TERMS OF SERVICE

2.1 UNDERTAKING OF THE COMPANY

2.1.1 SCOPE

(A) The Company does not undertake to transmit messages under this Product Guide.

(B) The Company shall be responsible only for the installation, operation and maintenance of the services it provides.

(C) The Company will, for maintenance purposes, test its services only to the extent necessary to detect and/or clear troubles.

(D) Services are provided 24 hours daily, seven days per week, except as set forth in other applicable sections of this Product Guide.

(E) The Company does not warrant that its facilities and services meet standards other than those set forth in this Product Guide.

2.1.2 LIMITATIONS

(A) The customer may not assign or transfer the use of services provided under this Product Guide; however, where there is no interruption of use or relocation of the services, such assignment or transfer may be made to:

(1) Another customer, whether an individual, partnership, association or corporation, provided the assignee or transferee assumes all outstanding indebtedness for such services, and the unexpired portion of the minimum period and the termination liability applicable to such services, if any; or

(2) A court-appointed receiver, trustee or other person acting pursuant to law in bankruptcy, receivership, reorganization, insolvency, liquidation or other similar proceedings, provided the assignee or transferee assumes the unexpired portion of the minimum period and the termination liability applicable to such services, if any.

In all cases of assignment or transfer, the written acknowledgement of the Company is required prior to such assignment or transfer which acknowledgement shall be made within 15 days from the receipt of notification. All terms and conditions contained in this Product Guide shall apply to such assignee or transferee.

TERMS OF SERVICE

2.1 UNDERTAKING OF THE COMPANY (Cont'd)

2.1.2 LIMITATIONS (Cont'd)

(A) (Cont'd)

(2) (Cont'd)

The assignment or transfer of services does not relieve or discharge the assignor or transferor from remaining jointly or severally liable with the assignee or transferee for any obligations existing at the time of the assignment or transfer.

(B) The terms and conditions for the installation and restoration of Telecommunications Service Priority (TSP) System Services shall be subject to Part 64.401, Appendix A, of the Federal Communications Commission's Rules and Regulations Section 7, following.

(C) Subject to compliance with the rules mentioned in (B) preceding, where a shortage of facilities or equipment exists at any time, either for temporary or protracted periods, the services offered herein will be provided to customers on a first-come, first-served basis.

2.1.3 LIABILITY

(A) The Company's liability, if any, for its willful misconduct is not limited by this Product Guide. With respect to any other claim or suit, by a customer or by any others, for damages associated with the installation, provision, preemption, termination, maintenance, repair or restoration of service, and subject to the provisions of (B) through (G) following, the Company's liability, if any, shall not exceed an amount equal to the proportionate charge for the service for the period during which the service was affected. This liability for damages shall be in addition to any amounts that may otherwise be due the customer under this Product Guide as a Credit Allowance for a Service Interruption.

(B) The Company shall not be liable for any act or omission of any other carrier or customer providing a portion of a service, nor shall the Company for its own act or omission hold liable any other carrier or customer providing a portion of a service.

(C) The Company is not liable for damages to the customer premises resulting from the furnishing of a service, including the installation and removal of equipment and associated wiring, unless the damage is caused by the Company's negligence.

TERMS OF SERVICE

2.1 UNDERTAKING OF THE COMPANY (Cont'd)
2.1.3 Liability (Cont'd)

(D) The Company shall be indemnified, defended and held harmless by the end user against any claim, loss or damage arising from the end user's use of services offered under this Product Guide, involving:

(1) Claims for libel, slander, invasion of privacy, or infringement of copyright arising from the end user's communications;

(2) Claims for patent infringement arising from combining or using the service furnished by the Company in connection with facilities or equipment furnished by the customer or;

(3) All other claims arising out of any act or omission of the customer in the course of using services provided pursuant to this Product Guide.

(E) The Company shall be indemnified, defended and held harmless by the IC against any claim, loss or damage arising from the IC's use of service offered under this Product Guide, involving:

(1) Claims for libel, slander, invasion of privacy, or infringement of copyright arising from the IC's own communications;

(2) Claims for patent infringement arising from the IC's acts combining or using the service furnished by the Company in connection with facilities or equipment furnished by the end user or IC or;

(3) All other claims arising out of any act or omission of the IC in the course of using services provided pursuant to this Product Guide.

(F) The Company does not guarantee or make any warranty with respect to its services when used in an explosive atmosphere. The Company shall be indemnified, defended and held harmless by the customer from any and all claims by any person relating to such customer's use of services so provided.

(G) No license under patents (other than the limited license to use) is granted by the Company or shall be implied or arise by estoppel, with respect to any service offered under this Product Guide. The Company will defend the customer against claims of patent infringement arising solely from the use by the customer of services offered under this Product Guide and will indemnify such customer for any damages awarded based solely on such claims.

TERMS OF SERVICE

2.1 UNDERTAKING OF THE COMPANY (Cont'd)

2.1.3 Liability (Cont'd)

(H) The Company's failure to provide or maintain services under this Product Guide shall be excused by labor difficulties, governmental orders, civil commotions, criminal actions taken against the Company, acts of God and other circumstances beyond the Company's reasonable control, subject to the Credit Allowance for a Service Interruption as set forth in 2.4.4 following.

2.1.4 Provision of Services

The Company, to the extent that such service are or can be made available with reasonable effort, and after provision has been made for the Company's telephone exchange services, will provide to the customer upon reasonable notice services offered in other applicable sections of this Product Guide at rates and charges specified therein.

2.1.5 Installation and Termination of Services

The services provided under this Product Guide (A) will include any entrance cable or drop wiring and wire or intra-building cable to the point where provision is made for termination of the Company's outside distribution network facilities at the designated Rate Demarcation Point (RDP) and (B) will be installed by the Company to such Point of Termination (POT)/Network Interface (NI). All Special Access Services shall have only one such Point of Termination/Network Interface hereinafter referred to as the RDP. All services and/ or material provided beyond the RDP are the sole responsibility of the customer. These services and/or material may be provided by the customer, their agent, or the Company. The RDP is an inherent part of Special Access Services. Therefore, the preceding does not preclude the customer's ability to have the RDP moved as set forth in 6.4.4.

2.1.6 Maintenance of Service

The services provided under this Product Guide shall be maintained by the Company. The customer or others may not rearrange, move, disconnect, remove or attempt to repair any facilities provided by the Company, other than by connection or disconnection to the RDP except with the written consent of the Company.

TERMS OF SERVICE

2.1 UNDERTAKING OF THE COMPANY (Cont'd)

2.1.7 Changes and Substitutions

Except as provided for equipment and systems subject to FCC Part 68 Regulations at 47 C.F.R. Section 68.110(b), the Company may, where such action is reasonably required in the operation of its business, (A) substitute, change or rearrange any facilities used in providing service under this Product Guide, including but not limited to, (1) substitution of different metallic facilities, (2) substitution of carrier or derived facilities for metallic facilities used to provide other than metallic facilities and (3)substitution of metallic facilities for carrier or derived facilities used to provide other than metallic facilities, (B) change minimum protection criteria, (C) change operating or maintenance characteristics of facilities or (D) change operations or procedures of the Company. In case of any such substitution, change or rearrangement, the transmission parameters will be within the range as set forth in 6. following. The Company shall not be responsible if any such substitution, change or rearrangement renders any customer furnished services obsolete or requires modification or alteration thereof or otherwise affects their use or performance. If such substitution, change or rearrangement materially affects the operating characteristics of the facility, the Company will provide reasonable notification to the customer in writing. Reasonable time will be allowed for any redesign and implementation required by the change in operating characteristics. The Company will work cooperatively with the customer to determine reasonable notification procedures.

2.1.8 Refusal and Discontinuance of Service

(A) Unless the provisions of 2.2.1(B) or 2.5 following apply, if the customer fails to comply with 2.1.6 preceding or 2.2.2, 2.3.1, 2.3.4, 2.3.5 or 2.4 following, including any payments to be made by it on the dates and times herein specified, the Company, may on thirty (30) days written notice by Certified U.S. Mail to the person designated by that customer to receive such notices of noncompliance, refuse additional applications for service and/or refuse to complete any pending orders for service by the non-complying customer at any time thereafter.

If the Company does not refuse additional applications for service on the date specified in the thirty (30) days' notice, and the customer's noncompliance continues, nothing contained herein shall preclude the Company's right to refuse additional applications for service to the non-complying customer without further notice.

TERMS OF SERVICE

2.1 UNDERTAKING OF THE COMPANY (Cont'd)

2.1.8 Refusal and Discontinuance of Service (Cont'd)

(B) Unless the provisions of 2.2.1(B) or 2.5 following apply, if the customer fails to comply with 2.1.6 preceding or 2.2.2, 2.3.1, 2.3.4, 2.3.5 or 2.4 following, including any payments to be made by it on the dates and times herein specified, the Company may, on thirty (30) days written notice by Certified U.S. Mail to the person designated by that customer to receive such notices of noncompliance, discontinue the provision of the services involved to the non-complying customer at any time thereafter. In the case of such discontinuance, all applicable charges shall become due. If the Company does not discontinue the provision of the services involved on the date specified in the thirty (30) days' notice, and the customer's noncompliance continues, nothing contained herein shall preclude the Company's right to discontinue the provision of the services to the non-complying customer involved without further notice.

