Plan Year, the Telephone Company will determine whether, for each month during the subject Plan Year, customer achieved the TDM Shortfall Credit Threshold.

(2) If, for a given Plan Year, customer has met the TDM Shortfall Credit Threshold with respect to each month of that Plan Year, then the Telephone Company will determine the total amount that customer, during that just-completed Plan Year, paid to the Telephone Company in the form of shortfall payments for Special Access DS1 and DS3 Services under customer's Existing Plan pursuant to this tariff (Section 25.2), FCC1 (Section 25.3), (x)
FCC14 (Section 23.1, and FCC16 (Section 22.1) (the "Total Annual (x)
Shortfall Payment"), and the Telephone Company will issue a credit ("TDM Shortfall Credit") in an amount equal to the Total Annual Shortfall Payment that customer paid to the Telephone Company during that just-completed Plan Year. For example, if the customer met the TDM Shortfall Credit Threshold with respect to each month of Plan Year 2, and the customer incurred and paid to the Telephone Company a shortfall payment for Special Access DS1 and DS3 Services with respect to the "Plan Year" under customer's Existing Plan that ended on January 31 of Plan Year 2, then the Telephone Company will issue a TDM Shortfall Credit in an amount equal to the Total Annual Shortfall Payment that customer paid to the Telephone Company with respect to the "Plan Year" under customer's Existing Plan that ended on January 31 of Plan Year 2.

(3) If customer did not meet the TDM Shortfall Credit Threshold with respect to each month of a given Plan Year, or did not pay any NDP shortfall payments to the Telephone Company during that Plan Year as described in Section (I)(2) preceding, then customer will not receive a TDM Shortfall Credit for that Plan Year.

(4) If customer receives a TDM Shortfall Credit for a given Plan Year, customer may not thereafter dispute or receive a refund of any shortfall payments that were paid during the Plan Year for which customer received a TDM Shortfall Credit. Once the Telephone Company issues a TDM Shortfall Credit, customer may not later dispute the amount of such credit. (N)

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32. Contract Tariffs (Cont'd)

32.71 Contract Tariff Option 70 (Cont'd)

(J) Mergers and Acquisitions of Customer (N)

If, after the Effective Date, customer merges with another company, acquires a company or a portion of the business of another company (including, by way of example, acquisition of any ACNAs other than those submitted with customer's subscription to Option 70), the company with which customer merges and the company or portion of the business thereof that customer acquires (including, by way of example, acquisition of any ACNAs other than those submitted with customer's subscription to Option 70) may be referred to collectively as the "Customer Acquired Properties", and such merger or acquisition may be referred to in either case as an "Acquisition", and the Telephone Company provides any Qualifying TDM Services in connection with such Customer Acquired Properties, then such Customer Acquired Properties shall not be included in calculations associated with the Service Plan Requirements or the TDM Shortfall Credit Threshold in this Option 70.

(K) Sale of Verizon Operating Telephone Company

If some or all of the assets or stock of a Verizon Operating Telephone Company that provides Qualifying TDM Services are acquired by an unaffiliated third party during the Service Period, effective with the closing of such transaction, the Telephone Company will proportionally adjust the Qualifying TDM Services Annual Revenue Commitment.

Illustrative Example:

Assume the following information for Plan Year 2:

(1) The Qualifying TDM Services Annual Revenue Commitment is $5.9M

(2) The Telephone Company sells Verizon New York to a third-party at the end of month 8 of Plan Year 2;

(3) During the three month period prior to the sale, Verizon New York accounted for $900K in Billed Qualifying TDM Service Revenue. (N)

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32. Contract Tariffs (Cont'd)

32.71 Contract Tariff Option 70 (Cont'd)

(K) Sale of Verizon Operating Telephone Company (Cont'd) (N)

Based on the above assumptions:

(1) The average monthly Billed Qualifying TDM Service Revenue for Verizon New York is $300K ($900K / 3)

(2) There are four (4) months remaining in Plan Year 2 (12 months – 8 months)

(3) The Plan Year 2 Qualifying TDM Services Annual Revenue Commitment would be reduced by $1.2M ($300K * 4)

(4) The adjusted Qualifying TDM Services Annual Revenue Commitment for Plan Year 2 is $4.7M ($5.9.0M - $1.2M)

(5) The Qualifying TDM Services Annual Revenue Commitment for the Plan Year 3 will be reduced by the $3.6M ($300K x 12) resulting in a revised Qualifying TDM Services Annual Revenue Commitment of $2.3M ($5.9M - $3.6M)

(L) Termination of Option 70

If Customer fails to satisfy any of the Service Plan Requirements set forth in this Option 70 as determined by the Telephone Company in its sole discretion at the conclusion of an Annual Review conducted in accordance with Section (H) preceding, then the Telephone Company may immediately terminate this Option 70. The Telephone Company shall provide notice of its termination intent to terminate Option 70 within one hundred twenty (120) calendar days after the end of the applicable Plan Year. In the event of termination of Option 70 under this Section (L)(1), customer shall not be eligible to receive the TDM Shortfall Credit for the Plan Year in which Option 70 is terminated (e.g., if in Plan Year 2 customer fails to satisfy any of the Service Plan Requirements and the Telephone Company accordingly provides notice of termination under (L), then customer shall not receive any TDM Shortfall Credit for Plan Year 2 nor for Plan Year 3).

(1) Termination of Option 70 shall be deemed to be an automatic termination of Option 70 of FCC1 and Option 38 of FCC14. (x)

(2) The benefits of Option 70 shall cease to apply upon its termination. (N)

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32. Contract Tariffs (Cont'd)

32.72 Contract Tariff Option 71

(A) Scope (N)

Contract Tariff Option 71 (**Option 71**) provides discounts, to be effected by the issuance of Quarterly Credits (as defined in Section (G) following) on certain services offered by the Telephone Company pursuant to its tariffs. In consideration for such discounts and credits, Customer agrees to abide by the requirements set forth in this Option 71. 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).

(B) Definitions

The following terms are used in this Option 71:

(1) **BANs** shall mean Billing Account Numbers of Customer.

(2) **Billed Qualifying Service Revenue** has the meaning set forth in Section (E)(2) following (subject to the exclusions set forth in Section (E)(3) following).

(3) **Disputed Amount** shall mean any amount (or portion thereof) billed by the Telephone Company and disputed and/or not paid when due by Customer.

(4) **Grooms** shall mean a change in the connecting facility assignment (**CFA**) or termination point of a DS1 Service or a DS3 Service, and shall include, by way of example, any of the following types of moves, rearrangements, re-terminations, and disconnection and subsequent reconnection, to the DS1 Service or DS3 Service: (i) a change in the CFA or termination point within a single Telephone Company wire center; (ii) a change in the CFA or termination point from one Telephone Company wire center to CFA in another Telephone Company wire center (CFA can be a Telephone Company provided facility or a collocation). Solely for the purposes of defining the term Groom(s) and using such term in Section (H) following: **DS1 Service** as used above includes (in addition to the services captured by the definitions of **DS1 Service** and **DS3 Service** set forth in Qualifying SPA Services following) Switched Transport DS1 Service as described in The Verizon Telephone Companies FCC Tariff No. 1 (FCC 1) (Section 6), The Verizon Telephone Companies FCC Tariff No. 11 (FCC 11) (Section 6), and The Verizon Telephone Companies FCC Tariff No. 14 (FCC 14) (Section 4) and **DS3 Service** as used above includes Switched Transport DS3 Service as described in the FCC 1 (Section 6), FCC 11 (Section 6), and FCC 14 (Section 4). (x) (x) (x) (N)(x)

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32. Contract Tariffs (Cont'd)

32.72 Contract Tariff Option 71 (Cont'd)

(B) Definitions (Cont'd) (N)

(5) **Special Access Minimum Annual Revenue Commitment** (**SPAMARC**) means the following amounts of Billed Qualifying Service Revenue (before application of Quarterly Credits) for the annual periods indicated, as revised from time to time, if applicable, pursuant to Section (J) or (K) following (**SPAMARC Amounts**):

Plan Year	Plan Year 1	Plan Year 2	Plan Year 3	Plan Year 4	Plan Year 5*	Plan Year 6*
SPAMARC Amounts	$445M	$356M	$238M	$178M	$135M	$110M

* Plan Years 5 and 6 will occur only upon mutual agreement by the Parties pursuant to Section (D)(2)-(3) following.

(6) **Plan Year** shall mean each of the following periods during the Service Period: (1) Plan Year 1 shall commence on January 1, 2016 (the **Effective Date**) and end on December 31, 2016; (2) Plan Year 2 shall commence on January 1, 2017 and end on December 31, 2017; (3) Plan Year 3 shall commence on January 1, 2018 and end on December 31, 2018; and (4) Plan Year 4 shall commence on January 1, 2019 and end on December 31, 2019. In the event of any extension(s) of the Service Period pursuant to Section (D)(2)-(3) following, Plan Year may also be used to refer to an applicable calendar year (i.e., January 1 through December 31) subsequent to Plan Year 4.

(7) **Quarter** shall mean either of the following periods, as applicable: (i) the first Quarter of each Plan Year is the period beginning with the first date of the applicable Plan Year and ending on the last day of the second calendar month after the month in which the first date occurs (i.e., approximately ninety (90) calendar days thereafter, depending on the number of days in the applicable calendar months); or (ii) each consecutive three (3) month period thereafter commencing on the first day of the calendar month following the end of the prior Quarter and ending on the last day of the second calendar month after the month in which the first day occurs.

(8) **Quarterly Credit** means the quarterly credits described in Section (G) following. (N)

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32. Contract Tariffs (Cont'd)

32.72 Contract Tariff Option 71 (Cont'd)

(C) Eligibility (N)

Customer must meet all of the criteria set forth in this Section (C) to be eligible to receive the rates, terms, and conditions under this Option 71:

(1) The customer must subscribe to Option 71 in a manner designated by the Telephone Company no later than thirty (30) days following the effective date of Option 71. Such subscription must include a list of the customer's access customer name abbreviations (Customer ACNAs) that the Telephone Company agrees to, in writing, for inclusion in this Option 71. Subscription to Option 71 shall be an automatic subscription to Option 71 of FCC 1 and Option 39 of FCC 14. (x)

(2) During the twelve (12) month period ending on October 1, 2015 (**Eligibility Measuring Period**), Customer must have achieved a minimum of $620M in aggregate monthly billed recurring charges for all Qualifying Services purchased by Customer from the Telephone Company.

