

DS1 AND DS3 TERM VOLUME PLANS (REGION 14)

A. AVAILABILITY OF SERVICE

Effective December 1, 2020, subscription to new DS1/DS3 TVPs with a 1-, 2- or 3-year term are no longer permitted. Subject to Part 0, Section 1, the Company will continue to provide TVPs with a 1-, 2- or 3-year term pursuant to this Section on any existing 1-, 2- or 3-year TVP that was in-service as of December 1, 2020 or any order for 1-, 2- or 3-year TVP that was placed with the Company prior to December 1, 2020 (collectively, Existing 1-, 2- or 3-year TVPs), subject to the following conditions:

- The Company will continue to provide Existing 1-, 2- or 3-year TVPs until (i) the Customer discontinues its 1-, 2- or 3-year TVP; or (ii) the current commitment period expires, whichever comes first.
- Renewal of an Existing 1-, 2- or 3-year TVPs is not permitted.

Effective May 30, 2019, subscription to new DS1/DS3 TVPs with a 5-year term and ETTVPs are no longer permitted. Subject to Part 0, Section 1, the Company will continue to provide TVPs with a 5-year term and ETTVPs pursuant to this Section on any existing 5-year TVP or ETTVP that was in-service as of May 30, 2019 (Existing 5-year TVPs and ETTVPs), subject to the following conditions:

- The Company will continue to provide Existing 5-year TVPs and ETTVPs until (i) the Customer discontinues its 5-year TVP and ETTVP; or (ii) the current commitment period expires, whichever comes first.
- Renewal of an Existing 5-year TVP and ETTVPs are not permitted.

Provisions of this Section 8 are solely for purposes of administering grandfathered TVPs and ETTVPs.

B. DS1 TERM VOLUME PLANS

1. One-, Two-, Three-, Five-Year DS1 Term Volume Plans (**DS1 TVP**)

The DS1 TVP allows Customers discounts, which are applied to DS1 SALs based upon a volume and term commitment. The DS1 TVP is offered for a 1, 2, or 3 year term commitment period. Subject to Part 0, Section 1, the Company manages a DS1 TVP as a single plan and applies Product Guide and tariffed rates, terms and conditions as applicable. An annual review includes all of the TVP Services included in that TVP.

For DS1 TVPs established prior to July 16, 2016, the Customer's DS1 SAL commitment level was established on a nationwide basis or negotiated between the Customer and the Company (i.e., state basis, regional basis, etc.). All of the Customer's DS1 TVP SALs will be billed at the same rate, based upon the state where the Service is located, the length of the term selected by the Customer, and the threshold level in which the commitment quantity falls.

For DS1 TVPs established on or after July 16, 2016, the Customer must designate which of its ACNA(s) it wishes to include in its DS1 TVP. All of the Customer's DS1 TVP SALs for the ACNAs designated to be included in the DS1 TVP will be billed at the same rate, based upon the state where the Service is located, the length of the term selected by the Customer, and the threshold level in which the commitment quantity falls.

All other associated rate elements or additional features are available at the applicable tariff/Product Guide rates, terms and conditions.

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DS1 AND DS3 TERM VOLUME PLANS (REGION 14)

B. DS1 TERM VOLUME PLANS (Cont'd)

1. One-, Two-, Three-, Five-Year DS1 Term Volume Plans (**DS1 TVP**) (Cont'd)

For DS1 TVPs established prior to July 16, 2016, during the DS1 TVP term, a Customer may not concurrently subscribe its DS1 SALs to the National Discount Plan as set forth in Part E, Section 11. For DS1 TVPs established on or after July 16, 2016, during the DS1 TVP term, a Customer may not concurrently subscribe the ACNA(s) included in DS1 TVP to the National Discount Plan as set forth in Part E, Section 11.