2.1.9 Limitation of Use of Metallic Facilities

Signals applied to a metallic facility shall conform to the limitations set forth in Technical Reference Publication AS) No. 1. In the case of application of dc telegraph signaling systems, the customer shall be responsible, at its expense,) for the provision of current limiting devices to protect the Company facilities from excessive current due to abnormal conditions and for the provision of noise mitigation networks when required to reduce excessive noise.

2.1.10 Notification of Service-Affecting Activities

The Company will provide the customer timely notification of service-affecting activities that may occur in normal operation of its business. Such activities may include, but are not limited to, equipment or facilities additions, removals or rearrangements, routine preventative maintenance and major switching machine change-out. Generally, such activities are not individual customer service specific, they affect many customer services. No specific advance notification period is applicable to all service activities.

TERMS OF SERVICE

2.1 UNDERTAKING OF THE COMPANY (Cont'd)

2.1.11 Coordination with Respect to Network Contingencies

The Company intends to work cooperatively with the customer to develop network contingency plans in order to maintain maximum network capability following natural or man-made disasters which affect telecommunications services.

2.1.12 Provision and Ownership of Telephone Numbers

The Company reserves the reasonable right to assign, designate or change telephone numbers, any other call number designations associated with Access Services, or the Company serving central office prefixes associated with such numbers, when necessary in the conduct of its business. Should it become necessary to make a change in such number(s), the Company will furnish to the customer 6 months' notice, by Certified U.S. Mail, of the effective date and an explanation of the reason(s) for such change(s).

TERMS OF SERVICE

2.2 Use

2.2.1 Interference or Impairment

(A) The characteristics and methods of operation of any circuits, facilities or equipment provided by other than the Company and associated with the facilities utilized to provide services under this Product Guide shall not interfere with or impair service over any facilities of the Company, its affiliated companies, or its connecting and concurring carriers involved in its services, cause damage to their plant, impair the privacy of any communications carried over their facilities or create hazards to the employees of any of them or the public.

(B) Except as provided for equipment or systems subject to the FCC Part 68 Rules in 47 C.F.R. Section 68.108, if such characteristics or methods of operation are not in accordance with (A) preceding, the Company will, where practicable, notify the customer that temporary discontinuance of the use of a service may be required; however, where prior notice is not practicable, nothing contained herein shall be deemed to preclude the Company's right to temporarily discontinue forthwith the use of a service if such action is reasonable under the circumstances. In case of such temporary discontinuance, the customer will be promptly notified and afforded the opportunity to correct the condition which gave rise to the temporary discontinuance. During such period of temporary discontinuance, credit allowance for service interruptions as set forth in 2.4.4 following is not applicable.

2.2.2 Unlawful Use

The service provided under this Product Guide shall not be used for an unlawful purpose.

TERMS OF SERVICE

2.3 Obligations of the Customer

2.3.1 Damages

The customer shall reimburse the Company for damages to Company facilities utilized to provide services under this Product Guide caused by the negligence or willful act of the customer or resulting from the customer's improper use of the Company facilities, or due to malfunction of any facilities or equipment provided for or by other than the Company nothing in the foregoing provision shall be interpreted to hold one customer liable for another customer's actions. The Company will, upon reimbursement for damages, cooperate with the customer in prosecuting a claim against the person causing such damage and the customer shall be subrogated to the right of recovery by the Company for the damages to the extent of such payment.

2.3.2 Ownership of Facilities and Theft

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

2.3.3 Equipment Space and Power

The customer shall furnish or arrange to have furnished to the Company, at no charge, equipment space and electrical power required by the Company to provide services under this Product Guide at the points of termination of such services. The selection of ac or dc power shall be mutually agreed to by the customer and the Company. The customer shall also make necessary arrangements in order that the Company will have access to such spaces at reasonable times for installing, testing, repairing or removing Company services.

2.3.4 Availability for Testing

The services provided under this Product Guide shall be available to the Company at times mutually agreed upon in order to permit the Company to make tests and adjustments appropriate for maintaining the services in satisfactory operating condition. Such tests and adjustments shall be completed within a reasonable time. No credit will be allowed for any interruptions involved during such tests and adjustments.

TERMS OF SERVICE

2.3 Obligations of the Customer (Cont'd)

2.3.5 Balance

All signals for transmission over the services provided under this Product Guide shall be delivered by the customer balanced to ground except for ground start*, duplex (DX) and McCulloh-Loop (Alarm System) type signaling and dc telegraph transmission at speeds of 75 baud or less. (C)

2.3.6 Design of Customer Services

Subject to the provisions of 2.1.7 preceding, the customer shall be solely responsible, at its own expense, for the overall design of its services and for any redesigning or rearrangement of its services which may be required because of changes in facilities, operations or procedures of the Company, minimum protection criteria or operating or maintenance characteristics of the facilities.

2.3.7 References to the Company

The customer may advise End Users that certain services are provided by the Company in connection with the service the customer furnishes to End Users; however, the customer shall not represent that the Company jointly participates in the customer's services.

2.3.8 Claims and Demands for Damages

(A) With respect to claims of patent infringement made by third persons, the customer shall defend, indemnify, protect and save harmless the Company from and against all claims arising out of the combining with, or use in connection with, the services provided under this Product Guide, any circuit, apparatus, system or method provided by the customer.

* Ground start may not be provided over fiber facilities and is only available where suitable facilities exist. (N)
(N)

TERMS OF SERVICE

2.3 Obligations of the Customer (Cont'd)
2.3.8 Claims and Demands for Damages (Cont'd)

(B) The customer shall defend, indemnify and save harmless the Company from and against any suits, claims, losses or damages including punitive damages, attorney fees and court costs by third persons arising out of the construction, installation, operation, maintenance, or removal of the customer's circuits, facilities, or equipment connected to the Company's services provided under this Product Guide, including, without limitation, Workmen's Compensation claims, actions for infringement of copyright and/or unauthorized use of program material, libel and slander actions based on the content of communications transmitted over the customer's circuits, facilities or equipment, and proceedings to recover taxes, fines, or penalties for failure of the customer to obtain or maintain in effect any necessary certificates, permits, licenses, or other authority to acquire or operate the services provided under this Product Guide; provided, however, the foregoing indemnification shall not apply to suits, claims, and demands to recover damages for damage to property, death, or personal injury unless such suits, claims or demands are based on the tortious conduct of the customer, its officers, agents or employees.

(C) The customer shall defend, indemnify and save harmless the Company from and against any suits, claims, losses or damages, including punitive damages, attorney fees and court costs by the customer or third parties arising out of any act or omission of the customer in the course of using services provided under this Product Guide.

2.3.9 Coordination with respect to Network Contingencies

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

TERMS OF SERVICE

2.3 Obligations of the Customer (Cont'd)

2.3.10 Jurisdictional Report Requirements

(A) Jurisdictional Reports

(a) When a customer orders access service, the projected Percent Interstate Usage (PIU) must be provided in whole numbers to the Company. These whole number percentages will be used by the Company to apportion the use and/or charges between interstate and intrastate until a revised report is received as set forth in (c) following.

The Company will determine the projected intrastate percentage by subtracting the projected interstate percentage for originating and/or terminating Switched Access minutes from 100 (100% minus projected interstate percentage equals intrastate percentage).

(b) Effective on the first of January, April, July and October of each year the customer shall update the interstate and intrastate jurisdictional report. The customer shall forward to the Company, to be received no later than 15 days after the first of each such month, a revised report showing the interstate percentage of use for the past three months ending the last day of December, March, June and September, respectively, for each service arranged for interstate use. Except where the Company can determine the actual jurisdiction, the revised report will serve as the basis for the next three months' billing and will be effective on the bill date for that service. No prorating or back billing will be done based on the report.

(c) Special Access

Special Access must be designated either 100% intrastate or 100% interstate for jurisdictional purposes. If the customer's estimate of the interstate traffic on a facility constitutes more than 10% of the total traffic, that facility will be declared 100% interstate jurisdiction.

TERMS OF SERVICE

2.3 Obligations of the Customer (Cont'd)
2.3.10 Jurisdictional Report Requirements (Cont'd)
(A) Jurisdictional Reports (Cont'd)

(d) Entrance Facilities and Direct-Trunked Transport Facilities

(1) The customer may provide an additional PIU factor that will apply to both the Entrance Facilities and the Direct Trunked portion of the facility account. These PIU factors should account for the originating and terminating traffic of all services using these facilities. The customer may provide this information on a quarterly basis.

(2) If a customer has previously submitted a letter to be placed on file which identifies individual PIU factors, the customer has the option of stating in its orders that the PIU factors contained in its letter on file (LOF) be applied to the facilities contained in the order. This PIU factor may be provided at the account level or for each individual facility. The same quarterly reporting requirements apply for this PIU that apply for the Switched Access usage PIU in (b) preceding.

(3) If a customer is providing or sharing a facility with other carriers, the PIU for the Entrance Facilities and Direct-trunked Transport may be developed using multiple PIU factors. The calculation to determine the facility PIU using factors must be provided with the quarterly jurisdictional report.

(4) If the customer does not provide a PIU factor for the facility portion of the account, the Company will use an aggregated PIU from the usage account.