(3) Customer (a) must be concurrently subscribed as of the Effective Date and must remain concurrently subscribed during the Service Period, to the same DS1 and DS3 Commitment Discount Plans under Section 25.1 of this tariff and FCC 1 for the same commitment periods to which Customer was subscribed as of October 1, 2015, and the Ten-Year DS1 Term Volume Plan (**ETTVP**) under Section 5.6.14 of FCC 14 (**Existing Plans**), and (b) unless already subscribed as of October 1, 2015, may not be subscribed, as of the Effective Date or at any time during the Service Period, to a DS3 Term Volume Plan under Section 5.6.19 of FCC 14. To the extent Customer, as of the Effective Date or at any time during the Service Period, fails to comply with any of the requirements set forth in the immediately preceding sentence, Customer shall not be eligible to receive the Quarterly Credits set forth in Section (G) following. (x) (x) (x) (N)

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32. Contract Tariffs (Cont'd)
32.72 Contract Tariff Option 71 (Cont'd)
(C) Eligibility (Cont'd)

(4) To receive the Quarterly Credits described in Section (G) following without incurring Shortfall Payments, Customer must (a) continue to achieve Billed Qualifying Service Revenue of no less than the SPAMARC Amounts specified in Section (B)(5) preceding, and (b) comply with the subscription provisions under Section (C)(3) preceding. (N)

(5) Except for the Existing Plans and any FMS Services to which Customer subscribes as of the Effective Date, Customer may not concurrently subscribe to any other tariff arrangement, contract tariff option, special service arrangement, or Individual Case Basis (**ICB**) arrangement offered by the Telephone Company under this tariff, FCC 1, or FCC 14 and available to Customer either currently or 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 Customer for any of the Qualifying Services. For the avoidance of any doubt, this provision does not apply to services not covered by Option 71. (x)

(6) Except as set forth herein, nothing herein shall modify the terms and conditions of the tariffs, including by way of example under any Commitment Discount Plan (**CDP**) and/or **ETTVP** plans.

(D) Service Period

(1) Subject to the terms of Section (D)(2)-(3) following and all other applicable terms in this Option 71 (including, by way of example, terms regarding early termination of this Option 71), the **Service Period** for the purchase of all DS1 and DS3 Qualifying Services under this Option 71 shall commence on the Effective Date (as defined above) and end on December 31, 2019 (except that the Service Period shall include any extensions that take effect pursuant to Section (D)(2)-(3) following).

(2) At the expiration of Plan Year 4, and unless this Option 71 is otherwise terminated, the Parties in their sole discretion might, but shall have no obligation to, mutually agree in writing to up to two (2) additional extensions of one (1) year each. If Customer wishes to request the Telephone Company's consent to such an extension(s), Customer must notify the Telephone Company in writing of such request at least ninety (90) calendar days prior to the date on which Option 71 will expire.

(3) If FCC approval is required but not received for any extension described in Section (D)(2) preceding, this Option 71 shall terminate as of the expiration date that would apply in the absence of such extension. (N)

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32. Contract Tariffs (Cont'd)
32.72 Contract Tariff Option 71 (Cont'd)
(E) Qualifying Services (N)

(1) The following Special Access services are **Qualifying Services** under this Option 71:

(a) Special Access DS1 Services (collectively, **DS1 Services**) of 1.544 Mbps bandwidth, as described in this tariff (Section 7.2.9), FCC 1 (Section 7.2.9), FCC 14 (Section 5.3.6) and FCC 16 (Section 7.11.1); (x) (x)

(b) Special Access DS3 Services (collectively, **DS3 Services**) of 44.736 Mbps bandwidth, as described in this tariff (Section 7.2.9), FCC 1 (Section 7.2.9), FCC 14 (Section 5.3.6) and FCC 16 (Section 7.11.1); (x) (x)

(c) Special Access Facilities Management Service (DS1 (only bandwidth of 1.544 Mbps) and DS3 (only bandwidth of 44.736 Mbps)), as described in this tariff (Section 7.2.16) and FCC 1 (Section 7.2.13) (collectively, **FMS Services**); and (x) (x)

(d) IntelliLight Entrance Facilities Service (only DS3 (bandwidth of 44.736 Mbps) as described in this tariff (Section 26.1.4), FCC 1 (Section 7.2.15), FCC 14 (Section 20.4) and FCC 16 (Section 20.4) (collectively, **IEF Services**). (x)

Any services other than the services explicitly listed above (including, by way of example, any SONET entrance facility service provided by the Telephone Company pursuant to an agreement or arrangement other than the tariffs) are not included herein as a Qualifying Service. Qualifying Services do not include any Switched Access services.

The tariffs are as amended from time to time, and such amended rates, terms and conditions for the Qualifying Services shall apply to this Option 71 upon the effectiveness of such change to the tariff(s) except as set forth in this Option 71, and subject to any termination of Option 71 (and/or customer's subscription thereto).

For purposes of this Option 71: (i) all Qualifying Service volumes and revenues are quantified according to three categories (DS1, DS3 CLF, and DS3 CLS) as described further following; and (ii) subject to Section (E)(2)(b)(iii) and Section (E)(5) following, the CoS-USOC combinations set forth in Section (E)(2) following reflect the entire list of CoS-USOC combinations included in the definition of Qualifying Services and counted as contributory toward Billed Qualifying Service Revenue. (N)

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32. Contract Tariffs (Cont'd)
32.72 Contract Tariff Option 71 (Cont'd)
(E) Qualifying Services (Cont'd) (N)

(2) Revenues included in Calculation of Billed Qualifying Service Revenue

Subject to the exceptions and requirements set forth below in Section (E)(2) and in Section (E)(3) following, Billed Qualifying Service Revenue includes monthly recurring charges billed to Customer, under the ACNAs provided in accordance with Section (C)(1) preceding (**Qualifying ACNAs**) for Billed Qualifying Services under the tariffs (including both price flex and price cap MSAs) in the following CoS-USOC combinations:

(a) With respect to DS1 Services, Billed Qualifying Service Revenue includes only monthly recurring charges (**MRCs**) billed in the following CoS-USOC combinations:

CoS: XDH1X, XZH18, XZH1H, XZH1R.

USOCs: 1A4YS, 1A5ZS, 1CF21, 1CF22, 1CF23, 1CF25, 1CF33, 1CF35, 1CF3W, 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, 1CFR8, 1CFRJ, 1CFS8, 1CFSJ, 1CFT8, 1CFTJ, 1CFU8, 1CFUJ, 1CFV8, 1CFVJ, 1CKDF, 1CKDX, 1J53S, 1J54S, 1L5LS, 1L5XX, 1LFMX, 1LFSX, 1OX1X, 1OX2X, 1OX3X, 1OX5X, 1OXTX, 1T58S, 1X7VX, 1XCDX, 1Y3AC, 1YWPS, A1VA1, A1VXZ, AVY, C2X9A, C6H6X, C6H7X, CCO, CTG, DVA, EU4DF, EU4DX, EU7VX, EUU21, EUU22, EUU23, EUU25, EUU33, EUU35, EUU3W, EUU41, EUU42, EUU43, EUU45, EUU51, EUU52, EUU53, EUU55, EUU61, EUU62, EUU63, EUU65, EUU71, EUU72, EUU73, EUU75, EUU81, EUU82, EUU83, EUU85, EUU91, EUU92, EUU93, EUU95, EUUA1, EUUA2, EUUA3, EUUA5, EUUB1, EUUB2, EUUB3, EUUB5, EUUC1, EUUC2, EUUC3, EUUC5, EUUR8, EUURJ, EUUS8, EUUSJ, EUUT8, EUUTJ, EUUU8, EUUUJ, EUUV8, EUUVJ, EUW, HGV1X, HGVTX, MQ1, MQK, MXN12, MXN13, MXN15, MXN17, PR9PX, PR9SX, QMU, TJ4DX, TJ4DY, TJ4DZ, TMECS, TNJZX, TNT3X, TNT4X, TNT8X, TQ2KM, TRG, TSP, TWTF6, TYF1X, TZGHX, VPQSP. (N)

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32. Contract Tariffs (Cont'd)
32.72 Contract Tariff Option 71 (Cont'd)
(E) Qualifying Services (Cont'd) (N)

(2) Revenues included in Calculation of Billed Qualifying Service Revenue (Cont'd)

(b) With respect to DS3 Services, Billed Qualifying Service Revenue includes only MRCs billed in the CoS-USOC combinations shown in Sections (E)(2)(b) (i) and (ii) following:

(i) **DS3 CLF:**

CoS: EGCFX, XDH3X, XZH38, XZH3H, XZH3R, XDH1X, XZH18, XDH3X, XSHDX, XSHHX, XSWWX.

USOCs: 1A4ZS, 1A59S, 1A5LX, 1A5YS, 1A87S, 1A88S, 1A89S, 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, 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, 1CFL3, 1CFL5, 1CFL7, 1CFM1, 1CFM3, 1CFM5, 1CFM7, 1CFN1, 1CFN3, 1CFN5, 1CFN7, 1CKMF, 1CKNX, 1CKPF, 1CKSX, 1L5LS, 1L5RS, 1L5XX, 1LFSX, 1U5PS, 1Y3AD, 1YA8S, 1YAMS, 1YWQS, A1VXG, ABVBA, B2CDP, B2CDV, B2CEP, B2CEV, B2CFP, BXCQX, C2X8A, CCO, DVA, EQUA3, EQUA5, EQUA7, EQUB3, EQUB5, EQUB7, EQUC3, EQUC5, EQUC7, EQUD3, EQUD5, EQUD7, EQUE3, EQUE5, EQUE7, EQUF3, EQUF5, EQUF7, EQUG3, EQUG5, EQUG7, EQUH3, EQUH5, EQUH7, EQUJ3, EQUJ5, EQUJ7, EQUK3, EQUK5, EQUK7, EU4MF, EU4NX, EU4PF, EU4SX, EUUD1, EUUD3, EUUD5, EUUD7, EUUE1, EUUE3, EUUE5, EUUE7, EUUF1, EUUF3, EUUF5, EUUF7, EUUG1, EUUG3, EUUG5, EUUG7, EUUH1, EUUH3, EUUH5, EUUH7, EUUJ1, EUUJ3, EUUJ5, EUUJ7, EUUK1, EUUK3, EUUK5, EUUK7, EUUL1, EUUL3, EUUL5, EUUL7, EUUM1, EUUM3, EUUM5, EUUM7, EUUN1, EUUN3, EUUN5, EUUN7, FQYU1, FQYU2, FQYU3, FQYU4, FQYU5, FQYU6, GMGX3, HKTJS, HKTJX, HKTLS, MKM, MQ3, MQ6, MXNF3, MXNF5, MXNFX, MXNM3, MXNM5, MXNMX, MXNRX, N2M, P8T33, P8T35, PR9SX, SLHA1, SLHA3, SLHA5, SLHA7, SLHB1, SLHB3, SLHB5, SLHB7, SLHC1, SLHC3, SLHC5, SLHC7, SLHD1, SLHD3, SLHD5, SLHD7, SLHE1, SLHE3, SLHE5, SLHE7, T8XJ5, TJ4EX, TJ4EY, TJ4EZ, TJ59X, TKTPX, TNW3X, TNW5X, TNWZX, TQ2LM, TRG, TSP, TUTPX, TWBNX, TWBPX, TWTF7, TYF3S, TYF3X, TYF8S, TYF8X, TYFLS, TYFLX, TYFMS, TYFMX, TYFNX, TYFOX, TYFPX, TYFQX, TYFRX, TYFSX, TYFTX, TYFUX, TYFVS, TYFVX, TYFWS, TYFWX.