2. Eight- and Ten-Year DS1 Term Volume Plans (**ETTVP**)

The ETTVP allows Customers discounts, which are applied to DS1 SALs based upon a volume and term commitment. Subject to Part 0, Section 1, the Company manages an ETTVP as a single plan and applies Product Guide and tariffed rates, terms and conditions as applicable. An annual review includes all of the ETTVP Services included in that ETTVP. (D)

For ETTVPs established prior to July 16, 2016, the Customer's DS1 SAL volume commitment level will be 90% of the existing DS1 SALs for all ACNAs included in Region 14. For ETTVPs established on or after July 16, 2016, the Customer's DS1 SAL volume commitment level will be 90% of the existing DS1 SALs for those ACNAs designated for inclusion in the ETTVP.

The ETTVP was offered for an 8- or 10-year term commitment period. Time In-Service Credit (**TISC**) will be granted on a replaced DS1 TVP for uninterrupted DS1 TVP subscription time and applied toward the new 8- or 10-year commitment period. All of the Customer's ETTVP DS1 SALs will be billed at the applicable tariff/Product Guide state rate, based upon the state where the Service is located, the length of the term selected by the Customer, and the threshold level in which the commitment quantity falls. All other associated rate elements or additional features are available at the applicable tariff/Product Guide rates, terms and conditions. (T)

For ETTVPs established prior to July 16, 2016, during the ETTVP term, a Customer may not concurrently subscribe its DS1 SALs to the National Discount Plan as set forth in Part E, Section 11. For ETTVPs established on or after July 16, 2016, during the ETTVP term, a Customer may not concurrently subscribe the ACNA(s) included in ETTVP to the National Discount Plan as set forth in Part E, Section 11.

DS1 AND DS3 TERM VOLUME PLANS (REGION 14)

B. DS1 TERM VOLUME PLANS (Cont'd)

3. Application of Rates and Charges

a. One-, Two-, Three-, Five-Year DS1 TVPs

$$\begin{array}{c} \text{(D)} \\ | \\ | \\ | \\ | \\ | \\ | \\ \text{(D)} \end{array}$$

Rate changes in the DS1 TVP monthly recurring DS1 SAL rates will be passed on to subscribers of the plan. However, for TVPs established prior to December 17, 2019, during the TVP period, should the rates increase, the Customer may, at his/her option, terminate the TVP arrangement without penalty or liability, unless the increase is a result of FCC action.

Two or more DS1 SALs are required to qualify for a DS1 TVP. Rates are applied based on the following DS1 SAL threshold levels: 2-60, 61-120, 121-240, 241-500, 501-1000, 1001-3000, 3001-6000, 6001-11,000 and Over 11,000.

b. ETTVPs

Rate changes in the ETTVP monthly recurring DS1 SAL rates will be passed on to subscribers of the plan. However, for ETTVPs established prior to December 17, 2019, during the ETTVP period, should the rates increase, the Customer may, at his/her option, terminate the ETTVP arrangement without penalty or liability, unless the increase is a result of FCC action.

DS1 AND DS3 TERM VOLUME PLANS (REGION 14)

B. DS1 TERM VOLUME PLANS (Cont'd)

4. Changes to Commitment Quantity (D)

a. One-, Two-, Three-, Five-Year DS1 TVPs (D)

At any time during the plan term, the Customer may increase the commitment quantity of DS1 SALs to receive a lower threshold rate by submitting written notification to the Company. (D)

When a penalty is assessed at the annual review, as set forth in Section B6 following, the number of DS1 SALs in service will become the commitment quantity for the balance of the commitment term or until such time as a subsequent adjustment is required.

b. ETTVPs

At any time during the plan term, the Customer may increase the volume commitment to receive a lower threshold rate by submitting written notification to the Company. No termination liability will be assessed provided there is no lapse of time between the effective date of the increase and the termination of the previously effective commitment quantity.

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DS1 AND DS3 TERM VOLUME PLANS (REGION 14)

B. DS1 TERM VOLUME PLANS (Cont'd)

6. Annual Review

a. One-, Two-, Three-, Five-Year DS1 TVPs

Each Customer's DS1 TVP will be reviewed annually. The Customer will be notified in writing as to the status of the DS1 TVP. If the applicable in-service DS1 SAL quantity (including any DS1 SALs that were replaced by a Replacing Service using the methodology for a Technology Migration specified in Part 0, Section 2 falls below the commitment quantity, an allowance of 3% will be considered as having met the commitment quantity. Where the Customer does not meet the minimum quantity of DS1 SALs in service, penalties will be assessed as set forth under Section B8 following.