(5) When a customer orders Directory Assistance Service, the customer shall in its order, provide the projected PIU factor for terminating use in a whole number (a number of 0 through 100) for each Directory Access Service group ordered. (A method the customer may wish to adopt could be to use its terminating traffic from its premises to the involved Directory Assistance Location and calculate the projected PIU factor as set forth in (4) preceding.) The Company will designate the number obtained by subtracting the projected PIU factor furnished by the customer from 100 (100 - customer percentage = intrastate percentage as the projected intrastate percentage.

TERMS OF SERVICE

2.3 Obligations of the Customer (Cont'd)
2.3.10 Jurisdictional Report Requirements (Cont'd)
(A) Jurisdictional Reports (Cont'd)
(d) Entrance Facilities and Direct-Trunked Transport Facilities (Cont'd)

(6) Except where Company measured access minutes are used as set forth in the preceding, the customer reported projected PIU factor as set forth in (1), (4), or (5) preceding will be used until the customer reports a different projected PIU factor, as set forth in (8) following. The revised report will serve as a basis for future billing and will be effective on the next bill date. No prorating or back billing will be done based on the report.

(7) When account level billing is provided by the Company, an account level projected PIU factor will be negotiated with the customer initially. Subsequently, the account level percentage will be developed monthly by the Company by averaging the interstate percentages for end offices within the account. When the Company does not have an interstate percentage for an end office, the default percentage furnished by the customer will be used.

(8) Effective on the first of January, April, July, and October of each year the customer shall update the interstate and intrastate jurisdictional report. The customer shall forward to the Company, to be received no later than 15 days after the first of each such month, a revised report showing the interstate and intrastate percentage of use for the past three months ending the last day of December, March, June and September, respectively, for each service arranged for interstate use. Except where the Company is billing according to actuals by jurisdiction, the revised report will serve as the basis for the next three months billing and will be effective on the bill date for that service. No prorating or back billing will be done based on the report. If the customer does not supply the reports for those services where reports are needed, the Company will assume the percentage to be the same as those provided previously. For those cases in which a quarterly report has never been received from the customer, the Company will assume the percentages to be the same as those provided in the order for service as set forth in (1) preceding.

TERMS OF SERVICE

2.3 Obligations of the Customer (Cont'd)
2.3.10 Jurisdictional Report Requirements (Cont'd)

(B) Jurisdictional Reports Verification

If a billing dispute arises or a regulatory commission questions the projected PIU factor, the Company will ask the customer to provide the data the customer uses to determine the projected PIU factor. The customer shall supply the data within 30 days of the Company request.

The customer shall keep records of call detail from which the percentage of interstate and intrastate use can be ascertained and upon request of the Company make the records available for inspection as reasonably necessary for purposes of verification of the percentages. No more than one audit can be conducted or requested by the Company within a ninety-day period. This inspection will be conducted, at the customer's expense, by an independent auditing firm.

2.3.11 Determination of Intrastate Charges for Mixed Interstate and Intrastate Access Service

When mixed interstate and intrastate Access Service is provided, all charges (i.e., nonrecurring and/or usage) including optional features charges, will be prorated between interstate and intrastate. The percentage provided in the reports as set forth in 2.3.10(A) preceding will serve as the basis for prorating the charges. The percentage of an Access Service to be charged as intrastate is applied in the following manner:

(A) For nonrecurring chargeable rate elements, multiply the percent intrastate use times the quantity of chargeable elements times the stated Product Guide rate per element.

(B) For usage sensitive (i.e., access minutes and calls) chargeable rate elements, multiply the percent intrastate use times actual use (i.e., measured or Company assumed average use) times the stated Product Guide rate.

The intrastate percentage will change as revised usage reports are submitted as set forth in 2.3.10 preceding.

TERMS OF SERVICE

2.4 Payment Arrangements and Credit Allowance

2.4.1 Payment of Rates, Charges and Deposits

(A) The Company will, in order to safeguard its interests, only require a customer which has a proven history of late payments to the Company or does not have established credit, to make a deposit prior to or at any time after the provision of a service to the customer to be held by the Company as a guarantee of the payment of rates and charges. No such deposit will be required of a customer which is a successor of a company which has established credit and has no history of late payments to the Company. Such deposits may not exceed the actual or estimated rates and charges for the service for a two month period. The fact that a deposit has been made in no way relieves the customer from complying with the Company's terms of service as to the prompt payment of bills. At such time as the provision of the service to the customer is terminated, the amount of the deposit will be credited to the customer's account and any credit balance which may remain will be refunded.

Such a deposit will be refunded or credited to the account when the customer has established credit or, in any event, after the customer has established a one-year prompt payment record at any time prior to the terminations of the provisions of the service to the customer. In case of cash deposits for the period the deposit is held by the Company, the customer will receive interest at the same percentage rate as that set forth in (B)(3)(b)(I) or in (B)(3)(b)(II), whichever is lower. The rate will be compounded daily for the number of days from the date the customer deposit is received by the Company to and including the date such deposit is credited to the customer's account or the date the deposit is refunded by the Company. Should a deposit be credited to the customer's account, as indicated above no interest will accrue on the deposit from the date such deposit is credited to the customer's account.

TERMS OF SERVICE

2.4 Payment Arrangements and Credit Allowances (Cont'd)
2.4.1 Payment of Rates, Charges and Deposits (Cont'd)

(B) The Company shall bill on a current basis all charges incurred by and credits due to the customer under this Product Guide attributable to services established or discontinued during the preceding billing period. In addition, the Company shall bill in advance charges for all services to be provided during the ensuing billing period except for charges associated with service usage and for the Federal Government which will be billed in areas. The bill day (i.e., the billing date of a bill for a customer for Access Service under this Product Guide), the period of service each bill covers and the payment date will be as follows:

(1) For End User Access Service and Presubscription Service, the Company will establish a bill day each month for each end user account the bill will cover End User Access Service charges for the ensuing bill period except for End User Access Service for the Federal Government which will be billed in areas. Any applicable Presubscription charges, any known unbilled charges for prior periods and any known unbilled adjustments for prior periods for End User Access Service and Pre-subscription Service will be applied to this bill. Such bills are due when rendered.

(2) For Service other than End User Access Service and Presubscription Service, the Company will establish a bill day each month for each customer account. The bill will cover non-usage sensitive service charges for the ensuing billing period for which the bill is rendered, any known unbilled non-usage charges for the period after the last bill day through the current bill day.

Any known unbilled usage charges prior periods and any known unbilled adjustments will be applied to this bill. Payment for such bills is due as set forth in (3) following. If payment is not received by the payment date, as set forth in (3) following in immediately available funds, a late payment penalty will apply as set forth in (3) following.

TERMS OF SERVICE

2.4 Payment Arrangements and Credit Allowances (Cont'd)
2.4.1 Payment of Rates, Charges and Deposits (Cont'd)
(B) (Cont'd)

(3) (a) All bills dated as set forth in (2) preceding for service, other than End User Service and Presubscription Service provided to the customer by the Company, are due 31 days (payment date) after the bill day, or by the next bill date (i.e., same date in the following month as the bill date, whichever is the shortest interval, except as provided herein, and are payable in immediately available funds. If such payment date would cause payment to be due on a Saturday, Sunday or Holiday (i.e., New Year's Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, the second Tuesday in November and a day when Washington's Birthday, Memorial Day or Columbus Day is legally observed), payment for such bills will be due from the customer as follows:

If such payment date falls on a Sunday or on a Holiday which is observed on a Monday, the payment date shall be the first non-Holiday day following such Sunday or Holiday. If such payment date falls on a Saturday or on a Holiday which is observed on Tuesday, Wednesday, Thursday or Friday, the payment date shall be the last non-Holiday day preceding such Saturday or Holiday.

(b) Further, if any portion of the payment is received by the Company after the payment date as set forth in (a) preceding, or if any portion of the payment is received by the Company in funds which are not immediately available to the Company, then a late payment penalty shall be due to the Company. The late payment penalty shall be the portion of the payment not received by the payment date times a late factor. The late factor shall be the lesser of:

(I) the highest interest rate (in decimal value) which may be levied by the law for commercial transactions, compounded daily for the number of days from the payment date to and including the date that the customer actually makes the payment to the Company, or

TERMS OF SERVICE

2.4 Payment Arrangements and Credit Allowances (Cont'd)
2.4.1 Payment of Rates, Charges and Deposits (Cont'd)
(B) (Cont'd)
(3)(b) (Cont'd)

(II) 0.000590 per day, compounded daily for the number of days from the payment date to and including the date that the customer actually makes the payment to the Company.

(c) In the event that a billing dispute concerning any charges billed to the customer by the Company is resolved in favor of the Company, any payments withheld pending settlement of the dispute shall be subject to the late payment penalty set forth in (b) preceding. If the customer disputes the bill on or before the payment date, and pays the undisputed amount on or before the payment date, any late payment charge for the disputed amount will not start until 10 days after payment date. If the billing dispute is resolved in favor of the customer, no late payment penalty will apply to the disputed amount. In addition, if the customer disputes the billed amount and pays the total amount (i.e., the non-disputed amount and the disputed amount) on or before the payment date and the billing dispute is resolved in the favor of the customer, the customer will receive a credit for a disputed amount penalty from the Company if the billing dispute is not resolved within 10 working days following the payment date or the date the customer furnishes to the Company documentation to support its claim plus 10 working days, whichever date is the later date. The disputed amount penalty shall be the disputed amount resolved in the customer's favor times a penalty factor. The penalty factor is as set forth in (b) preceding.