IEF USOCs mapped to the above DS3 Services will be included in Billed Qualifying Service Revenue. (N)

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32. Contract Tariffs (Cont'd)
32.72 Contract Tariff Option 71 (Cont'd)
(E) Qualifying Services (Cont'd) (N)

(2) Revenues included in Calculation of Billed Qualifying Service Revenue (Cont'd)

(b) (Cont'd)

(ii) **DS3 CLS:**

CoS: EGCFX, XDH3X, XZH38, XZH3H, XZH3R, XDH3X, XSHDX, XSHHX, XSWWX.

USOCs: 1A4ZS, 1A5LX, 1A87S, 1A88S, 1A89S, 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, 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, 1CFL3, 1CFL5, 1CFL7, 1CFM1, 1CFM3, 1CFM5, 1CFM7, 1CFN1, 1CFN3, 1CFN5, 1CFN7, 1CKMF, 1CKNX, 1CKPF, 1CKSX, 1L5LS, 1L5RS, 1L5XX, 1LFSX, 1U5PS, 1Y3AD, 1YA8S, 1YAMS, 1YWQS, A1VXG, ABVBA, B2CDP, B2CDV, B2CEP, B2CEV, B2CFP, BXCQX, C2X8A, CCO, DVA, EQUA3, EQUA5, EQUA7, EQUB3, EQUB5, EQUB7, EQUC3, EQUC5, EQUC7, EQUD3, EQUD5, EQUD7, EQUE3, EQUE5, EQUE7, EQUF3, EQUF5, EQUF7, EQUG3, EQUG5, EQUG7, EQUH3, EQUH5, EQUH7, EQUJ3, EQUJ5, EQUJ7, EQUK3, EQUK5, EQUK7, EU4MF, EU4NX, EU4PF, EU4SX, EUUD1, EUUD3, EUUD5, EUUD7, EUUE1, EUUE3, EUUE5, EUUE7, EUUF1, EUUF3, EUUF5, EUUF7, EUUG1, EUUG3, EUUG5, EUUG7, EUUH1, EUUH3, EUUH5, EUUH7, EUUJ1, EUUJ3, EUUJ5, EUUJ7, EUUK1, EUUK3, EUUK5, EUUK7, EUUL1, EUUL3, EUUL5, EUUL7, EUUM1, EUUM3, EUUM5, EUUM7, EUUN1, EUUN3, EUUN5, EUUN7, FQYU1, FQYU2, FQYU3, FQYU4, FQYU5, FQYU6, GMGX3, HKTJS, HKTJX, HKTLS, N2M, P8T33, P8T35, PR9SX, SLHA1, SLHA3, SLHA5, SLHA7, SLHB1, SLHB3, SLHB5, SLHB7, SLHC1, SLHC3, SLHC5, SLHC7, SLHD1, SLHD3, SLHD5, SLHD7, SLHE1, SLHE3, SLHE5, SLHE7, T8XJ5, TJ4EX, TJ4EY, TJ4EZ, TJ59X, TKTPX, TNW3X, TNW5X, TNWZX, TQ2LM, TRG, TSP, TUTPX, TWBNX, TWBPX, TWTF7, TYF3S, TYF3X, TYF8S, TYF8X, TYFLS, TYFLX, TYFMS, TYFMX, TYFNX, TYFOX, TYFPX, TYFQX, TYFRX, TYFSX, TYFTX, TYFUX, TYFVS, TYFVX, TYFWS, TYFWX.

IEF USOCs mapped to the above DS3 Services will be included in Billed Qualifying Service Revenue. (N)

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32. Contract Tariffs (Cont'd)
32.72 Contract Tariff Option 71 (Cont'd)
(E) Qualifying Services (Cont'd) (N)

(2) Revenues included in Calculation of Billed Qualifying Service Revenue (Cont'd)

(b) (Cont'd)

(iii) If any of the USOCs listed in Sections (E)(2)(b(i)-(ii) preceding bill both MRCs and/or other charges (e.g., NRCs), then only the MRC amounts (i.e., only those amounts appearing in the MRC section of the invoice) of such USOCs shall be counted towards the calculation of Billed Qualifying Service Revenue.

(3) Examples of Revenues Not Included in Calculation of Billed Qualifying Service Revenue. Billed Qualifying Service Revenue does not include (among other possible items, the following list being illustrative only) any of the following:

(a) any non-recurring charges (**NRCs**), surcharges, taxes, late payment charges, credits (including, by way of example, any credits provided under the Contract Tariffs), fractional debit/credit amounts, adjustments, minimum period charges, termination liabilities, or any other billings other than billed amounts that are applied on a recurring monthly basis for the applicable Quarter or Plan Year of the Service Period;

(b) taxes, or other charges imposed by a federal, state, local, or other governmental entity (e.g., Federal Universal Service Fund);

(c) service or administrative fees or charges imposed by the Telephone Company (e.g. interest penalty, late payment penalty);

(d) any amount that appears in the "Other Charges and Credits" section of the Telephone Company's invoice;

(e) any other charges that are not applied on a recurring monthly basis and/or do not appear in the MRC section (typically labeled "Monthly Access Charges") of the Telephone Company's invoice;

(f) Disputed Amounts, except as set forth in Section (E)(4) following;

(g) any amount billed under a particular invoice for services provided outside of the service period that is ordinarily covered by such invoice;

(h) shortfall or overage charges associated with term plan true-ups (e.g., for failure to satisfy commitment levels pursuant to a CDP); (N)

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32. Contract Tariffs (Cont'd)
32.72 Contract Tariff Option 71 (Cont'd)
(E) Qualifying Services (Cont'd) (N)
(3) (Cont'd)

(i) billed amounts associated with any service (or any portion of a service) that is not a Qualifying Service (including, but not limited to, any service provided under a private carriage arrangement);

(j) any Quarterly Credits or Existing Plan True-up Credits that Customer receives in connection with this Option 71; and

(k) any Shortfall Payments under Section (G)(2) following.

(4) Disputed Amounts

(a) The Telephone Company shall not include in Billed Qualifying Service Revenue for a particular Plan Year any amounts that are unpaid and disputed by Customer as of the forty-fifth (45th) day following the end of that Plan Year (**Year End Resolution Period**). For any Disputed Amounts that Customer has paid prior to the end of the Year End Resolution Period, such amounts will be included in Billed Qualifying Service Revenue for the Plan Year that just ended, subject to Section (E)(4)(d) following.

Example: Assume that the Telephone Company billed Customer MRCs totaling $50,000,000 for Qualifying Services in October of Plan Year 1. Assume further that Customer disputed and did not pay $2,000,000 of such billed MRCs as of the end of the Year End Resolution Period for Plan Year 1. Thus, in determining whether Customer met the SPAMARC Amount required to avoid a Shortfall Payment under Section (G)(2) following for Plan Year 1, the Telephone Company would exclude $2,000,000 from Customer's Achieved Annual Revenue.

Example #2: Assume that the Telephone Company billed Customer MRCs totaling $50,000,000 for Qualifying Services in October of Plan Year 1. Assume further that Customer disputed but paid the $2,000,000 of such billed MRCs as of forty-five (45) days after the end of Plan Year 1. Thus, in determining whether Customer met the SPAMARC Amount required to avoid a Shortfall Payment under Section (G)(2) following for Plan Year 1, the Telephone Company would include the disputed but paid $2,000,000 in Customer's Achieved Annual Revenue. (N)

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32. Contract Tariffs (Cont'd)
32.72 Contract Tariff Option 71 (Cont'd)
(E) Qualifying Services (Cont'd) (N)
(4) Disputed Amounts (Cont'd) |

(b) Except as set forth in Sections (E)(4)(e) and (f) following, for purposes of the annual true-up under Section (G)(2) following, the Telephone Company shall exclude from Billed Qualifying Service Revenue any credits or debits for Services billed during Plan Years prior to the Plan Year that is the subject of the true-up (regardless of whether such credits or debits were the result of a valid dispute by Customer or were the result of a billing error by the Telephone Company). |

Example: Assume that the Telephone Company billed Customer MRCs totaling $50,000,000 for Qualifying Services in October of Plan Year 1. Assume further that Customer disputed and did not pay $2,000,000 of such billed MRCs, and the dispute remains unresolved as of February 20 of Plan Year 2. Thus, in determining whether Customer met the SPAMARC Amount required to avoid a Shortfall Payment under Section (G)(2) following for Plan Year 1, the Telephone Company would exclude $2,000,000 from Customer's Achieved Annual Revenue. Assume (N)

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32. Contract Tariffs (Cont'd)
32.72 Contract Tariff Option 71 (Cont'd)
(E) Qualifying Services (Cont'd) (N)
(4) Disputed Amounts (Cont'd)

(b) Example (Cont'd)

further in March of Plan Year 2, the Telephone Company and Customer agree that such billing was partially in error; and the dispute is resolved by Customer paying $1,800,000 and the Telephone Company issuing Customer a credit of $200,000 for the applicable Qualifying Services in March of Plan Year 2. For purposes of the Plan Year 2 true-up under Section (G)(2) following, the $1,800,000 payment by Customer would be included in Customer's Billed Qualifying Service Revenue for Plan Year 2, but the $200,000 credit by the Telephone Company would not be included in Customer's Billed Qualifying Service Revenue for Plan Year 2 or any other Plan Year in the Service Period.