If the number of DS1 SALs increase from the initial commitment, the Customer will have the option of increasing the commitment level for the remainder of their DS1 TVP. If the Customer chooses not to increase the commitment level, he/she may convert the increased number of DS1 SALs to a monthly plan for an ACNA not already included in DS1 TVP. (D)

The Customer may decrease the commitment level at the time of the annual review and pay the applicable penalties for the amount of DS1 SALs being decreased. Penalties will apply as set forth in Section B8 following.

The Customer will have 30 days from receipt of notification to convert DS1 SALs. If the Customer does not take action during the 30 day period: The commitment level will be automatically changed to the number of DS1 TVP SALs in effect at the annual review.

b. ETTVPs

Each Customer's ETTVP will be reviewed annually. The Customer will be notified in writing as to the status of the ETTVP. If the applicable in-service DS1 SAL quantity (including any DS1 SALs that were replaced by a Replacing Service using the methodology for a Technology Migration specified in Part 0, Section 2 falls below the commitment quantity penalties will be assessed as set forth under Section B8 following.

For ETTVPs established prior to July 16, 2016, during the annual review the commitment level will be reset to 90% of existing in-service SALs and cannot fall below the initial 90% commitment quantity at time of enrollment. For ETTVPs established on or after July 16, 2016, during the annual review the commitment level will be reset to 90% of existing in-service SALs for the ACNAs designated for inclusion in ETTVP and cannot fall below the initial 90% commitment quantity at time of enrollment.

DS1 AND DS3 TERM VOLUME PLANS (REGION 14)

B. DS1 TERM VOLUME PLANS (Cont'd)

7. DS1 TVP/ETTVP Conditions

a. One-, Two-, Three-, Five-Year DS1 TVPs

If a DS1 Service (circuit) consists of two DS1 SALs, both DS1 SALs must be in the DS1 TVP.

After enrolling in the plan, the Customer may delete or add DS1 SALs rated at the specified term period/threshold level rate at any time during the plan. For example, if the Customer subscribes to a 2-year DS1 TVP at the 61-120 DS1 SAL threshold level, DS1 SALs may be added at any time at the 2-year 61-120 threshold rate level.

b. ETTVPs

If a DS1 Service (circuit) consists of two DS1 SALs, both DS1 SALs must be in the ETTVP.

After enrolling in the plan, the Customer may add DS1 SALs rated at the specified term period/threshold level rate at any time during the plan. For example, if the Customer subscribes to an 8-year ETTVP at the 10,001-20,000 DS1 SAL threshold level, DS1 SALs may be added at any time at the 8-year 10,001-20,000 threshold rate level. New DS1 SALs enrolled in the ETTVP after the initial enrollment period must remain in the plan for a minimum period of 12 months. Any DS1 SALs disconnected within the 12-month minimum period will be subject to a minimum period charge equal to 100% of the MRCs for the remainder of the 12-month period.

8. Penalties for Failing to Meet Commitment

a. One-, Two-, Three-, Five-Year DS1 TVPs

When the number of DS1 TVP SALs at the annual review is less than the commitment quantity minus 3%, the penalty will be the lowest DS1 TVP rate for the current threshold in the states where the Service is located, multiplied by the shortfall multiplied by 4 months.

For example, if the commitment quantity is 100 and the Customer has 90 DS1 TVP SALs at the time of the annual review, the penalty described below will be applied to the shortfall difference of 97 (3% less than 100), and 90. Customer has DS1 SALs in Pennsylvania and Virginia.