TERMS OF SERVICE

2.4 Payment Arrangements and Credit Allowances (Cont'd)
2.4.1 Payment of Rates, Charges and Deposits (Cont'd)

(C) When a payment for Access Service Charges billed under this Product Guide is due to the Company from the customer as set forth in (B) (3) preceding on the same payment date that a Purchase of Accounts Receivable net purchase amount is due to the customer from the Company as set forth in 15.2.3 following, the Company may, with at least 31 days' notice to the customer net the payment for customer Access Service Charges with the net purchase amount. The Company will pay the net amount to the customer on the payment date when such net amount is due to the customer or require the customer to pay to the Company the net amount when such net amount is due to the Company. If either party does not make the payment on the payment date, a late payment penalty as set forth in 15.2.3(C) following or (B)(3) preceding, whichever is appropriate, applies.

(D) Adjustment for the quantities of services established or discontinued in any billing period beyond the minimum period set forth for services in other sections of this Product Guide will be prorated to the number of days or major fraction of days based on a 30 day month. The Company will, upon request and if available, furnish such detailed information as may reasonably be required for verification of any bill.

(E) When a rate as set forth in this Product Guide is shown to more than two decimal places, the charges will be determined using the rate shown. The resulting amount will then be rounded to the nearest penny (i.e., rounded to two decimal places).

(F) When more than one copy of a customer bill for services provided under the provisions of this Product Guide is furnished to the customer, an additional charge applies for each additional copy of the bill as set forth in 10.3.4 following.

TERMS OF SERVICE

2.4 Payment Arrangements and Credit Allowances (Cont'd)

2.4.2 Minimum Periods

The minimum period for which services are provided and for which rates and charges are applicable is one month except for those services set forth in 4.2.5(C) and 5.4(A) following.

The minimum period for which service is provided and for which rates and charges are applicable for a Specialized Service or Arrangement provided on an individual case basis as set forth in 9. following, is one month unless a different minimum period is established with the individual case filing.

When a service is discontinued prior to the expiration of the minimum period, charges are applicable, whether the service is used or not, as follows:

(A) When a service with a one month minimum period is discontinued prior to the expiration of the minimum period, a one month charge will apply at the rate level in effect at the time service is discontinued.

(B) When a service with a minimum period greater than one month is discontinued prior to the expiration of the minimum period, the applicable charge will be the lesser of (1) the Company's total non-recoverable costs less the net salvage value for the discontinued service or (2) the total monthly charges, at the rate level in effect at the time service is discontinued, for the remainder of the minimum period.

2.4.3 Cancellation of an Order for Service

Provisions for the cancellation of an order for service are set forth in other applicable sections of this Product Guide.

TERMS OF SERVICE

2.4 Payment Arrangements and Credit Allowances (Cont'd)

2.4.4 Credit Allowance for Service Interruptions

(A) General

A service is interrupted when it becomes unusable to the customer because of a failure of a facility component used to furnish service under this Product Guide. An interruption period starts when the Company personnel is notified that the service is inoperative.

(B) When A Credit Allowance Applies

In case of an interruption to any service, allowance for the period of interruption, if not due to the negligence of the customer, shall be as follows:

(1) For services, other than those mentioned in (2) and (6) following, credits for interruption shall be:

(b) Special Access or Public Data Network

No credit shall be allowed for an interruption of less than thirty (30) minutes. When service is interrupted for 30 minutes or more, credit is allowed for the portion of the service affected in 1/2 hourly multiples for each 1/2 hour period or major fraction thereof of interruption. The amount of credit is the proportionate part of the monthly charge, based on 24-hour daily service. The length of interruption shall be measured from the time Company personnel is notified by the customer of the interruption.

The MOU credit will be derived by assuming 9000 MOU per trunk per month. Therefore, the daily credit is limited to 300 MOU per trunk.

TERMS OF SERVICE

2.4 Payment Arrangements and Credit Allowances (Cont'd)
2.4.4 Credit Allowance for Service Interruptions (Cont'd)
(B) When A Credit Allowance Applies (Cont'd)
(1) (Cont'd)

For example, if a DS1 carrying 24 trunks is out of service for 4 hours, the down-time is equal to 240 minutes per working trunk. The 240 is less than the 300 MOU daily limit; therefore:

240	minutes out-of-service
X 24	trunks
5,760	MOU credit multiplied by tandem switching rate, fixed per MOU rate and the per-mile, per-MOU rate.

If a DS1 carrying 24 trunks is out of service for 8 hours, the credit would be determined as follows:

8 hours X 60 minutes = 480 (total minutes out of service for one trunk). The daily MOU credit is limited to 300 per day. Since the out-of-service time exceeds the maximum daily credit, the customer will receive the maximum credit of 300 MOU multiplied by the number of working trunks.

This credit is only applicable if the customer has purchased tandem trunks to the tandem that serves the end office where the out-of-service Direct-Trunked facility terminates.

(2) For Video Service provided at daily rates, no credit shall be allowed for interruption of less than 30 seconds. The customer shall be credited for interruption of 30 seconds or more at the rate of 1/288 of the daily charge for the service for each 5 minutes or fraction thereof that an interruption continues. Two or more such interruptions occurring during a period of 5 consecutive minutes shall be considered as one interruption.

TERMS OF SERVICE

2.4 Payment Arrangements and Credit Allowances (Cont'd)
2.4.4 Credit Allowance for Service Interruptions (Cont'd)
(B) When A Credit Allowance Applies (Cont'd)

(4) The credit allowance(s) for an interruption or for a series of interruptions shall not exceed the monthly rate or the minimum monthly usage charge for the service interrupted in any one monthly billing period.

(5) For certain Special Access Services (Digital Data Access, DA1-4; and High-Capacity, HC1 and Switched Transport) any period during which the error performance is below that specified for the service will be considered as an interruption.

(5) For High-Capacity DS3 Services which are provided with an optical interface and consequently limit the Company's ability to test and restore service, no credit shall be allowed for an interruption of less than 4 hours, or any interruption resulting from equipment furnished by the customer.

(6) Service interruptions for Specialized Service or Arrangements provided under the provision of 9. following shall be administered in the same manner as those set forth in this section (2.4.4) unless other terms of service are specified with the individual case filing.

(8) For Special Access High-Capacity 1 (HC1) and Digital Data Access 1-4 (DA1-4) service, a Service Assurance Maintenance Guarantee (SAMG) credit allowance equal to 50% of the monthly recurring charge will be applied in the event of a service interruption for four or more consecutive hours. The SAMG credit allowance can only be applied once on a per-month, per-circuit basis. For multi-point circuits, the SAMG will apply to each leg of the circuit that experiences a service interruption. The SAMG credit is applied to the customer bill in addition to the existing monthly service rates, and in addition to any existing credit allowances for HC1 or DA1-4 service as long as it does not exceed the monthly charge. The monthly charge will consist of all applicable rate elements charged to the circuit experiencing a service interruption.

TERMS OF SERVICE

2.4 Payment Arrangements and Credit Allowances (Cont'd)
2.4.4 Credit Allowance for Service Interruptions (Cont'd)

(C) When a Credit Allowance Does Not Apply

No credit allowance will be made for:

(1) Interruptions caused by the negligence of the customer.

(2) Interruptions of a service due to the failure of equipment or systems provided by the customer or others.

(3) Interruptions of a service during any period in which the Company is not afforded access to the premises where the service is terminated.

(4) Interruptions of a service when the customer has released that service to the Company for maintenance purposes, to make rearrangements, or for the implementation of an order for a change in the service during the time that was negotiated with the customer prior to the release of that service. Thereafter, a credit allowance as set forth in (B)(1) preceding applies.

(5) Interruptions of a service which continue because of the failure of the customer to authorize replacement of any element of special construction, as set forth in Verizon's Tariff F.C.C. No. 3. The period for which no credit allowance is made begins on the seventh day after the customer receives the Company's written notification of the need for such replacement and ends on the day after receipt by the Company of the customer's written authorization for such replacement.

(6) Periods when the customer elects not to release the service for testing and/or repair and continues to use it on an impaired basis.

(7) An interruption or a group of interruptions, resulting from a common cause, for amounts less than one dollar.

(D) Use of an Alternative Service Provided by the Company

Should the customer elect to use an alternative service provided by the Company during the period that a service is interrupted, the customer must pay the Product Guide rates and charges for the alternative service used.

TERMS OF SERVICE

2.4 Payment Arrangements and Credit Allowances (Cont'd)
2.4.4 Credit Allowance for Service Interruptions (Cont'd)

(E) Temporary Surrender of a Service

In certain instances, the customer may be requested by the Company to surrender a service for purposes other than maintenance, testing or activity relating to a service order. If the customer consents, a credit allowance will be granted. The credit allowance will be 1/1440 of the monthly rate for each period of 30 minutes or fraction thereof that the service is surrendered. In no case will the credit allowance exceed the monthly rate for the service surrendered in any one monthly billing period.

2.4.5 Missed Installation Due Dates

(A) General

Failure to meet a confirmed service date (due date) for installation of certain services will result in a credit of the applicable nonrecurring charges billed to the customer for that service when the responsibility for the failure is solely the Company's. These credits of applicable nonrecurring charges for unmet installation dates are an exclusive remedy; and, are in lieu of any other claims as described in 2.1.3 preceding.