(c) Claim Period. To the extent that Customer disputes any amount billed for any Special Access services that are Qualifying Services as defined in Section (E)(1) preceding (or any portion of such a billed amount), Customer must submit such disputes to the Telephone Company no later than three hundred sixty five (365) days after the date of the invoice on which the Disputed Amount first appeared (such 365-day period, the **Claim Period**). Each dispute must be submitted on a claim description form as provided by the Telephone Company, must describe in detail Customer's basis for the dispute, and must clearly state next to the circuit ID and amount under dispute the following: "Dispute Associated with 2016 Contract Tariff." For the avoidance of any doubt, the Telephone Company shall not be required to consider any dispute regarding any Disputed Amount not submitted within the Claim Period, and Customer shall be deemed to waive any disputes not submitted prior to the end of the Claim Period. Customer (using a Claim Description Form or otherwise) may not: (i) retroactively dispute any amounts that first appeared on an invoice more than three hundred sixty five (365) days prior to the date on which Customer submits the dispute to the Telephone Company or (ii) prospectively dispute amounts to be billed in future invoices. Customer shall pay, on or before the due date that applies under the tariffs, all amounts that are not subject to a bona fide dispute that Customer has submitted in accordance with the terms of this Section (E)(4)(c). To the extent that the terms of FCC 16 conflict with the Claim Period terms set forth in this Section (E)(4)(c) with respect to amounts billed for Qualifying Services under FCC 16, the terms of FCC 16 shall apply instead of the conflicting term(s) of this Section (E)(4)(c). (x) (x) (x) (N)

(x) Issued under authority of Special Permission No. 15-021 of the Federal Communications Commission.

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32. Contract Tariffs (Cont'd)
32.72 Contract Tariff Option 71 (Cont'd)
(E) Qualifying Services (Cont'd) (N)
(4) Disputed Amounts (Cont'd)

(d) If any Disputed Amounts that were billed during a particular Plan Year remain disputed and unpaid as of the end of the Year End Resolution Period for that Plan Year, then such Disputed Amounts shall be excluded from Billed Qualifying Service Revenue for purposes of the annual true-up for that Plan Year under Section (G)(2) following, regardless of whether the Claim Period for the subject amount has expired as of the end of the Year End Resolution Period. If the dispute is resolved and Customer pays the Disputed Amount prior to the end of the Year End Resolution Period, then the Telephone Company will include the amount paid by Customer in Billed Qualifying Service Revenues for purposes of the annual true-up under Section (G)(2) following for the just-concluded Plan Year, in which case Customer may not thereafter raise any further disputes regarding the Disputed Amounts (regardless of whether there would otherwise still be time remaining for Customer to raise such a dispute under the Claim Period, other provisions of the tariffs, applicable law or elsewhere).

(e) If a Disputed Amount is excluded from Billed Qualifying Service Revenue for a given Plan Year because the Disputed Amount remained unpaid as of the Year-End Resolution Period, and if Customer, in a subsequent Plan Year, withdraws or settles the dispute and pays any withheld Disputed Amount (the amount of the Disputed Amount with respect to which Customer withdraws or settles the dispute and pays any withheld Disputed Amount may be referred to as a **Resolved Disputed Amount**), then that Resolved Disputed Amount (if it otherwise qualifies to be treated as Billed Qualifying Service Revenue) will be included in Billed Qualifying Service Revenue for the Plan Year in which the dispute is withdrawn or settled and Customer pays any withheld Disputed Amount; provided, however, that in no event shall Billed Qualifying Service Revenue for a given Plan Year include more than five million U.S. Dollars ($5M) in Resolved Disputed Amounts from a previous Plan Year (**Resolved Disputed Amount Cap**), and any excess Resolved Disputed Amount above the Resolved Disputed Amount Cap shall be carried over and included in Billed Qualifying Service Revenue in the next Plan Year (but not beyond that next Plan Year) and shall count toward the Resolved Disputed Amount Cap for that next Plan Year. If a Resolved Disputed Amount is included in Billed Qualifying Service Revenue pursuant to the preceding sentence (or was a Resolved Disputed Amount in excess of the Resolved Disputed Amount Cap and, therefore, carried over to the next Plan Year), then Customer may not at any time thereafter raise, and Customer shall waive, any further claims or disputes regarding the Disputed Amount (regardless of whether there would otherwise still be time remaining for Customer to raise such a dispute under the Claim Period, other provisions of the tariffs, applicable law or elsewhere). (N)

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32. Contract Tariffs (Cont'd)
32.72 Contract Tariff Option 71 (Cont'd)
(E) Qualifying Services (Cont'd)
(4) Disputed Amounts (Cont'd)
(e) (Cont'd)

(N)

Example: Assume that the Telephone Company billed Customer MRCs totaling $50,000,000 for Qualifying Services in October of Plan Year 1. Assume further that Customer disputed and did not pay $6,000,000 of such billed MRCs and the dispute remains unresolved as of February 20 of Plan Year 2. Thus, in determining whether Customer met the SPAMARC Amount required to avoid a Shortfall Payment under Section (G)(2) following for Plan Year 1, the Telephone Company would exclude $6,000,000 from Customer's Achieved Annual Revenue. Assume further that in March of Plan Year 2, the Telephone Company and Customer agree that such billing was partially in error; and the dispute is resolved by Customer paying $5,500,000 and the Telephone Company issuing Customer a credit of $500,000 for the applicable Qualifying Services in March of Plan Year 2. For purposes of the Plan Year 2 true-up under Section (G)(2) following, $5,000,000 of the $5,500,000 paid by Customer in March of Plan Year 2 would be included in Customer's Billed Qualifying Service Revenue for Plan Year 2, but the remaining $500,000 paid by Customer exceeds the Resolved Disputed Amount Cap and will not be included in Customer's Billed Qualifying Service Revenue for Plan Year 2 but will be carried over and included in Billed Qualifying Service Revenue for Plan Year 3 (subject to the Resolved Disputed Amount Cap for Plan Year 3. Also, the $500,000 credit by the Telephone Company would be subtracted from Customer's Billed Qualifying Service Revenue for Plan Year 2 pursuant to Section (E)(4)(f) following.

(f) If a Disputed Amount is included in Billed Qualifying Service Revenue for a given Plan Year because Customer paid the Disputed Amount pending resolution of the dispute, and if Customer later prevails in the dispute (because the Telephone Company allows the claim in the claims process or Customer prevails through dispute resolution) and the Telephone Company issues Customer a credit in a subsequent Plan Year (the amount of such credit, the **Resolution Credit Amount**), then that Resolution Credit Amount (if it otherwise qualifies to be treated as Billed Qualifying Service Revenue) will be subtracted from Billed Qualifying Service Revenue for the Plan Year in which the Telephone Company issues the credit. (N)

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32. Contract Tariffs (Cont'd)
32.72 Contract Tariff Option 71 (Cont'd)
(E) Qualifying Services (Cont'd)
(4) Disputed Amounts (Cont'd)

(g) In the event that Customer withholds payment of any amounts billed for Qualifying Services, then, except as otherwise agreed in writing by the parties, the Telephone Company shall offset (i.e., withhold) such amounts from any Quarterly Credits owed to Customer until such time as Customer pays the disputed amount or the dispute is resolved in Customer's favor. For the avoidance of any doubt, Customer shall be liable for late payment charges as set forth in the tariffs with respect to any billed amounts that Customer does not pay by the date on which payment is due. (N)

(5) USOC Updates

If, during the Service Period of this Option 71, a tariff is revised to include a USOC that is a replacement or substitution, in part or in whole, for one of the USOCs set forth in Section (E)(2) preceding or to include a USOC that was inadvertently omitted from such tariff, then (effective as of the date on which such revision to the tariff becomes effective) such new USOC shall be included in the definition of the applicable Qualifying Service(s) and such new USOC, provided it otherwise qualifies to be contributory under Sections (E)(2) and (E)(3) preceding and all other terms of this Option 71, will be counted as contributory towards Billed Qualifying Service Revenue.

(F) Serving Area

Notwithstanding any other provision of this Option 71, any Quarterly Credits will be provided only in the Metropolitan Statistical Areas (**MSAs**) that have achieved Phase I or Phase II pricing flexibility under the Telephone Company's tariffs in accordance with applicable law. Wire centers for the Phase II MSAs are listed in Section 15.3 of this tariff, Section 14.7 of FCC 1, and Section 19.1 of FCC 14. Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in the tariff) that occur during the Service Period will apply. For the avoidance of doubt, no Quarterly Credits will be provided in the operating territories of FCC 16. (x) (x) (N) (x)

(x) Issued under authority of Special Permission No. 15-021 of the Federal Communications Commission.

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32. Contract Tariffs (Cont'd)
32.72 Contract Tariff Option 71 (Cont'd)
(G) Quarterly Credits and Annual True-up
(1) Quarterly Credits

(a) If Customer satisfies the eligibility criteria set forth in Section (C) preceding, and subject to the annual true-up described in Section (G)(2) following and any withholding by the Telephone Company under Section (E)(4)(f) preceding (and subject further to any termination of this Option 71), Customer shall receive quarterly billing credits in amounts to be calculated as set forth in Table 1 below (**Quarterly Credits**). The Telephone Company will provide the Quarterly Credits on Customer's bills within one hundred twenty (120) calendar days after the end of the applicable Quarter. The Quarterly Credits are calculated using the formulas set forth in Table 1 following based on the **Quarterly Credit Revenue Basis**, which is defined as the amount of Billed Qualifying Service Revenue, as defined in Sections (E)(2) and (E)(3) preceding, but excluding revenue for DS1 Services as defined in Section (E)(2)(a), that Customer achieved during the period from (and including) July 2014 through June 2015. The Quarterly Credits are provided for Customer's collective subscription to this Option 71, Option 71 of FCC 1, and Option 39 of FCC 14 (i.e., Customer may not receive Quarterly Credits under more than one of the three Options). (N) (x) (x)

Table 1

Plan Year 1 – Per Quarter	**Plan Year 2 – Per Quarter**	**Plan Year 3 – Per Quarter**	**Plan Year 4 – Per Quarter**	**Plan Year 5 – Per Quarter***	**Plan Year 6 – Per Quarter***
Quarterly Credit Revenue Basis multiplied by 9.68%.	Quarterly Credit Revenue Basis multiplied by 8.34%.	Quarterly Credit Revenue Basis multiplied by 6.85%.	Quarterly Credit Revenue Basis multiplied by 4.25%.	Quarterly Credit Revenue Basis multiplied by 1.31%.	Quarterly Credit Revenue Basis multiplied by 1.31%.