- Current threshold level is 61-120, 5 Year term
- In-service quantity at annual review = 90
- Shortfall is $97 - 90 = 7$
- Penalty is calculated as follows:
 $\$133.27^* \times 7 \times 4 \text{ months} = \$3,731.56 \text{ penalty}$

* Lowest DS1 TVP MRC applied the Customer (Virginia rate)

DS1 AND DS3 TERM VOLUME PLANS (REGION 14)

B. DS1 TERM VOLUME PLANS (Cont'd)

8. Penalties for Failing to Meet Commitment (Cont'd)

b. ETTVPs

When the number of ETTVP DS1 SALs at the annual review is less than the commitment quantity, the penalty will be the average ETTVP MRC per circuit, multiplied by the shortfall multiplied by 6 months.

For example, if the commitment quantity is 9000 and the Customer has 8700 DS1 ETTVP SALs at the time of the annual review, the penalty described below will be applied to the shortfall difference of 9000 and 8700. Customer has DS1 SALs in every state.

- Current threshold level is 6001-10,000, 8 Year term
- Commitment quantity is 9000
- In-service quantity at annual review = 8700
- ETTVP monthly billing \$1,070,100
- Average ETTVP MRC per circuit ($\$1,070,100 / 8700$) = \$123
- Shortfall is $9000 - 8700 = 300$
- Penalty is calculated as follows:

$$\$123.00 * 300 \times 6 \text{ months} = \$ 221,400 \text{ penalty}$$

* Average ETTVP MRC (MRC revenue divided by the number of SALs in-service)

9. DS1 TVP Nonrecurring Charge

a. One-, Two-, Three-, Five-Year DS1 TVPs

Customers subscribing to a DS1 TVP will be assessed a nonrecurring charge per DS1 SAL installed except when converting standard month-to-month DS1 SALs to a DS1 TVP.

b. ETTVPs

Customers subscribing to an ETTVP will be assessed a nonrecurring charge per DS1 SAL installed except when converting standard month-to-month DS1 SALs to an ETTVP.

DS1 AND DS3 TERM VOLUME PLANS (REGION 14)

B. DS1 TERM VOLUME PLANS (Cont'd)

10. Changes in Length of a DS1 TVP Period

a. One-, Two-, Three-, Five-Year DS1 TVPs

Effective December 1, 2020, changes in length of a TVP period are no longer permitted. (C)

b. ETTVPs

Effective December 1, 2020, changes in length of an ETTVP period are no longer permitted. (C)

DS1 AND DS3 TERM VOLUME PLANS (REGION 14)

B. DS1 TERM VOLUME PLANS (Cont'd)

11. Options at Expiration

- a. One-, Two-, Three-, Five-Year DS1 TVPs (D)

Upon expiration of a DS1 TVP period, the Company will convert Service to a month-to-month payment plan. (C)
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- b. ETTVPs

At the expiration of an 8-year ETTVP period, the Company will convert Service to a month-to-month payment plan. (C)
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DS1 AND DS3 TERM VOLUME PLANS (REGION 14)

B. DS1 TERM VOLUME PLANS (Cont'd)

11. Options at Expiration (Cont'd)

b. ETTVPs (Cont'd)

At the expiration of a 10-year ETTVP period or extension period, as outlined in Section B12b (C)
following, the Company will convert Service to a month-to-month payment plan. (C)

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12. Extension Options at Expiration

a. One-, Two-, Three-, Five-Year DS1 TVPs

Extension is not an option with DS1 TVP.

b. ETTVPs

Effective May 30, 2019, extension is not an option with ETTVP.

DS1 AND DS3 TERM VOLUME PLANS (REGION 14)

B. DS1 TERM VOLUME PLANS (Cont'd)

13. Upgrades

a. Upgrade to Higher Speed Service

(1) One-, Two-, Three-, Five-Year DS1 TVPs

The Customer may upgrade Service to a higher speed during a DS1 TVP period. The upgraded Service will be subject to all appropriate NRCs.

If the following conditions exist, no termination liability will be applied for the decreased number of DS1 TVP SALs that are upgraded to a higher speed Service:

- The Customer must notify Verizon in writing, in addition to the ASR.
- The higher speed Service period must be equal to or longer in length than the time remaining under the DS1 TVP.
- The upgraded Service remains connected at the same point(s) of termination.