(B) Services Subject to the Credit

Nonrecurring installation charges (as specified in 6.4.1) will be credited for a missed service date on the following Special Access services:

Digital Data Access Services
High Capacity (HC1) Special Access Service
High Capacity (HC3) Special Access Service

(C) When a Credit Allowance Does Not Apply

No nonrecurring charge credits for a missed confirmed service date on installation will be made when:

(1) The customer requests expedited orders.

(2) The customer's premises is inaccessible.

(3) The customer changes interface requirements.

TERMS OF SERVICE

2.4 Payment Arrangements and Credit Allowances (Cont'd)

2.4.5 Missed Installation Due Dates (Cont'd)

(B) When a Credit Allowance Does Not Apply (Cont'd)

(4) The customer is not ready to accept service.

(5) Independent telephone companies are involved in the service installation.

(6) Building facilities are not ready (includes space, cable support structures, building risers and entrance facilities to be provided by builder or owner or owner's subcontracted vendors).

(7) The customer orders a termination beyond the Network Interface.

(8) Services are provided under Special Construction (as specified in either 4.1.3 or Verizon's Tariff F.C.C. No. 3 or both).

(9) The delay is caused by work stoppages, civil disturbances, criminal actions; or by fire, flooding or other occurrence attributed to an Act of God.

2.4.6 Re-establishment of Service Following Fire, Flood or Other Occurrence

(A) Nonrecurring Charges Do Not Apply

Charges do not apply for the re-establishment of service following a fire, flood or other occurrence attributed to an act of God provided that:

(1) The service is of the same type as was provided prior to the fire, flood or other occurrence.

(2) The service is for the same customer.

(3) The service is at the same location on the same premises.

(4) The re-establishment of service begins within 60 days after Company service is available. (The 60-day period may be extended a reasonable period if the renovation of the original location on the premises affected is not practical within the allotted time period).

TERMS OF SERVICE

2.4 Payment Arrangements and Credit Allowances (Cont'd)

2.4.6 Re-establishment of Service Following Fire, Flood or Other Occurrence (Cont'd)

(B) Nonrecurring Charges Apply

Nonrecurring charges apply for establishing service at a different location on the same premises or at a different premises pending re-establishment of service at the original location.

2.4.7 Title or Ownership Rights

(A) The payment of rates and charges by customers for the services offered under the provisions of this Product Guide does not assign, confer or transfer title or ownership rights to proposals or facilities developed or utilized, respectively, by the Company in the provision of such services.

2.4.8 Ordering, Rating and Billing of Access Services Where More Than One Exchange Company is Involved

The Company will handle ordering, rating and billing of Access Services under this Product Guide where more than one Exchange Company is involved in the provision of Access Service as set forth following.

(A) When an Access Service is ordered by a customer where one end of the Transport element is in one Exchange Telephone Company operating territory and the other end is in another Exchange Telephone Company operating territory, each involved Exchange Telephone Company will accept the order for the Access Service from the customer. Each Exchange Telephone Company will provide its portion of the Transport element in its operating territory to an interconnection point (IP) with other Exchange Telephone Company. Each Exchange Telephone Company will determine the charges involved for its portion of the Access Service ordered and will bill such charge in accordance with its Product Guide. Where the premises of the ordering customer and at least one other customer premises involved in the order is in a different operating territory, the mileage used to determine the Transport element will be the mileage measured from the Company premises for one end of the Transport element in the Exchange Telephone Company operating territory to the Company premises for the other end of the Transport element in the other Exchange Telephone Company operating territory.

TERMS OF SERVICE

2.4 Payment Arrangements and Credit Allowances (Cont'd)

2.4.8 Ordering, Rating and Billing of Access Services Where More Than One Exchange Company is Involved (Cont'd)

The rate for the Transport element will be the rate in each Exchange Telephone Company's Tariff or Product Guide for the mile band for the mileage measured as set forth in the preceding sentence. Each Exchange Telephone Company's charge for the Transport element will be the product of the Exchange Telephone Company's rate for the mile band for the mileage measured between the two element and the mileage from the Exchange Telephone Company's premises to the interconnection point (IP) and divided by the sum of mileage from the rating Exchange Telephone Company premises to the interconnection point (IP) and the mileage from the other involved Exchange Company premises to the interconnection point(s) (IP) (See examples following). All other appropriate charges in each Exchange Telephone Company's Tariff or Product Guide are applicable.

The IP will be determined by the Exchange Telephone Companies involved and the IP will be listed in the National Exchange Carrier Association Tariff F.C.C. No. 4.

When the Out-of-Band Signaling Ordering Option arrangement as specified in 6.1.3(B)(5)(k)(1) following is provided, the Company in whose territory the STP is located will accept the order for service, determine any applicable charges involved, arrange to provide the service ordered, and bill any applicable charges in accordance with its Product Guide.

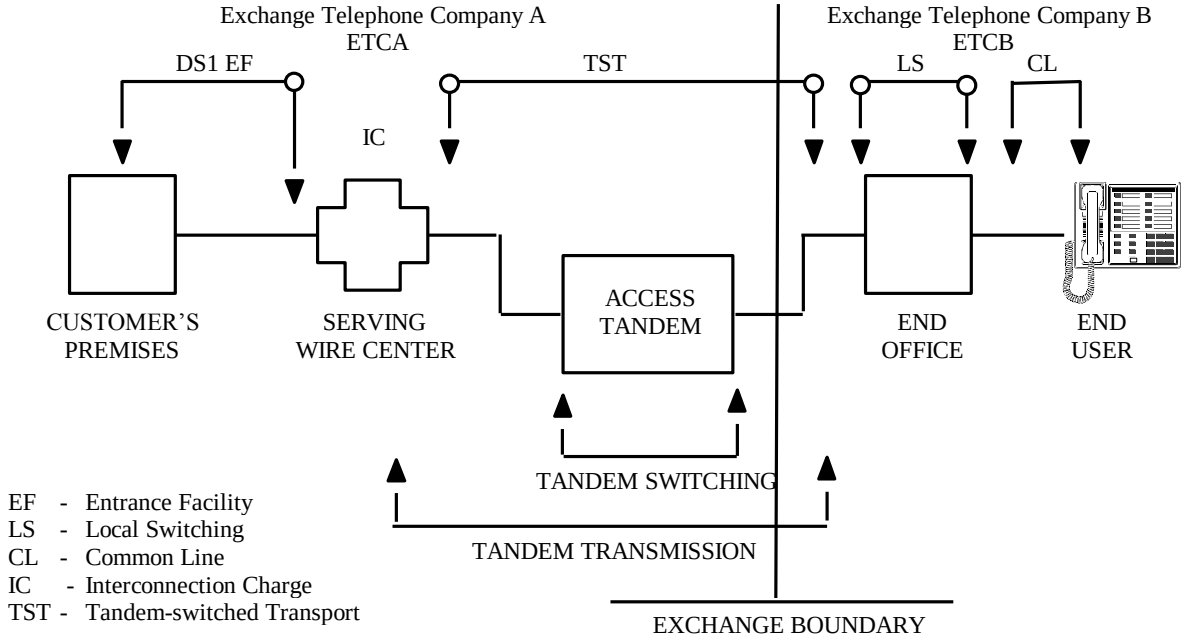
TERMS OF SERVICE

2.4 Payment Arrangements and Credit Allowances (Cont'd)

2.4.8 Ordering, Rating and Billing of Access Services Where More Than One Exchange Company is Involved (Cont'd)

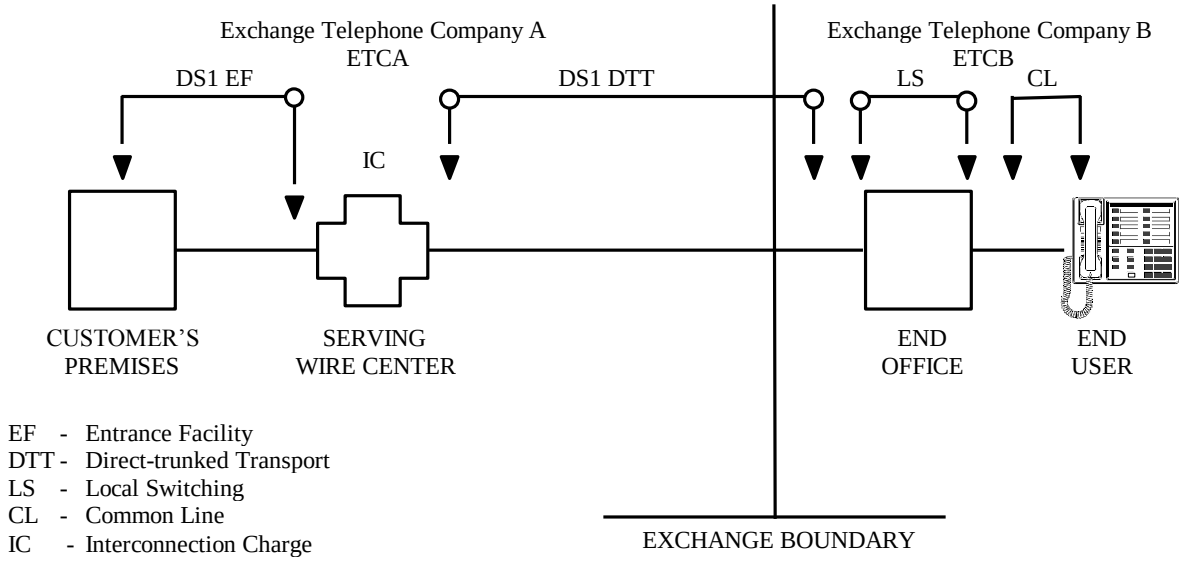
(B) Examples

DS1 ENTRANCE FACILITY WITH TANDEM SWITCHED TRANSPORT FOR FEATURE GROUP D SERVICE



EF - Entrance Facility
LS - Local Switching
CL - Common Line
IC - Interconnection Charge
TST - Tandem-switched Transport

DS1 ENTRANCE FACILITY WITH DS1 DIRECT-TRUNKED TRANSPORT FOR FEATURE GROUP D SERVICE



EF - Entrance Facility
DTT - Direct-trunked Transport
LS - Local Switching
CL - Common Line
IC - Interconnection Charge

TERMS OF SERVICE

2.5 Connections

2.5.1 General

Equipment and Systems (i.e., terminal equipment, multiline terminating systems and communications systems) may be connected with Special Access Service furnished by the Company where such connection is made in accordance with the provisions specified in Technical Reference Publication AS No. 1 and in 2.1 preceding.