(N)

* Plan Years 5 and 6 will occur only upon mutual agreement by the parties pursuant to Section (D)(2)-(3) preceding. (N) (N)

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32. Contract Tariffs (Cont'd)
32.72 Contract Tariff Option 71 (Cont'd)
(G) Quarterly Credits and Annual True-up (Cont'd)

(2) Annual True-up (N)

At the end of each Plan Year the Telephone Company shall determine the total amount of Billed Qualifying Service Revenue (as determined under Section (E) preceding) that Customer achieved for the just-concluded Plan Year (**Achieved Annual Revenue**). If Customer's Achieved Annual Revenue is equal to or greater than the SPAMARC Amount for the Plan Year being reviewed, then Customer will owe no Shortfall Payment. If Customer's Achieved Annual Revenue is less than the SPAMARC Amount, then Customer will owe a shortfall payment equal to the difference between the SPAMARC Amount for the applicable plan year and Customer's Achieved Annual Revenue for that Plan Year (**Shortfall Payment**) and the Telephone Company shall issue a debit to account for such payment obligation and Customer shall pay such debited amount.

Example: Assume that in Plan Year 1, the SPAMARC Amount is $445,000,000 and in Plan Year 2, the SPAMARC Amount is $356,000,000. Also assume that, Customer achieved $446,000,000 in Billed Qualifying Service Revenue in Plan Year 1. Customer would not owe a Shortfall Payment at the end of Plan Year 1 because Customer's Achieved Annual Revenue was greater than the Plan Year 1 SPAMARC Amount. Assume further that, in Plan Year 2, Customer achieved $355,000,000 in Billed Qualifying Service Revenue. Customer would owe a Shortfall Payment of $1,000,000 (the difference between Customer's Achieved Annual Revenue and the Plan Year 2 SPAMARC Amount of $356,000,000).

(H) Limitation on Grooms

(1) During each Plan Year, Customer shall not order more than a total of twenty-four thousand eight hundred (24,800) Grooms of DS1 Services and DS3 Services (**Maximum Annual Grooms**). The Telephone Company shall be required to accommodate the Maximum Annual Grooms in any Plan Year if requested by the Customer in accordance with the Agreed Throughput Volumes (as defined following). Customer (if it has not already done so prior to the Effective Date), upon determination of the need to initiate a groom project, shall provide the Telephone Company with a written notice indicating how Customer wishes to allocate the Maximum Annual Grooms according to (i) DS1, DS3, special access, and switched access services, (ii) per day order volumes, (iii) order volumes per each Telephone Company ordering center region, and (iv) order volumes per each Telephone Company ordering center (**Customer Groom Notice**). The Parties, no later than sixty (60) days after the Telephone Company's receipt of the Customer Groom Notice, shall discuss Customer's proposed allocation and arrive at a written mutually-agreed allocation (collectively, the **Agreed Throughput Volumes** (which will not be any more than 2,250 Grooms in a given month and up to the Maximum Annual Grooms of 24,800 for the full Plan Year), and, together with the Annual Maximum Grooms limit, the **Groom Limitations**). This same process shall be used throughout the (N)

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32. Contract Tariffs (Cont'd)
32.72 Contract Tariff Option 71 (Cont'd)
(H) Limitation on Grooms (Cont'd)
(1) (Cont'd)

Plan Year to manage Customer's Grooms up to the Maximum Annual Grooms. The Groom volumes will be paced so as to be spread evenly over the Plan Year unless the Parties mutually agree in writing to a different pace. The Telephone Company will make a good faith effort to accommodate Customer's requested volumes by Telephone Company ordering center. The Telephone Company shall reject any Groom orders that are not placed in accordance with the Groom Limitations. The Maximum Annual Grooms are specific to each Plan Year; thus, for example, if in a particular Plan Year Customer ordered 500 fewer Grooms than would be allowed by the Grooms Limitations for that Plan Year, Customer could not carry forward those 500 unused Groom orders to the next Plan Year. Any Grooms that Customer requested but were not completed prior to the Service Period are not exempt from the Maximum Annual Grooms and any such Grooms that Customer wishes to complete during a Plan Year in the Service Period shall count toward the Maximum Annual Grooms for that Plan Year. (N)

(2) ACNAs Subject to Limitation on Grooms. The Groom Limitations shall apply to all ACNAs provided in accordance with Section (C)(1) preceding. When determining whether Customer has exceeded the Groom Limitations, the Telephone Company shall count all Grooms ordered during the applicable time period (day or Plan Year) in any of the operating territories for such ACNAs.

(3) Exceptions to the Grooms Limitations

The following types of Grooms shall not be included in the Grooms Limitations and shall be performed by the Telephone Company in accordance with its normal business practices:

(a) Any Groom initiated by the Telephone Company and not requested by Customer;

(b) Any Grooms where a DS3 Service rides a Verizon optical service provided to Customer, which optical service terminates at or, originates from, a Customer Point-of-Presence (**PoP**);

(c) Any other Grooms that the Parties mutually agree in writing to not include in the count of Maximum Daily Grooms or Maximum Annual Grooms.

(4) Other than as set forth herein, all Grooms shall remain subject to the terms of the tariffs. (N)

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32. Contract Tariffs (Cont'd)
32.72 Contract Tariff Option 71 (Cont'd)
(I) Existing Plan True-Up Credits

(1) Existing Plan True-Up Credits (N)

During the Service Period and unless this Option 71 is terminated earlier, Customer may qualify to receive Existing Plan True-up Credits (as defined below) as described in this Section (I)(1).

(a) If, as a result of the true-up process for Qualifying Services set forth in Section 25.1.7 of this tariff and FCC 1 or Section 5.6.14 of FCC 14, Customer is billed a shortfall adjustment or charge-up adjustment or a shortfall penalty (collectively, a **True-Up Adjustment Charge**), then the Telephone Company will issue a credit equal to the amount of the True-Up Adjustment Charge for the applicable true-up period (**Existing Plan True-Up Credit**). Any such credits owed for any true-up periods in a particular Plan Year shall be made within one hundred twenty (120) days after the end of that Plan Year in conjunction with the annual true-up under Section (G)(2) preceding. (x) (x)

(b) If Customer does not pay a True-Up Adjustment Charge for a particular true-up period, then Customer will not receive an Existing Plan True-Up Credit for that true-up period.

(c) If Customer receives an Existing Plan True-Up Credit for a particular true-up period, Customer may not thereafter dispute the amount of True-Up Adjustment Charge or the Existing Plan True-up Credit.

(d) For the avoidance of any doubt, this Section (I)(1) does not affect Existing Plan provisions except as expressly set forth preceding (thus, for example, Existing Plan provisions regarding minimum periods and early termination liability, and charges associated with each, shall continue to apply as set forth in the tariffs, and Customer shall receive no credits with respect to any such charges under this Section (I)(1). (N)

(x) Issued under authority of Special Permission No. 15-021 of the Federal Communications Commission.

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32. Contract Tariffs (Cont'd)
32.72 Contract Tariff Option 71 (Cont'd)
(I) Existing Plan True-Up Credits (Cont'd)

(2) Other Tariff Provisions (N)

All other tariff provisions applicable to the Existing Plans (including, by way of example, discounts and minimum period requirements) remain unchanged by this Section (I); provided, however, that:

(a) Except where the Parties otherwise agree in writing in the event that any Acquired Properties are included in Option 71 pursuant to Section (K)(3) following, Customer may not consolidate or combine the Existing Plans with any other CDPs or term plans (including, by way of example, by adding to the Existing Plans any companies, assets or ACNAs acquired by the Telephone Company after the Effective Date) in cases where such consolidation or combination is optional under the applicable tariff terms; thus, among other things, any such other CDPs and term plans shall remain subject to any true-up and shortfall/overage payment provisions contained therein, and such provisions are not affected by Section (I)(1) preceding; and

(b) In cases where a tariff requires (i.e., non-optional, thus not covered by Section (I)(2)(a) preceding) Customer to include Acquired Properties in an Existing Plan, then the Existing Plan True-up Credits under Section (I)(1) preceding shall cease until such time as the Parties agree in writing to include such Acquired Properties in Option 71 pursuant to Section (K)(3) following. In the event the Parties are unable to reach such written agreement within ninety (90) days after the date on which the Acquired Properties were added to an Existing Plan, then either Party may seek dispute resolution to resolve any disagreement regarding the terms and conditions that may be necessary to equitably include the Acquired Properties in this Option 71 based on the proportionality of the Acquired Properties as compared to Customer's then-embedded base of Qualifying Services that contribute to Customer's Billed Qualifying Service Revenue (including, but not limited to, any terms to adjust the SPAMARC Amounts, Quarterly Credits and Grooms Limitations). (N)

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32. Contract Tariffs (Cont'd)

32.72 Contract Tariff Option 71 (Cont'd)

(J) Divestitures by the Parties (N)

(1) Notice of Divestiture

(a) Notice of Customer Divestiture

If Customer sells to an unaffiliated third party, or otherwise transfers to an unaffiliated third party its ownership of (collectively, a **Customer Divestiture**), one or more ACNA(s), or a line of business, division, affiliate, or license to operate in a particular geographic area (e.g., a CMRS license) (collectively, **Customer Sold Properties**), then Customer, prior to closure of the Customer Divestiture, or as expeditiously as practical after such closure, shall notify the Telephone Company of such Customer Divestiture via a written notice (**Customer Divestiture Notice**) that includes the following information:

(i) the date on which the Customer Divestiture is expected to close or has closed;
(ii) the affected ACNA(s);
(iii) the affected state(s) or other relevant geographic area(s); and
(iv) Information sufficient to begin the identification process of the volumes and circuit identifiers of all Qualifying Services and Billed Qualifying Service Revenues associated with the Customer Sold Properties that Customer will no longer obtain from the Telephone Company as a result of the Customer Divestiture. After sending this notification, Customer will work cooperatively with the Telephone Company (and the third-party carrier, if necessary) to complete the exchange of this information. (N)

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32. Contract Tariffs (Cont'd)
32.72 Contract Tariff Option 71 (Cont'd)
(J) Divestitures by the Parties (Cont'd)
(1) Notice of Divestiture (Cont'd)
(a) Notice of Customer Divestiture (Cont'd) (N)

Customer shall also provide such other information that the Telephone Company reasonably requests for purposes of this Section (J) (e.g., for determining an adjustment to the SPAMARC Amounts and Quarterly Credits). For the avoidance of any doubt, any Customer divestiture of its interest in Qualifying Services is subject to the terms of the tariffs applicable to such divestitures (including, by way of example, Section 2.1.2 of this tariff). Upon such a divestiture, any permitted entity that acquires Customer's interest in the Qualifying Services shall purchase such Qualifying Services in accordance with the rates, terms and conditions of the tariffs, and this Option 71 shall cease to apply with respect to such Qualifying Services.

