TAXES AND SURCHARGES

A. GENERAL

1. All charges for Services provided under this Product Guide are exclusive of applicable federal, state, local, and foreign, sales, use, excise, gross receipts, value added, and other taxes, tax-like charges, tax-related and other surcharges (**Taxes**). As defined in the preceding sentence, the term “Taxes” does not include any tax based on the Company's net income. Customer shall pay all Taxes.

2. In the event that Customer provides the Company with a valid, duly executed exemption certificate for a Tax, the Company will not bill Customer for such Tax in accordance with the law, effective prospectively on the date the Company receives the exemption certificate and for so long as the exemption certificate remains valid and effective. Customer shall use such methods (e.g., electronic interfaces) as the Company makes available from time to time for purposes of submitting exemption certificates and/or managing applicable exemptions.

3. If the Company does not collect a Tax because Customer asserts that it is not responsible for the Tax or is otherwise excepted from the obligation, and such assertion is later determined to be wrong, then, as between the Company and Customer, Customer will be liable for such uncollected Tax and any interest due and/or penalty assessed on the uncollected Tax by the applicable taxing authority or governmental entity.

4. If Customer disputes the application of any Tax, Customer must give the Company written notice of the dispute in accordance with the procedure and time period for disputing charges set out in Part 0, Section 2D3, except to the extent that a shorter time period applies under the laws or rules applicable to a particular Tax, in which case such shorter time period applies.

5. In the event the Company or the Customer is audited by a taxing authority, each Party agrees to cooperate reasonably with the Party being audited in order to respond to any audit inquiries in a proper and timely manner so that the audit and/or any resulting controversy may be resolved expeditiously.

The Taxes described in Sections B through E following are among the Taxes, but are not the only Taxes, for which Customer is responsible under this section.

TAXES AND SURCHARGES

B. FEDERAL UNIVERSAL SERVICE FUND SURCHARGE

An FUSF Surcharge will be assessed to Customers for applicable Services under this Product Guide. The FUSF Surcharge is determined by multiplying a factor, updated from time to time by the Federal Communications Commission, by the Customer's monthly charges for Service.

C. SURCHARGE FOR SPECIAL ACCESS SERVICE

Services provided under this Product Guide may be subject to the monthly Special Access Surcharge. The Special Access Surcharge compensates the Company for use of the local exchange network when Special Access Service is connected to a PBX or equivalent device which is capable of interconnecting the Service with local exchange service.

The Special Access Surcharge is assessed pursuant to the applicable Company FCC Tariff.

D. MESSAGE STATION EQUIPMENT RECOVERY CHARGE

The Message Station Equipment Recovery Charge is a charge to recover that portion of message station equipment that is assigned to Special Access Service.

Pursuant to CC Docket No. 83-1145 Memorandum Opinion and Order adopted by the Federal Communications Commission on November 8, 1984 and released on November 9, 1984, this charge is assessed only to those Customers to which the Special Access Surcharge applies.

A Message Station Equipment Recovery Charge applies in Region 1.

E. NEW YORK STATE EXCISE TAX ON TELECOMMUNICATIONS SERVICES

Customers in New York State, in the Verizon New York Inc. operating territory, the Excise Tax on Telecommunications Services Surcharge of 2.5641% and the Metropolitan Commuter Transportation District Tax Surcharge of 0.599% apply to all rates and charges for Services in this Product Guide except those purchased for resale by a reseller who possesses a Certificate of Public Convenience and Necessity from the New York State Public Service Commission, or is designated as eligible for a sale-for-resale exclusion from the New York State Department of Taxation and Finance.