TERMS OF SERVICE

2.6 Definitions

Certain terms herein are defined as follows:

Access Code

The term "Access Code" denotes a uniform five or seven digit code assigned by the Company to an individual customer. The five digit code has the form 10XXX, and the seven digit code has the form 950-10XX.

Access Concentrator (AC)

The PDN component which collects customer data information from many access lines, then multiplexes them onto 56 Kbps facilities for delivery to the packet switch and vice versa. The AC also performs the protocol conversion function for asynchronous access lines.

Access Minutes

The term "Access Minutes" denotes that usage of exchange facilities in intrastate service for the purpose of calculating chargeable usage. On the originating end of a call, usage is measured from the time the originating end user's call is delivered by the Company to and acknowledged as received by the customer's facilities connected with the originating exchange. On the terminating end of a call, usage is measured from the time the call is received by the end user in the terminating exchange. Timing of usage at both originating and terminating ends of a call shall terminate when the calling or called party disconnects, whichever event is recognized first in the originating and terminating end exchanges, as applicable.

Access Tandem

The term "Access Tandem" denotes a Company switching system that provides a concentration and distribution function for originating or terminating traffic between end offices and customer's premises.

Answer/Disconnect Supervision

The term "Answer/Disconnect Supervision" denotes the transmission of the switch trunk equipment supervisory signal (off-hook or on-hook) to the customer's point of termination as an indication that the called party has answered or disconnected.

TERMS OF SERVICE

2.6 Definitions (Cont'd)

Asynchronous Protocol

A type of transmission where information is sent at various speeds and at random with no routing information.

Attenuation Distortion

The term "Attenuation Distortion" denotes the difference in loss at specified frequencies relative to the loss at 1004 Hz, unless otherwise specified.

Balance (100 Type) Test Line

The term "Balance (100 Type) Test Line" denotes an arrangement in an end office which provides for balance and noise testing.

Bisynchronous Protocol

A half-duplex, character-oriented data communications protocol.

Bit

The term "Bit" denotes the smallest unit of information in the binary system of notation.

Business Day

The term "Business Day" denotes the times of day that a company is open for business. Generally, in the business community, these are 8:00 or 9:00 A.M. to 5:00 or 6:00 P.M., respectively, with an hour for lunch, Monday through Friday, resulting in a standard forty (40) hour work week. However, Business Day hours for the Company may vary based on company policy, union contract and location. (C)

Busy Hour Minutes of Capacity (BHMC)

The term "Busy Hour Minutes of Capacity (BHMC)" denotes the customer specified maximum amount of Switched Access Service and/or Directory Assistance Service access minutes the customer expects to be handled in an end office switch during any hour in an 8:00 AM to 11:00 PM period for the Feature Group and/or Directory Assistance Service ordered. This customer furnished BHMC quantity is the input data the Company uses to determine the number of transmission paths for the Feature Group and/or Directory Assistance Service ordered.

TERMS OF SERVICE

2.6 Definitions (Cont'd)

Call

The term "Call" denotes a customer attempt for which the complete address code (e.g., O-, 911, or 10 digits) is provided to the serving dial tone office.

Call Initiation

The point in time when common control network facilities are initially allocated to the establishment of a specific switched virtual call.

Call Request

A message from a customer to the network requesting the establishment of a virtual call between that customer and another customer.

Call Termination

The point in time when common control network facilities allocated to a specific switched virtual call are released for reuse by the network.

Carrier or Common Carrier

See Interexchange Carrier

CCS

The term "CCS" denotes a hundred call seconds, which is a standard unit of traffic load that is equal to 100 seconds of usage or capacity of a group of servers (e.g., trunks).

Central Office

The term "Central Office" denotes a local Company switching system where Telephone Exchange Service customer station loops are terminated for purposes of interconnection to each other and to trunks.

Central Office Prefix

The term "Central Office Prefix" denotes the first three digits (NXX) of the seven digit telephone number assigned to a customer's Telephone Exchange Service when dialed on a local basis.

TERMS OF SERVICE

2.6 Definitions (Cont'd)

Centralized Automatic Reporting on Trunks Testing

The term "Centralized Automatic Reporting on Trunks Testing" denotes a type of testing which includes the capacity for measuring operational and transmission parameters.

Channel(s)

The term "Channel(s)" denotes an electrical or photonic, in the case of fiber optic-based transmission systems, communications path between two or more points of termination.

Channel Service Unit

The term "Channel Service Unit" denotes Customer Premise Equipment which performs the functions of terminating a digital facility, which may include regeneration, amplification, recognition, correction or signal.

Channelize

The term "Channelize" denotes the process of multiplexing-demultiplexing wider bandwidth or higher speed channels into narrower bandwidth or lower speed channels.

C-Message Noise

The term "C-Message Noise" denotes the frequency weighted average noise within an idle voice channel. The frequency weighting, called C-message, is used to simulate the frequency characteristic of the 500-type telephone set and the hearing of the average subscriber.

C-Notched Noise

The term "C-Notched Noise" denotes the C-message frequency weighted noise on a voice channel with a holding tone, which is removed at the measuring end through a notch (very narrow band) filter.

TERMS OF SERVICE

2.6 Definitions (Cont'd)

Communications System

The term "Communications System" denotes channels and other facilities which are capable of communications between terminal equipment provided by other than the Company.

Conventional Signaling

The inter-machine signaling system which has been traditionally used in North America for the purpose of transmitting the called number's address digits from the originating end office to the switching machine which will terminate the call. In this system, all of the dialed digits are received by the originating switching machine, a path is selected, and the sequence of supervisory signals and outpulsed digits is initiated. No overlap outpulsing, ten-digit ANI, ANI information digits, or acknowledgment wink are included in this signaling sequence.

Customer(s)

The term "Customer(s)" denotes any individual, partnership, association, joint-stock company, trust, corporation, or governmental entity or other entity which subscribes to the services offered under this Product Guide, including both Interexchange Carriers (ICs) and end users.

Data Terminal Equipment (DTE)

The hardware, or equipment, used by the Host (customer) which connects to the Public Data Network.

Data Terminal Number (DTN)

The phone number, or address, associated with the Data Terminal Equipment.

TERMS OF SERVICE

2.6 Definitions (Cont'd)

Data Transmission (107 Type) Test Line

The term "Data Transmission (107 Type) Test Line" denotes an arrangement which provides for a connection to a signal source which provides test signals for one-way testing of data and voice transmission parameters.

Decibel

The term "Decibel" denotes a unit used to express relative difference in power, usually between acoustic or electric signals, equal to ten (10) times the common logarithm of the ratio of two signal powers.

Decibel Reference Noise C-Message Weighting

The term "Decibel Reference Noise C-Message Weighting" denotes noise power measurements with C-Message Weighting in decibels relative to a reference 1000 Hz tone of 90 dB below 1 milliwatt.

Decibel Reference Noise C-Message Referenced to O

The term "Decibel Reference Noise C-Message Referenced to O" denotes noise power in "Decibel Reference Noise C-Message Weighting" referred to or measured at a zero transmission level point.

Detail Billing

The term "Detail Billing" denotes the listing of each message and/or rate element for which charges to a customer are due on a bill prepared by the Company.

Directory Assistance (Intrastate)

The term "Directory Assistance" denotes the provision of telephone numbers by a Company operator when the operator location is accessed by a customer by dialing (NPA) 555-1212.

Direct-trunked Transport Facility

The term "Direct-trunked Transport Facility" denotes a Switched Transport Facility between a Company serving wire center and an end office or between a Company serving wire center and an access tandem that provides a customer with dedicated transport.

TERMS OF SERVICE

2.6 Definitions (Cont'd)

Dual Tone Multi-frequency Address Signaling

The term "Dual Tone Multi-frequency Address Signaling" denotes a type of signaling that is an optional feature of Switched Access Feature Group A. It may be utilized when Feature Group A is being used in the terminating direction (from the point of interface with the customer to the local exchange end office). An office arranged for Dual Tone Multi-frequency Signaling would expect to receive address signals from the customer in the form of Dual Tone Multi-frequency signals.