(b) Notice of Telephone Company Divestiture

If the Telephone Company sells all or part of any of its operating telephone companies (a **Verizon Sold Property(ies)**) that provides Qualifying Services under this Option 71 during the Service Period (a **Verizon Divestiture**), then the Telephone Company, prior to closure of the Verizon Divestiture or as expeditiously as practical after such closure, shall notify Customer of such Verizon Divestiture via a written notice (**Verizon Divestiture Notice**), which shall include the date on which the Verizon Divestiture is expected to close (or has closed) and the affected state(s) or other relevant geographic area(s).

The Telephone Company shall also provide thereafter such other information that Customer reasonably requests with respect to the adjustment to the SPAMARC Amounts and Quarterly Credits for purposes of Sections (J)(3) and (J)(4) following. In cases where the Telephone Company assigns its rights and obligations to a third party (**Acquiring Third Party**) with respect to any Qualifying Services, Customer shall remain obligated to purchase such Qualifying Services from such Acquiring Third Party in accordance with the terms of Option 71 and the tariffs. To the extent Customer's SPAMARC Amount obligation is reduced under Section (J)(3) (**SPAMARC Reduction Amount**), Customer's obligation with respect to the SPAMARC Reduction Amount shall apply as between Customer and the Acquiring Third Party. Similarly, to the extent the Quarterly Credits are reduced under Section (J)(4) following (**Quarterly Credit Reduction Amounts**), the Acquiring Third Party would be required to provide Quarterly Credits in amounts equal to the Quarterly Credit Reduction Amounts provided that Customer remains (N)

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32. Contract Tariffs (Cont'd)
32.72 Contract Tariff Option 71 (Cont'd)
(J) Divestitures by the Parties (Cont'd)

(1) Notice of Divestiture (Cont'd) (N)

(b) Notice of Telephone Company Divestiture (Cont'd)

eligible for Quarterly Credits under the terms of this Option 71, and subject to any Shortfall Payment that Customer may owe under such terms (taking account of the adjusted SPAMARC Amounts that apply as between Customer and the Acquiring Third Party). For the avoidance of any doubt, after any assignment implemented in connection with a Verizon Divestiture, the Telephone Company shall have no responsibility for the prospective performance of this Option 71 and/or its obligations hereunder by the assignee or transferee.

(2) Divestiture Adjustment Factor

In the event of a Customer Divestiture or Verizon Divestiture (which, in either case, may be referred to as a **Party Divestiture**), the Divestiture Adjustment Factor (determined according to the steps set forth following) will be used under Sections (J)(3) and (J)(4) following. As used following: (i) **Sold Qualifying Revenue** refers to the Billed Qualifying Service Revenues generated by Customer Sold Properties (in the case of a Customer Divestiture) or the Verizon Sold Properties (in the case of a Verizon Divestiture) that are the subject of a particular Party Divestiture and that, as a result of the Party Divestiture, the Telephone Company will no longer bill to Customer and (ii) **Sold Properties** refers to the Customer Sold Properties (in the case of a Customer Divestiture) or the Verizon Sold Properties (in the case of a Verizon Divestiture).

Step 1A: Determine the total amount of all Billed Qualifying Service Revenues that Customer achieved for the one (1)-year period ending on the day immediately prior to the date of the closing of the Party Divestiture (**Total Qualifying Revenue**).

Step 2A: Determine the total amount of Sold Qualifying Revenue generated by the Sold Properties for the one (1)-year period ending on the day immediately prior to the date of the closing of the Customer Divestiture (**Sold Qualifying Revenue**).

Step 3A: Divide the Sold Qualifying Revenue determined in Step 2A above by the Total Qualifying Revenue determined in Step 1A above to arrive at a **Divesture Adjustment Factor**.

Example of the above steps: Assume all Billed Qualifying Service Revenue for the one (1) year period ending on the day immediately prior to the closing date of the Party Divestiture was $200M. Also assume the Sold Qualifying Revenue over that same time period as $40M. The Divestiture Adjustment Factor would be 20%. (N)

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32. Contract Tariffs (Cont'd)
32.72 Contract Tariff Option 71 (Cont'd)
(J) Divestitures by the Parties (Cont'd)

(3) SPAMARC Amount Adjustments (N)

In the event of a Party Divestiture, the Telephone Company shall adjust the SPAMARC Amounts set forth in Section (B)(5) preceding as follows:

(a) For purposes of the annual true-up for the Plan Year in which the Party Divestiture closed (**Closing Plan Year**):

Step 1B: For the Closing Plan Year, determine the number of days remaining in the period that begins on the Party Divestiture closing date and ends on the last day of the Plan Year (**Remaining Plan Year Days**).

Step 2B: Divide the number of Remaining Plan Year Days by three hundred sixty five (365) to produce a **Closing Plan Year Adjustment Factor**.

Step 3B: Multiply the SPAMARC Amount for the subject Plan Year by the Closing Plan Year Adjustment Factor.

Step 4B: Multiply the amount produced by Step 3B by the Divestiture Adjustment Factor.

Step 5B: Subtract the amount resulting from Step 4B above from the SPAMARC Amount for the subject Plan Year to arrive at the **Closing Plan Year Adjusted SPAMARC**. The Closing Plan Year Adjusted SPAMARC shall then replace the SPAMARC Amount under Section (B)(5) preceding for the purposes of the annual true-up under Section (G)(2) preceding.

Example of the above steps: Assume the following: a Party Divestiture occurs on the 165th day of Plan Year 2, the SPAMARC for Plan Year 2 is $180M, and the Divestiture Adjustment Factor (as described in Section (J)(2) preceding) is 20%.

Step 1B: The Remaining Plan Year Days = 200 Days.
Step 2B: The Closing Plan Year Adjustment Factor would be 54.8% (200/365).
Step 3B: Multiply 54.8% by $180M, which produces the result $98.64M.
Step 4B: Multiply $98.64M by 20%, which produces the result of $19.73M.
Step 5B: Subtract $19.73M from the SPAMARC of $180M to calculate the Closing Plan Year Adjusted SPAMARC of $160.17M. (N)

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32. Contract Tariffs (Cont'd)
32.72 Contract Tariff Option 71 (Cont'd)
(J) Divestitures by the Parties (Cont'd)

(3) SPAMARC Amount Adjustments (Cont'd) (N)

(b) For purposes of Plan Years subsequent to the Plan Year in which the Party Divestiture closed:

Step 1C: Multiply each of the SPAMARC Amounts (as set forth in Section (B)(5) preceding) for the remaining Plan Year(s) by the Divestiture Adjustment Factor.

Step 2C: For each of the remaining Plan Years, subtract the amount resulting from Step 1C from the SPAMARC Amount (as set forth in Section (B)(5) preceding) for the respective Plan Years.

Step 3C: The amounts resulting from Step 2C are the new SPAMARC Amounts that will be used for purposes of the annual true-ups in the Plan Years subsequent to the Plan Year in which the Party Divestiture occurred.

Example of the above steps: Assume the following: a Party Divestiture occurs on the 165th day of Plan Year 2, the SPAMARC for Plan Year 3 is $170M, the SPAMARC for Plan Year 4 is $160M, and the Divestiture Adjustment Factor (as described in 11.2 above) is 20%. The Adjusted SPAMARC for Plan Year 3 will be $136M ($170M - $34M). The Adjusted SPAMARC for Plan Year 4 will be $128M ($160M - $32M).

In the event of a subsequent Party Divestiture, the new SPAMARC Amounts resulting from Step 3C above will be used as the baseline SPAMARC Amounts that will be adjusted in accordance with the above provisions. (N)

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32. Contract Tariffs (Cont'd)
32.72 Contract Tariff Option 71 (Cont'd)
(J) Divestitures by the Parties (Cont'd)

(4) Quarterly Credit Adjustments (N)

In the event of a Party Divestiture, the Telephone Company shall adjust the Quarterly Credits set forth in Section (G) preceding as follows:

(a) In the event a Party Divestiture that closes on any day of a Quarter other than the last day of a Quarter, the Telephone Company shall adjust the Quarterly Credit that would have applied for that Quarter under Section (G) preceding as follows:

Step 1D: Identify the Quarterly Credit that would be due for the Quarter in which the Party Divestiture occurred (such Quarter, the "Divestiture Closing Quarter").

Step 2D: For the Divestiture Closing Quarter, determine the number of days up to and including the Party Divestiture closing date.

Step 3D: Determine the number of days remaining in the Divestiture Closing Quarter after the Party Divestiture closing date by subtracting the result of Step 2D from 91.

Step 4D: Divide the amount identified in Step 2D by ninety-one (91) to determine the percentage of days before Party Divestiture in the Divestiture Closing Quarter.

Step 5D: Divide the amount identified in Step 3D by ninety-one (91) to determine the percentage of days after Party Divestiture in the Divestiture Closing Quarter.

Step 6D: Multiply the amount from Step 1D by the result of Step 4D to determine the portion of Quarterly Credit due for the period prior to the Party Divestiture.

Step 7D: Multiply the amount from Step 1D by the result of Step 5D to determine the unadjusted portion of Quarterly Credit that would be due for the period after the Party Divestiture.

Step 8D: Multiply the amount from Step 7D by the Divestiture Adjustment Factor.