When DS1 TVP SALs are upgraded to a SONET arrangement, the number of DS1 TVP SALs upgraded will remain in the quantity count for the purpose of determining the applicable threshold level rate.

(2) ETTVPs

The Customer may upgrade Service to a higher speed during an ETTVP period. The upgraded Service will be subject to all appropriate NRCs. To demonstrate that the Service has been upgraded, the Customer must provide Verizon with order number information including the Purchase Order Number (**PON**) of the disconnected Service and the PON of the related new connect within 30 days of the conversion, after the upgrade has been made. The orders must be placed at the same time with due dates within 60 days of each other.

If the following conditions exist, no termination liability will be applied for the decreased number of ETTVP SALs that are upgraded to a higher speed Service:

- The Customer must notify Verizon in writing, in addition to the ASR.
- The higher speed Service period must be equal to or greater in length than the time remaining under the ETTVP.
- The upgraded Service remains connected at the same point(s) of termination.

When ETTVP DS1 SALs are upgraded to a DS3 arrangement or to a SONET arrangement, the number of DS1 SALs upgraded will remain in the quantity count for the purpose of determining the applicable threshold level rate.

DS1 AND DS3 TERM VOLUME PLANS (REGION 14)

B. DS1 TERM VOLUME PLANS (Cont'd)
13. Upgrades (Cont'd)

b. Technology Migrations

For Customers who subscribe to a DS1 TVP/ETTVP or renew an expiring DS1 TVP, the DS1 TVP Customer may disconnect a High Capacity Digital DS1 Service in order to replace such Service with a Replacing Service pursuant to the Technology Migration terms and conditions set forth in Part 0, Section 2.

14. Termination Liability

a. One-, Two-, Three-, Five-Year DS1 TVPs

When a DS1 TVP arrangement is cancelled in its entirety prior to the end of the commitment period, termination liability charges, as set forth below, will apply based on the remainder of the DS1 TVP period in effect at the time of disconnect.

One Year DS1 TVP - 50% of any remaining portion of the first year's recurring charges.

Two Year DS1 TVP - 50% of any remaining portion of the first year's recurring charges. In addition, for any remaining portion of the second year, the Customer will be liable for 5% of the total MRCs in that period.

Three Year DS1 TVP - 50% of any remaining portion of the first year's recurring charges. In addition, for any remaining portion of the second and third years, the Customer will be liable for 10% of the total MRCs in that time period.

Five Year DS1 TVP - 50% of any remaining portion of the first year's recurring charges. In addition, for any remaining portion of the second through fifth years, the Customer will be liable for 15% of the total MRCs in that time period.

DS1 AND DS3 TERM VOLUME PLANS (REGION 14)

B. DS1 TERM VOLUME PLANS (Cont'd)
14. Termination Liability (Cont'd)

b. ETTVPs

When an ETTVP arrangement is cancelled in its entirety prior to the end of the commitment period, termination liability charges, as set forth below, will apply based on the remainder of the ETTVP period in effect at the time of disconnect. The termination liability charge applies in addition to any applicable minimum period charges.

Subject to any applicable TISC, the Customer will be liable for one-hundred percent (100%) of any remaining DS1 SAL MRCs in the first year of the ETTVP and for twenty-five percent (25%) of any remaining DS1 SAL MRCs for the balance of the commitment period.

For example, on an 8-year DS1 TVP with TISC of 5 years, the Customer will be liable for 100% of any remaining DS1 SAL MRCs for the sixth year recurring charges. In addition, for any remaining portion of the seventh and eighth years, the Customer will be liable for 25% of the total MRCs in that time period.

When a 10-year ETTVP is cancelled in its entirety during an extension period, as described in Section B12 preceding, the Customer will be liable for twenty-five percent (25%) of any remaining DS1 SAL MRCs for the balance of the extension period.