Echo Control

The term "Echo Control" denotes the control of reflected signals in a telephone transmission path.

Echo Path Loss

The term "Echo Path Loss" denotes the measure of reflected signal at a 4-wire point of termination without regard to the send and receive Transmission Level Point.

Echo Return Loss

The term "Echo Return Loss" denotes a frequency weighted measure of return loss over the middle of the voiceband (approximately 500 to 2500 Hz), where talker echo is most annoying.

Effective 2-Wire

The term "Effective 2-Wire" denotes a condition which permits the simultaneous transmission in both directions over a channel, but it is not possible to insure independent information transmission in both directions. Effective 2-wire channels may be terminated with 2-wire or 4-wire interfaces.

Effective 4-Wire

The term "Effective 4-Wire" denotes a condition which permits the simultaneous independent transmission of information in both directions over a channel. The method of implementing effective 4-wire transmission is at the discretion of the Company (e.g., physical, time domain, frequency-domain separation or echo cancellation techniques). Effective 4-wire channels may be terminated with a 2-wire interface at the customer's premises. However, when terminated with a 2-wire interface, simultaneous independent transmission cannot be supported because the 2-wire interface combines the transmission paths into a single path.

TERMS OF SERVICE

2.6 Definitions (Cont'd)

End Office Switch

The term "End Office Switch" denotes a local Company switching system where Telephone Exchange Service customer station loops are terminated for purposes of interconnection to trunks. Included are Remote Switching Modules and Remote Switching Systems served by a host office in a different wire center.

End User

The term "End User" denotes any customer of an intrastate interLATA service that is not a carrier, except that a carrier shall be deemed to be an "end user" to the extent that such carrier uses a telecommunications service for administrative purposes, without making such service available to others, directly or in-directly.

Entrance Facility

The term "Entrance Facility" denotes a Switched Transport Facility between a Company Serving Wire Center and a customer premises that provides a customer with a dedicated transport.

Entry Switch

See "First Point of Switching"

Envelope Delay Distortion

The term "Envelope Delay Distortion" denotes a measure of the linearity of the phase versus frequency of a channel.

Equal Level Echo Path Loss

The term "Equal Level Echo Path Loss" (ELEPL) denotes the measure of Echo Path Loss (EPL) at a 4-wire interface which is corrected by the difference between the send and receive Transmission Level Point (TLP). [ELEPL = EPL - TLP (send) + TLP (receive)]

TERMS OF SERVICE

2.6 Definitions (Cont'd)

Expected Measured Loss

The term "Expected Measured Loss" denotes a calculated loss which specifies the end-to-end 1004-Hz loss on a terminated test connection between two readily accessible manual or remote test points. It is the sum of the inserted connection loss and test access loss including any test pads.

Exchange

The term "Exchange" denotes a unit generally smaller than a Local Access and Transport Area, established by the Company for the administration of communications service in a specified area which usually embraces a city, town or village and its environs. It consists of one or more central offices together with the associated facilities used in furnishing communications service within that area. One or more designated exchanges comprise a given Local Access and Transport Area.

Exchange Access Signaling

The signaling system which is used by equal access end offices to transmit originating information and address digits to the customer's premises and which includes the means of verifying the receipt of these address digits. Features of this system include overlap out-pulsing, identification of the type of call, identification of the ten-digit telephone number of the calling party and acknowledgement wink supervisory signals.

Field Identifier

The term "Field Identifier" denotes two to four characters that are used on service orders to convey specific instructions. Field Identifiers may or may not have associated data. Selected Field Identifiers are used in Company billing systems to generate nonrecurring charges.

First Come - First Served

The term "First Come - First Served" denotes a procedure followed when a shortage of facilities or equipment occurs, such that an Access Service ordered cannot be installed. The orders delayed by the shortage of facilities will be prioritized according to the sequence in which they were received. That is, when facilities or equipment become available, the first order received will be the first order processed.

TERMS OF SERVICE

2.6 Definitions (Cont'd)

First Point of Switching

The term "First Point of Switching" denotes the first Company location at which switching occurs on the terminating path of a call proceeding from the customer premises to the terminating end office and, at the same time, the last Company location at which switching occurs on the originating path of a call proceeding from the originating end office to the customer premises.

Frequency Shift

The term "Frequency Shift" denotes the change in the frequency of a tone as it is transmitted over a channel.

Grandfathered

The term "Grandfathered" denotes Terminal Equipment, Multiline Terminating Systems and Protective Circuitry directly connected to the facilities utilized to provide services under the provisions of this Product Guide, and which are considered grandfathered under Part 68 of the F.C.C.'s Rules and Regulations.

Host Office

The term "Host Office" denotes an electronic switching system which provides call processing capabilities for one or more Remote Switching Modules or Remote Switching Systems.

Immediately Available Funds

The term "Immediately Available Funds" denotes a corporate or personal check drawn on a bank account and funds which are available for use by the receiving party on the same day on which they are received and include U.S. Federal Reserve bank wire transfers, U.S. Federal Reserve notes (paper cash), U.S. coins, U.S. Postal Money Orders and New York Certificates of Deposit..

Impedance Balance

The term "Impedance Balance" denotes the method of expressing Echo Return Loss and Singing Return Loss at a 4-wire interface whereby the gains and/or loss of the 4-wire portion of the transmission path, including the hybrid, are not included in the specification.

TERMS OF SERVICE

2.6 Definitions (Cont'd)

Impulse Noise

The term "Impulse Noise" denotes any momentary occurrence of the noise on a channel over a specified level threshold. It is evaluated by counting the number of occurrences which exceed the threshold.

Individual Case Basis

The term "Individual Case Basis" denotes a condition in which the terms of service, if applicable, rates and charges for an offering under the provisions of this Product Guide are developed based on the circumstances in each case.

Inserted Connection Loss

The term "Inserted Connection Loss" denotes the 1004 Hz power difference (in dB) between the maximum power available at the originating end and the actual power reaching the terminating end through the inserted connection.

Interexchange Carrier (IC) or Interexchange Common Carrier

The terms "Interexchange Carrier" (IC) or "Interexchange Common Carrier" denotes any individual, partnership, association, joint-stock company, trust, governmental entity or corporation engaged for hire in intrastate or foreign communication by wire or radio, between two or more exchanges.

Intermodulation Distortion

The term "Intermodulation Distortion" denotes a measure of the nonlinearity of a channel. It is measured using four tones, and evaluating the ratios (in dB) of the transmitted composite four-tone signal power to the second-order products of the tones (R2), and the third-order products of the tones (R3).

Interstate Communications

The term "Interstate Communications" denotes both interstate and foreign communications.

Intrastate Communications

The term "Intrastate Communications" denotes any communications within a state subject to oversight by a state regulatory commission as provided by the laws of the state involved.

TERMS OF SERVICE

2.6 Definitions (Cont'd)

ITU

International Telecommunications Union.

Kilopacket

One thousand packets.

Line-Side Connection

The term "Line-Side Connection" denotes a connection of a transmission path to the line side of a local exchange switching system.

Local Access and Transport Area

The term "Local Access and Transport Area" denotes a geographic area established for the provision and administration of communications service. It encompasses one or more designated exchanges which are grouped to serve common social, economic and other purposes.

Local Tandem Switch

The term "Local Tandem Switch" denotes a local Company switching unit by which local or access telephonic communications are switched to and from an End Office Switch.

Logical Channel

A communications channel through a link in the network that allows simultaneous transmission of sequenced data packets through the network. No circuit capacity is pre-assigned to a logical channel. Capacity is made available as data is transmitted.

Loop Around Test Line

The term "Loop Around Test Line" denotes an arrangement utilizing a Company central office to provide a means to make certain two-way transmission tests on a manual basis. This arrangement has two central office terminations, each reached by means of separate telephone numbers and does not require any specific customer premises equipment. Equipment subject to this test arrangement is at the discretion of the customer.

TERMS OF SERVICE

2.6 Definitions (Cont'd)

Loss Deviation

The term "Loss Deviation" denotes the variation of the actual loss from the designed value.

Message

The term "Message" denotes a "call" as defined preceding.

Milliwatt (102 Type) Test Line

The term "Milliwatt (102 Type) Test Line" denotes an arrangement in an end office which provides a 1004 Hz tone at 0 dBm0 for one-way trans- mission measurements towards the customers' terminal premises from the Company end office.

Modem

Contraction of modulation - demodulator. A device which modulates and demodulates signals transmitted over communication facilities.

MTS/WATS-Type Services

The term "MTS/WATS-Type Services" denotes services which MCI Telecommunications Corporation presently markets as Executive and Network Service or any other like service which may be offered by any other common carrier.

Network Address

Numeric character string used to specify the location of the called customer.

Network Control Signaling

The term "Network Control Signaling" denotes the transmission of signals used in the telecommunications system which perform functions such as supervision (control, status, and charge signals), address signaling (e.g., dialing), calling and called number identifications, rate of flow, service selection error control and audible tone signals (call progress signals indicating re-order or busy conditions, alerting, coin denominations, coin collect and coin return tones) to control the operation of the telecommunications system.