Step 9D: Subtract the amount resulting from Step 8D from the result of Step 7D.

Step 10D: Add the result of Step 9D to the result of Step 6D to determine the Quarterly Credit due for the Divestiture Closing Quarter.

Example of the above steps: Assume a Party Divestiture occurs on the seventy-fifth (75th) day of the second Quarter of a Plan Year. Also assume that the Quarterly Credit amount for the Plan Year is $30M. Lastly, assume the Divestiture Adjustment Factor is 20%. (N)

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32. Contract Tariffs (Cont'd)
32.72 Contract Tariff Option 71 (Cont'd)
(J) Divestitures by the Parties (Cont'd)

(4) Quarterly Credit Adjustments (Cont'd) (N)

(a) (Cont'd)

Example of the above steps: (Cont'd)

Step 1D: The Quarterly Credit Amount is $30M.

Step 2D: The number of days in the Divestiture Closing Quarter up to and including Party Divestiture Closing Date is 75.

Step 3D 91 days minus 75 days is 16 days.

Step 4D: 75 days / 91 days is 82.42%

Step 5D: 16 days / 91 days is 17.58%

Step 6D: $30M multiplied by 82.42% = $24,725,275

Step 7D: $30M multiplied by 17.58% = $5,274,725

Step 8D: $5,274,275 multiplied by 20% = $1,054,945

Step 9D: $5,274,725 minus $1,054,945 = $4,219,780

Step 10D: $24,725,275 plus $4,219,780 = $28,945,055

(b) For purposes of Quarterly Credits for any Quarters remaining in the same Plan Year after the Quarter in which the Party Divestiture occurred (**Remaining Closing Plan Year Credit Quarters**):

Step 1E: Total the Quarterly Credits for the Remaining Closing Plan Year Credit Quarters.

Step 2E: Multiply the sum resulting from Step 1E by the Divestiture Adjustment Factor.

Step 3E: Subtract the amount resulting from Step 2E from the sum resulting from Step 1E.

Step 4E: Divide the amount resulting from Step 3E by the number of Remaining Closing Plan Year Credit Quarters. (Thus, for example, if the Party Divestiture closed in the 1st Quarter of a given Plan Year, divide by four. As a further example, if the Party Divestiture closed in the 4th Quarter of a given Plan Year, divide by one.)

Step 5E: The amount(s) resulting from Step 4E is the amount(s) of the Quarterly Credits that Customer will receive for the Remaining Closing Plan Year Credit Quarters. (N)

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32. Contract Tariffs (Cont'd)
32.72 Contract Tariff Option 71 (Cont'd)
(J) Divestitures by the Parties (Cont'd)
(4) Quarterly Credit Adjustments (Cont'd)
(b) (Cont'd) (N)

Example of the above steps: Assume a Party Divestiture occurs in the second Quarter of Plan Year 2. Also assume that the unadjusted Quarterly Credit due to Customer in each Quarter of Plan Year 2 is $20M and the first Quarter credit has been paid. Lastly, assume the Divestiture Adjustment Factor = 20%.

Step 1E: Total of Quarterly Credits for the Remaining Closing Plan Year Credit Quarters= $60M (3 Quarters x $20M).
Step 2E: $60M x 20% = $12M
Step 3E: $60M - $12M = $48M
Step 4E: $48M/3 = $16M
Step 5E: The Quarterly Credit for each of the Remaining Closing Plan Year Quarters is $16M.

(i) For purposes of Quarterly Credits for the Quarters of any Plan Years remaining after the Plan Year in which the Party Divestiture closed (**Subsequent Plan Year Credit Quarters**):

Step 1F: Multiply each of the Quarterly Credit amounts set forth in Section (G)(1) by the Divesture Adjustment Factor.

Step 2F: For each Subsequent Plan Year Credit Quarter, subtract the amount resulting from Step 1F from the respective Quarterly Credits (as set forth in Section (G)(1) preceding).

Step 3F: The amounts resulting from Step 2F are the new Quarterly Credit Amounts that Customer will receive (if it remains eligible) for the Subsequent Plan Year Credit Quarters.

Example of the above steps: Assume the following: a Party Divestiture occurs on the 165th day of Plan Year 2, the SPAMARC for Plan Year 3 = $170M with Quarterly Credits of $42.5M per Quarter, the SPAMARC for Plan Year 4 is $160M with Quarterly Credits of $40M per Quarter. Lastly, assume the Divestiture Adjustment Factor (as described in Section (J)(2) preceding) is 20%. The Subsequent Plan Year Quarterly Credit for Plan Year 3 is $34M ($42.5M - $8.5M). The Subsequent Plan Year Quarterly Credit for Plan Year 4 is $32M ($40M - $8M).

In the event of a subsequent Party Divestiture, the new Quarterly Credit amounts resulting from Step 3F preceding will be used as the baseline Quarterly Credit amounts that will be adjusted in accordance with the above provisions. (N)

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32. Contract Tariffs (Cont'd)
32.72 Contract Tariff Option 71 (Cont'd)
(J) Divestitures by the Parties (Cont'd)
(5) Adjustment to Maximum Annual Grooms

(N)

In the event of a Party Divestiture (as defined in Section (J)(2) preceding) the Maximum Annual Grooms limit set forth in Section (H)(1) preceding shall be reduced in accordance with the steps set forth below and the Parties by written mutual agreement will reallocate the Agreed Throughput Volumes accordingly.

Step 1G: For the Divestiture Plan Year, determine the number of days remaining in the period that begins on the Party Divestiture closing date and ends on the last day of the Plan Year (**Remaining Plan Year Days**).

Step 2G: Divide the number of Remaining Plan Year Days by three hundred sixty five (365) to produce a **Closing Plan Year Adjustment Factor**.

Step 3G: Multiply the Maximum Annual Grooms amount for the subject Plan Year by the Closing Plan Year Adjustment Factor.

Step 4G: Multiply the amount produced by Step 3G by the Divestiture Adjustment Factor as defined in Section (J)(2) preceding.

Step 5G: Subtract the amount resulting from Step 4G above from the Maximum Annual Grooms amount for the subject Plan Year to arrive at the **Closing Plan Year Adjusted Grooms Maximum**. The Closing Plan Year Adjusted Grooms Maximum shall then replace the Maximum Annual Grooms amount set forth in Section (H)(1) for the Closing Plan Year.

For purposes of calculating the Maximum Annual Grooms for Plan Years after the Closing Plan Year, the Maximum Annual Grooms amount set forth in Section (H)(1) preceding will be adjusted as follows:

Step 6G: For each Plan Year after the Closing Plan Year, Multiply the Maximum Annual Grooms amount for that Plan Year by the Divestiture Adjustment Factor.

(N)

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32. Contract Tariffs (Cont'd)
32.72 Contract Tariff Option 71 (Cont'd)
(J) Divestitures by the Parties (Cont'd)
(5) Adjustment to Maximum Annual Grooms (Cont'd)

(N)

Example of the above steps: Assume the following: a Party Divestiture closes on the 151st day of Plan Year 2, the Maximum Annual Grooms amount for Plan Years 2 and 3 is 24,800, and the Divestiture Adjustment Factor (as described in Section (J)(2) preceding) is 20%.

Step 1G: The Remaining Plan Year Days = 214 Days.

Step 2G: The Closing Plan Year Adjustment Factor is 58.6% (214/365).

Step 3G: Multiply 58.6% by 24,800, which produces the result of 14,357.

Step 4G: Multiply 14,357 by the 20% Divestiture Adjustment Factor, which produces the result of 2,871.

Step 5G: Subtract 2,871 from the Maximum Annual Grooms amount of 24,800 to arrive at the Closing Plan Year Adjusted Grooms Maximum amount of 21,921.

Step 6G: Multiply the 20% Divestiture Adjustment Factor by the Plan Year 3 Maximum Annual Grooms amount of 24,800 = 4,960.

Step 7G: Subtract 4,960 from the Plan Year 3 Maximum Annual Grooms amount (24,800 – 4,960), resulting in an adjusted post-divestiture Maximum Annual Grooms amount of 19,840 for Plan Year 3. Repeat this calculation for all subsequent Plan Years to adjust the respective Maximum Annual Grooms amount set forth in Section (H)(1) preceding.

(N)

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32. Contract Tariffs (Cont'd)
32.72 Contract Tariff Option 71 (Cont'd)
(K) Mergers and Acquisitions

(1) Notice of Customer Merger/Acquisition (N)

In the event that, on or after the Effective Date, Customer merges with another company or acquires a company or a portion of the business of another company (including, but not limited to, any ACNA(s) not provided in accordance with Section (C)(1) preceding) (the company with which Customer merges and the company or portion of the business thereof that Customer acquires (including, but not limited to, an ACNA(s) not provided in accordance with Section (C)(1) preceding) may be referred to collectively as the **Customer Acquired Properties** and such merger or acquisition may be referred to in either case as a **Customer Acquisition**), and the Telephone Company provides any Qualifying Services in connection with such Customer Acquired Properties, then Customer, no later than the closing date of the Customer Acquisition or as expeditiously as possible after the closing date of the Customer Acquisition, shall notify the Telephone Company of the Customer Acquisition (**Customer Acquisition Notice**). Customer shall identify in such notice any Qualifying Services included in the Customer Acquired Properties. If Customer wishes to include the Customer Acquired Properties in this Option 71, then Customer in its Customer Acquisition Notice shall request the Telephone Company's consent to such inclusion.