15. Termination Without Liability

a. One-, Two-, Three-, Five-Year DS1 Term Volume Plans (TVP)

For TVPs established prior to December 17, 2019, during a TVP period, should the currently effective rate for a Customer's Service increase, the Customer may, at their option, terminate the TVP arrangement without penalty or liability, unless the increase is a result of FCC action.

A Customer may cancel its TVP if all of its DS1 Services under that TVP have been replaced with a Replacing Service pursuant to Part 0, Section 2.

b. Eight- and Ten-Year DS1 Term Volume Plans (ETTVP)

For ETTVPs established prior to December 17, 2019, during an ETTVP period, should the currently effective rate for a Customer's Service increase, the Customer may, at their option, terminate the ETTVP arrangement without penalty or liability, unless the increase is a result of FCC action.

DS1 AND DS3 TERM VOLUME PLANS (REGION 14)

C. DS3 TERM VOLUME PLANS

Subject to Part 0, Section 1, the Company manages a DS3 Term Volume Plan (**DS3 TVP**) as a single plan and applies Product Guide and tariffed rates, terms and conditions as applicable. An annual review includes all of the DS3 TVP Services included in that DS3 TVP.

1. Description

- a. The DS3 TVP provides a Customer with discounted monthly recurring rates for DS3 Special Access Line (**SAL**) rate elements based upon a term commitment and a committed number of DS3 SALs (**DS3 Commitment Quantity**). The DS3 Commitment Quantity represents the total number of DS3 SALs that the Customer commits to the DS3 TVP, regardless of the total number of DS3 SALs that the Customer currently has in-service in the operating territories specified in Section A preceding. Only one DS3 Commitment Quantity is allowed for the DS3 TVP. For DS3 TVPs established prior to July 16, 2016, the DS3 Commitment Quantity (along with the Term Commitment as defined in Section C1b following) determines the Commitment Level and corresponding rates applicable to the DS3 SALs included in the TVP. For DS3 TVPs established on or after July 16, 2016, the DS3 Commitment Quantity for the Customer's ACNAs designated for inclusion in the DS3 TVP (along with the Term Commitment as defined in Section C1b following) determines the Commitment Level and corresponding rates applicable to the DS3 SALs included in the TVP. Commitment Levels are described in (C) following (Commitment Level).

- b. The DS3 TVP was offered for a 3# or 5# year term commitment period (Term Commitment). For DS3 TVPs established prior to July 16, 2016, upon subscription to the DS3 TVP, all of the Customer's DS3s that are eligible for inclusion in the DS3 TVP (whether or not such DS3s are actually included in the Commitment Level) will be billed at the applicable DS3 TVP rate level. For DS3 TVPs established on or after July 16, 2016, upon subscription to the DS3 TVP, all of the Customer's DS3s that are eligible for inclusion in the DS3 TVP (whether or not such DS3s are actually included in the Commitment Level) in the ACNAs designated for inclusion in the DS3 TVP will be billed at the applicable DS3 TVP rate level. The applicable DS3 TVP rate level corresponds to the length of the Term Commitment selected by the Customer and a Commitment Level as determined by the DS3 Commitment Quantity. For example, if a Customer commits 51 DS3 circuits to a 3 year Term Commitment under this DS3 TVP, but has a total of 150 DS3 circuits in-service, the Customer will receive a rate corresponding to a Term Commitment of 3 years for a Commitment Level of 50-149 DS3 circuits for all 150 DS3 circuits. (C)

- c. During the DS3 TVP term, the Customer may elect to increase the DS3 Commitment Quantity in accordance with Section C7 following. (D)

- d. The terms, conditions, and rates set forth in this Section C apply only to the DS3 SAL rate elements for Eligible DS3 Services, as defined in Section C4a following, under a DS3 TVP. All other rate elements or additional features associated with the Service are provided at the rates, terms and conditions set forth elsewhere in this Product Guide as they may apply to those associated rate elements or additional features.

Term availability limited. Refer to Section A preceding.