TERMS OF SERVICE

2.6 Definitions (Cont'd)

Network Interface

A Network Interface (NI) is a registered jack or equivalent device that is located on the customer's side of the protector and is installed and maintained by the Company. It denotes that point on the customer's premises where all premises services and facilities are connected to the Network.

Nonsynchronous Test Line

The term "Nonsynchronous Test Line" denotes an arrangement in step-by-step end offices which provides operational tests which are not as complete as those provided by the synchronous test lines, but can be made more rapidly.

North American Numbering Plan

The term "North American Numbering Plan" denotes a three-digit area (Numbering Plan Area) code and a seven-digit telephone number made up of a three-digit Central Office code plus a four-digit station number.

Octet

A group of eight adjacent binary digits.

Off-hook

The term "Off-hook" denotes the active condition of Switched Access or a Telephone Exchange Service line.

On-hook

The term "On-hook" denotes the idle condition of Switched Access or a Telephone Exchange Service line.

Open Circuit Test Line

The term "Open Circuit Test Line" denotes an arrangement in an end office which provides an ac open circuit termination of a trunk or line by means of an inductor of several Henries.

TERMS OF SERVICE

2.6 Definitions (Cont'd)

Operator Services Position System

Equipment capable of processing certain kinds of traffic originating or terminating to an end office; this processing may take place either with or without an operator's assistance. Use of such equipment includes call rating and charge recording functions, operator assistance functions, coin control and collection functions, automatic or manual identification of calling line number, and verification of the busy/idle condition of sub- scriber lines.

Originating Direction

The term "Originating Direction" denotes the use of access service for the origination of calls from an End User premises to an IC premises.

Out of Band Signaling

The term "Out of Band Signaling" denotes an exchange access signaling feature which allows customers to exchange call control and signaling information over a communications path which is separate from the message path.

Overlap Outpulsing

The feature of the exchange access signaling system which permits initiation of pulsing to the customer's premises before the calling subscriber has completed dialing an originating call.

Packet

Continuous sequence of binary digits of information which is switched through the network as an integral unit. Consists of up to 1024 bits (128 octets) of customer data plus additional transmission and error control information.

Packet Assembler/Disassembler (PAD) - See Access Concentrator

Packet Switch

The vehicle of the Public Data Network which performs the switching function. For Public Data Network service this is a Company facility Hub.

TERMS OF SERVICE

2.6 Definitions (Cont'd)

Pay Telephone

The term "Pay Telephone" denotes facilities that are available to the general public for public convenience and necessity.

Phase Jitter

The term "Phase Jitter" denotes the unwanted phase variations of a signal.

Point of Termination

The term "Point of Termination" denotes the point of demarcation, at which the Company's responsibility for the provision of Access Service ends.

Premises

The term "Premises" denotes a building or buildings on continuous property (except Railroad Right-of-Way, etc.) not separated by a public highway.

Prime Service Vendor

The term "Prime Service Vendor" denotes the status of the Company when contracting directly with the user of TSP service.

Protector

The Protector which is part of the Company's Network and which is installed and maintained by the Company is used for grounding and bonding of Network wire/cable. It shall not be employed, used, modified or disturbed in any way by the customer/agent.

Protocol

Set of rules for conducting interactions between two or more parties. These rules consist of syntax (header structure) semantics (actions and reactions that are supposed to occur) and timing (relative ordering and duration of states and events).

TERMS OF SERVICE

2.6 Definitions (Cont'd)

Rate Demarcation Point

The term "Rate Demarcation Point" is the location to which the Company is responsible for installing and maintaining network services and is coincident with the Point of Termination/Network Interface. The location of RDP will be beyond the protector on the customer's side and will be dependent upon the physical layout of the particular premises. It will be extended past the point of facilities entrance (protector) only as far as necessary to provide customer access.

Registered Equipment

The term "Registered Equipment" denotes the customer's premises equipment which complies with and has been approved within the Registration Provisions of Part 68 of the F.C.C's Rules and Regulations.

Remote Switching Modules and/or Remote Switching Systems

The Term "Remote Switching Modules and/or Remote Switching Systems" denotes small, remotely controlled electronic end office switches which obtain their call processing capability from an ESS-type Host Office. The Remote Switching Modules and/or Remote Switching Systems cannot accommodate direct trunks to an IC.

Return Loss

The term "Return Loss" denotes a measure of the similarity between the two impedances at the junction of two transmission paths. The higher the return loss, the higher the similarity.

Seven Digit Manual Test Line

The term "Seven Digit Manual Test Line" denotes an arrangement which allows the customer to select balance, milliwatt and synchronous test lines by manually dialing a seven digit number over the associated access connection.

Short Circuit Test Line

The term "Short Circuit Test Line" denotes an arrangement in an end office which provides for an ac short circuit termination of a trunk or line by means of a capacitor or at least four microfarads.

TERMS OF SERVICE

2.6 Definitions (Cont'd)

Shortage of Facilities or Equipment

The term "Shortage of Facilities or Equipment" denotes a condition which occurs when the Company does not have appropriate cable, switching capacity, bridging or, multiplexing equipment, etc., necessary to provide the Access Service requested by the customer.

Signal-to-C-Notched Noise Ratio

The term "Signal-to-C-Notched Noise Ratio" denotes the ratio in dB of a test signal to the corresponding C-Notched Noise.

Signal Transfer Point

The term "Signal Transfer Point" denotes a specialized switch which provides SS7 network access and performs SS7 message routing and screening.

Signaling Point of Interface

The term "Signaling Point of Interface" denotes the customer designated location, in the same LATA as the Company STP, where SS7 signaling information is exchanged between the Company and the customer.

Signaling System 7

The term "Signaling System 7" (SS7) denotes the out-of-band signaling protocol developed by the International Telecommunications Union (ITU) and the American National Standards Institute (ANSI)

Singing Return Loss

The term "Singing Return Loss" denotes the frequency weighted measure of return loss at the edges of the voiceband (200 to 500 Hz and 2500 to 3200 Hz), where singing (instability) problems are most likely to occur.

Special Order

The term "Special Order" denotes an order for a Billing and Collection Service or an order for a Directory Assistance Service.

TERMS OF SERVICE

2.6 Definitions (Cont'd)

Subcontractor

The term "Subcontractor" denotes the status of the Company when contracting directly with a Prime Service Vendor to provide TSP to a service user.

Subtending End Office of an Access Tandem

The term "Subtending End Office of an Access Tandem" denotes an end office that has final trunk group routing through that tandem.

Synchronous Test Line

The term "Synchronous Test Line" denotes an arrangement in an end office which performs marginal operational tests of supervisory and ring-tripping functions.

Tandem Switched Transport

The term "Tandem Switched Transport" denotes circuits dedicated to the use of a single customer from the serving wire center to the tandem and circuits used in common by multiple customers from the tandem to an end office.

Terminating Direction

The term "Terminating Direction" denotes the use of Access Service for the completion of calls from an IC premises to an end user premises.

Transmission Measuring (105 Type) Test Line/Responder

The term "Transmission Measuring (105 Type) Test Line/Responder" denotes an arrangement in an end office which provides far-end access to a responder and permits two-way loss and noise measurements to be made on trunks from a near end office.

Transmission Path

The term "Transmission Path" denotes an electrical path capable of transmitting signals within the range of the service offering, e.g., a voice grade transmission path is capable of transmitting voice frequencies within the approximate range of 300 to 3000 Hz. A transmission path is comprised of physical or derived facilities consisting of any form or configuration of plant typically used in the telecommunications industry.

TERMS OF SERVICE

2.6 Definitions (Cont'd)

Trunk

The term "Trunk" denotes a communications path connecting two switching systems in a network, used in the establishment of an end-to-end connection.

Trunk Group

The term "Trunk Group" denotes a set of trunks which are traffic engineered as a unit for the establishment of connections between switching systems in which all of the communications paths are interchangeable.

Trunk-Side Connection

The term "Trunk-Side Connection" denotes the connection of a transmission path to the trunk side of a local exchange switching system.

Two-Wire to Four-Wire Conversion

The term "Two-Wire to Four-Wire Conversion" denotes an arrangement which converts a four-wire transmission path to a two-wire transmission path to allow a four-wire facility to terminate in a two-wire entity (e.g., a central office switch).

Uniform Service Order Code

The term "Uniform Service Order Code" denotes a three or five character alphabetic, numeric, or an alphanumeric code that identifies a specific item of service or equipment. Uniform Service Order Codes are used in the Company billing system to generate recurring rates and nonrecurring charges.

V and H Coordinates Method

The term "V and H Coordinates Method" denotes a method of computing airline miles between two points by utilizing an established formula which is based on the vertical and horizontal coordinates of the two points.

Virtual Call

A user facility in which a call initiation procedure and a call termination procedure determines a period of communication between two network addresses in which user data is transferred.

TERMS OF SERVICE

2.6 Definitions (Cont'd)

Virtual Circuit

Logical channels established as a result of the call initiation procedure to a network address that exists for a period of time until either end of the channel initiates the call termination procedure.

Wire Center

The term "Wire Center" denotes a building in which one or more central offices, used for the provision of Telephone Exchange Services, are located.

X.25 Packet Mode Protocol

An international standard developed by Consultative Committee for International Telephone and Telegraph that provides the foundation for public switched network.

X.75 Packet Mode Protocol

An international standard developed by Consultative Committee for International Telephone and Telegraph that provides the foundation for interconnection of individual packet switched networks.