(2) Notice of Telephone Company Merger/Acquisition

In the event the Telephone Company merges with another company, or acquires a company or a portion of the business of another company (the company with which the Telephone Company merges, and the company or portion of the business thereof that the Telephone Company acquires may be referred to collectively as the **Verizon Acquired Properties** and such merger or acquisition may be referred to in either case as a **Verizon Acquisition**). If the Telephone Company wishes to include the Verizon Acquired Properties in this Option 71, then the Telephone Company may request Customer's consent to such inclusion in a notice to Customer. (N)

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32. Contract Tariffs (Cont'd)
32.72 Contract Tariff Option 71 (Cont'd)
(K) Mergers and Acquisitions (Cont'd)

(3) If Customer requests inclusion of the Customer Acquired Properties pursuant to Section (K)(1) preceding, or if the Telephone Company requests inclusion of the Verizon Acquired Properties in accordance with Section (K)(2) preceding, then in either case the other Party, in its sole discretion, may accept or reject such request. If the Parties agree to include in this Option 71 any Customer Acquired Properties or Verizon Acquired Properties (collectively, **Acquired Properties**), such inclusion shall be as set forth in a written agreement between the Parties setting forth the terms and conditions of such inclusion (including, by way of example, any terms to adjust the SPAMARC Amounts, Quarterly Credits, and Grooms Limitations). Absent any such written agreement, Customer's achievement of the SPAMARC Amounts described in Section (B)(5) preceding shall be calculated based solely on Customer's purchase of Qualifying Services from the Telephone Company using the ACNAs provided in accordance with Section (C)(1) preceding as of the Effective Date, without adding any services or revenues attributable to expansion of Customer's purchase of any services from the Telephone Company through an Acquired Property, and the Quarterly Credit amounts and Grooms Limitations shall remain unchanged. (N)

(4) If Customer violates the provisions of Section (K)(3), then (without limiting any other right of the Telephone Company to terminate Option 71):

(a) Customer shall notify the Telephone Company promptly upon the occurrence of such violation, and the Telephone Company, upon receipt of such notice or upon discovering the violation on its own (in which case the Telephone Company shall provide Customer written notice of such discovery) (either notice under this Section (K)(4)(a), a **Violation Notice**). Such a violation will be deemed to occur if (i) Customer assigns any Qualifying ACNAs to any existing Qualifying Services purchased through an Acquired Property as of the closing of Customer's acquisition of the Acquired Properties, or (ii) Customer disconnects any Qualifying Services purchased under a non-Qualifying ACNA of the Acquired Property, and then purchases that same Qualifying Service, to the same end-user location, under a Qualifying ACNA; provided however, that any such activity performed solely to reflect changes in services ordered by Customer's end user shall not be deemed a violation of this provision. (N)

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32. Contract Tariffs (Cont'd)
32.72 Contract Tariff Option 71 (Cont'd)
(K) Mergers and Acquisitions (Cont'd)

(4) (Cont'd) (N)

(b) Upon a Violation Notice provided by either Party under Section (K)(4)(a) preceding, Customer must promptly, and no later than sixty (60) days after the date of the Violation Notice, complete such activities in cooperation with the Telephone Company to exclude the Acquired Properties from Billed Qualifying Service Revenue and to ensure such exclusion continues prospectively until such time, if at all, as the Parties agree to include the Acquired Properties in this Option 71 in accordance with Section (K)(3).

(c) In the event of a Violation Notice provided by either Party under Section (K)(4)(a) preceding, the Telephone Company shall calculate the effect of the violation (such effect may include, by way of example, any difference in rates paid by Customer or the Acquired Property as a result of the violation, any avoidance of shortfall or overage charges under the tariffs as a result of the violation, and any avoidance of Shortfall Payments that Customer would have been required to pay had the Acquired Properties been excluded) for the period during which the violation occurred and for such time as the violation continues prospectively until cured (**Unearned Economic Benefit**). Customer, upon being billed by the Telephone Company, shall pay the Telephone Company the amount of such Unearned Economic Benefit plus: (i) in a case where Customer provided the Telephone Company the Violation Notice, interest at one percent (1.0%) per month for any period during which the violation resulted in Customer receiving an Unearned Economic Benefit and (ii) in a case where the Telephone Company provided Customer the Violation Notice, interest at three percent (3.0%) per month for any period during which the violation resulted in Customer receiving an Unearned Economic Benefit. (N)

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32. Contract Tariffs (Cont'd)
32.72 Contract Tariff Option 71 (Cont'd)
(L) Termination

(1) Mutual Agreement (N)

The Parties, by mutual written agreement in their sole discretion or as otherwise set forth herein, may terminate this Option 71 (and/or Customer's subscription thereto). Termination of Option 71 shall be deemed to be an automatic termination of Option 71 in FCC 1 and Option 39 in FCC 14. Except as otherwise mutually agreed in writing by the Parties or as set forth herein, any termination under this Section (L)(1) shall be effective as of the date of termination (**Termination Date**). Upon any such termination, (i) the Telephone Company, as set forth in Section (L)(1)(a) following, will calculate and issue to Customer a Quarterly Termination Credit in lieu of the Quarterly Credit that would otherwise have applied for the Quarter in which the termination occurred (**Termination Quarter**), and (ii) the Telephone Company will perform a true-up in accordance with the steps set forth in Section (L)(1)(b) following (**Termination True-Up**): (x)

(a) Termination Credit

The credit that Customer will receive under Section (G)(1) preceding for the Termination Quarter shall be determined according to the following steps:

Step 1H: Divide by three hundred sixty-five (365) the sum total of all Quarterly Credits that would apply under Section (G)(1) preceding for the Plan Year in which the termination occurred (**Termination Year**)to arrive at a daily dollar amount.

Step 2H: Multiply the dollar amount determined in Step 1H by the number of days that elapsed prior to the Termination Date within the Termination Year. The resulting amount may be referred to as the **Annual Termination Credit** to be used for purposes of the calculation in Step 3H below.

Step 3H: Reduce the Annual Termination Credit amount calculated in Step 2H by the sum total of all credits due in previous Quarters prior to the Termination Quarter (but within the Termination Year) to arrive at the Quarterly Termination Credit. Customer will receive no further Quarterly Credits under this Option 71.

Step 4H: The Telephone Company will issue the Quarterly Termination Credit on Customer's bill(s) within one hundred twenty (120) calendar days after the Termination Date upon Customer's written approval of the Quarterly Termination Credit to be issued. Once the Quarterly Termination Credit has been issued after Customer's approval of the amount, Customer may not thereafter dispute or seek adjustment to the Quarterly Termination Credit. (N)

(x) Issued under authority of Special Permission No. 15-021 of the Federal Communications Commission.

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32. Contract Tariffs (Cont'd)
32.72 Contract Tariff Option 71 (Cont'd)
(L) Termination (Cont'd)

(1) Mutual Agreement (Cont'd) (N)

(a) Termination Credit (Cont'd)

Example of the above steps: Assume that on the one hundred ninetieth (190th) day of Plan Year 2, the Telephone Company terminates this Option 71. Also assume that the 190th day of Plan Year 2 is the eighth (8th) day of the 3rd Quarter of Plan Year 2. Assume further that the Quarterly Credit under Section (G)(1) preceding is $26,500,000.

Step 1H: Quarterly Credit = $106,000,000 / 365 days = $290,411 daily amount.

Step 2H: The amount $290,411 from Step 1H above multiplied by 190 Days = $55,178,082.

Step 3H: The amount of $55,178,082 from Step 2H minus $53,000,000 ($26,500,000 x 2 Quarters prior to the Termination Quarter) = Quarterly Termination Credit of $2,178,082. (N)

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32. Contract Tariffs (Cont'd)
32.72 Contract Tariff Option 71 (Cont'd)
(L) Termination (Cont'd)
(1) Mutual Agreement (Cont'd)

(N)

(b) Termination True-Up

The Telephone Company will review Customer's performance during the period from the beginning of the Plan Year in which the termination occurred through the Termination Date (**Termination Review Period**) according to the following steps, and Customer shall owe any resulting shortfall payment:

Step 1I: Divide by three hundred sixty five (365) the SPAMARC Amount for the Plan Year in which the termination occurred to arrive at a daily SPAMARC Amount.

Step 2I: Multiply the daily amount resulting from Step 1I by the total number of days in the Termination Review Period to arrive at a **Termination Review SPAMARC Amount**.

Step 3I: Determine the amount of Billed Qualifying Service Revenue that Customer Achieved during the Termination Review Period. For purposes of such determination, any billed amounts that remain Disputed Amounts as of thirty (30) days after the date of the termination shall be excluded from Billed Qualifying Service Revenue.

Step 4I(A): If the amount of Billed Qualifying Service Revenue that Customer Achieved during the Termination Review Period as determined under Step 3I is less than the Termination Review SPAMARC Amount, then Customer shall owe a shortfall payment equal to the difference between the Termination Review SPAMARC Amount and the amount of Billed Qualifying Service Revenue that Customer actually achieved during the Termination Review Period. Upon determining the shortfall amount owed, the Telephone Company shall issue a debit(s) to Customer's bill(s) to account for Customer's payment of the shortfall amount and Customer shall pay such amount.

Step 4I(B): If the amount of Billed Qualifying Service Revenue that Customer achieved during the Termination Review Period as determined under Step 3I is equal to or greater than the Termination Review SPAMARC Amount, then Customer will owe no shortfall payment. (N)

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32. Contract Tariffs (Cont'd)
32.72 Contract Tariff Option 71 (Cont'd)
(L) Termination (Cont'd)
(1) Mutual Agreement (Cont'd)

(N)

(b) Termination True-Up

Example of the above steps: Assume that on the one hundred ninetieth (190th) day of Plan Year 2, the Telephone Company terminates this Option 71. Also assume that Customer achieved Billed Qualifying Service Revenue in the amount of $130.14M for Plan Year 2 through the Termination Date.

Step 1I: Plan Year 2 SPAMARC of $356M divided by 365 days = daily SPAMARC Amount of $975,342.

Step 2I: The daily SPAMARC Amount of $975,342 multiplied by 190 days = Termination Review SPAMARC Amount of $185,315,068.

Step 3I: Billed Qualifying Service Revenue achieved during the Termination Review Period is $130.14M.

Step 4I: Because the amount of achieved Billed Qualifying Service Revenue during the Termination Review Period is $55,175,068 less than the Termination Review SPAMARC Amount, Customer owes a shortfall payment of $55,175,068.

(2) Termination by the Telephone Company for Failure to Achieve Any SPAMARC Amounts

If the Telephone Company wishes to terminate this Option 71 for Customer's failure to achieve the SPAMARC Amount by the end of a Plan Year and Customer's failure to pay the Shortfall Payment(s) owed, which failure shall be deemed a material breach of this Option 71, then (without limiting Customer's obligation to pay the Shortfall Payment(s) owed) the Telephone Company shall provide notice of its termination of Option 71 by no later than ninety (90) calendar days after the end of the applicable Plan Year. Upon such termination Customer shall be entitled to all Quarterly Credits owed for such just-concluded Plan Year (subject to payment of any Shortfall Payments owed), but shall not be eligible for any Quarterly Credits for any period of time after the end of such Plan Year.

(N)

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