DS1 AND DS3 TERM VOLUME PLANS (REGION 14)

C. DS3 TERM VOLUME PLANS (Cont'd)

1. Description (Cont'd)

- e. For DS3 TVPs established prior to July 16, 2016, a Customer may not concurrently subscribe its DS3 Services to the National Discount Plan as set forth in Part E, Section 11. For DS3 TVPs established on or after July 16, 2016, a Customer may not concurrently subscribe its DS3 Services to the National Discount Plan as set forth in Part E, Section 11 for those ACNAs designated for inclusion in the DS3 TVP.

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DS1 AND DS3 TERM VOLUME PLANS (REGION 14)

C. DS3 TERM VOLUME PLANS (Cont'd)

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3. Commitment Levels

The DS3 Commitment Quantity as specified by the Customer determines the Commitment Level for the DS3 TVP. The Commitment Level determines the rates applicable to all DS3 SALs included in the DS3 TVP. These rates are arranged in tiers based on the Commitment Level (shown in parentheses below) as set forth in Part E, Section 14.

Commitment Level 1 (20 DS3 SALs – 49 DS3 SALs)
Commitment Level 2 (50 DS3 SALs – 149 DS3 SALs)
Commitment Level 3 (150 DS3 SALs – 274 DS3 SALs)
Commitment Level 4 (275 DS3 SALs – 499 DS3 SALs)
Commitment Level 5 (500 DS3 SALs or more)

4. Terms and Conditions

- a. The DS3 TVP includes only SALs associated with Protected Individual DS3s without Company Electronics or Protected Individual DS3s with Company Electronics as set forth in Part E, Section 14 (**Eligible DS3 Services**). No other DS3 offerings as set forth in this or other sections of this Product Guide will be included in the DS3 TVP.
- b. Subsequent to initial enrollment to the DS3 TVP under Section C2 preceding, the Customer may, at any time during the Term Commitment, purchase (only under the ACNAs included in the DS3 TVP) additional DS3 SALs which are Eligible DS3 Services, each of which shall be automatically included in the DS3 TVP. The additional SALs will be billed at the same rate level as all of the other DS3 SALs in the DS3 TVP. Rate levels for DS3 SALs in a DS3 TVP are set forth in Part E, Section 14 and are determined by the Term Commitment and DS3 Commitment Quantity for the TVP. The addition of new DS3 SALs does not change the DS3 Commitment Quantity.

DS1 AND DS3 TERM VOLUME PLANS (REGION 14)

C. DS3 TERM VOLUME PLANS (Cont'd)

5. Annual Review

- a. On the anniversary date of the Customer's DS3 TVP, the Company will conduct an Annual Review to determine if the Customer has met its DS3 Commitment Quantity of DS3 SALs for the ACNAs included in the DS3 TVP for the prior twelve (12) months. For purposes of conducting the Annual Review, the Company will develop an average number of DS3 SALs that were in-service over the prior 12 months by first summing the actual number of DS3 SALs that were in-service for each of the prior 12 months (including any DS3 SALs replaced by a Replacing Service(s) using the methodology for a Technology Migration specified in Part 0, Section 2 and then dividing that total by twelve (12). The anniversary date shall be determined as set forth in Section C2ai preceding.
- b. For purposes of the Annual Review, an allowance of up to three percent (3%) below the committed number of in-service DS3 SALs (rounded to the nearest DS3) will be considered as having met the DS3 Commitment Amount. The DS3 Commitment Quantity less the three percent (3%) allowance shall be defined as the Minimum DS3 Commitment Quantity. For example, the Minimum DS3 Commitment Quantity for 48 DS3 SALs is considered to be met if the average number of in-service DS3 SALs determined at the Annual Review is no less than 47 (e.g., 48 DS3 SALs less 3% allowance = 46.56 and then rounded up to 47 SALs). The average number of in-service DS3 SALs determined at the Annual Review may exceed the DS3 Commitment Quantity, subject to Sections C5d and C5e following.
- c. Where the average number of in-service DS3 SALs at the time of the Annual Review is less than the Minimum DS3 Commitment Quantity determined in Section C5b preceding (i.e., Customer has not met its DS3 Commitment Quantity, less the 3% allowance), a penalty as set forth under Section C6 following will be assessed.
- d. Where the average quantity of in-service DS3 SALs at the time of the Annual Review is equal to the Customer's Minimum DS3 Commitment Quantity (i.e., Customer has met its DS3 Commitment Quantity, less the 3% allowance), or exceeds the DS3 Commitment Quantity by no more than thirty percent (30%), no penalty applies. The current DS3 Commitment Quantity will continue for the remainder of the TVP Term Commitment unless otherwise adjusted under this Sections C5 and C7 following.

DS1 AND DS3 TERM VOLUME PLANS (REGION 14)

C. DS3 TERM VOLUME PLANS (Cont'd)

5. Annual Review (Cont'd)

- e. Where the average quantity of in-service DS3 SALs at the time of the Annual Review exceeds the DS3 Commitment Quantity by more than thirty percent (30%), the DS3 Commitment Quantity will be automatically reset by the Company to a level that is equal to the existing DS3 Commitment Quantity of DS3 SALs plus 50% of the number of DS3 SALs that are in excess of the current DS3 Commitment Quantity rounded to the next DS3 SAL. For example, if the existing DS3 Commitment Quantity at the time of Annual Review is 100 DS3 SALs, and the average in-service quantity at the time of Annual Review is 137 DS3 SALs, the new DS3 Commitment Quantity will be set at 119 SALs ($100 + (37 \times .5) = 118.5$ DS3 SALs rounded to the nearest whole number) and will apply for the remainder of the Term Commitment unless otherwise adjusted under this Section C5.
- f. Within thirty (30) days after completion of an Annual Review, the Customer has the option to reduce its DS3 Commitment Quantity under the Buy Down option described in Section C7d following. Should the Annual Review result in the automatic increase of the DS3 Minimum Commitment Quantity as described in Section C5e above, such increase will be applied before the Customer may exercise the Buy Down option.. The reduced Commitment Level will be utilized for administering the terms and conditions in this Section C for the remainder of the Term Commitment. Buy Down provisions will be applied after application of any Shortfall Penalties due as a result of that Annual Review. The Customer's exercise of the Buy Down provisions shall not relieve the Customer of any Shortfall Penalties that are assessed by Company prior to the exercise of the Buy-Down. No adjustment to prior billing will occur, and no credits will be given for reduction to the DS3 Commitment Quantity under the Buy Down option.

6. Shortfall Penalties for Failing To Meet the Commitment Level

When the average number of in-service DS3 SALs at the Annual Review is less than the Minimum DS3 Commitment Quantity, as determined in Section C5b preceding, a shortfall penalty applies. The shortfall penalty is calculated by multiplying the following:

- a. TVP rate for the predominant Service type purchased by the Customer (for example, if sixty percent (60%) of the Customer's DS3 SALs included in the DS3 TVP are End User DS3 SALs with Company Electronics, then the rate for End User DS3 SALs with Company Electronics shall apply) by
- b. The Minimum DS3 Commitment Quantity minus the average in-service quantity of DS3 SALs by
- c. twelve (12) months

DS1 AND DS3 TERM VOLUME PLANS (REGION 14)

C. DS3 TERM VOLUME PLANS (Cont'd)

6. Shortfall Penalties for Failing To Meet the Commitment Level (Cont'd)

For example, a Customer that has predominantly End User DS3 SALs with Company Electronics would incur the following shortfall penalty if it failed to meet its Minimum DS3 Commitment Quantity as calculated under Section C5b preceding at the Annual Review. Assume the following circumstances occurred.

- Current commitment is 101 circuits.
- Average quantity of In-service DS3 SALs at Annual Review = 90
- Minimum DS3 SAL requirement is 101 less 3%, or 98 circuits
- Shortfall is $98 - 90 = 8$
- Rate for predominant type of DS3 SAL is \$975
- Shortfall penalty amount is $8 \times \$975 \times 12 = \$93,600$

7. Changes to Commitment Level

- a. At any time during the Term Commitment, the Customer may increase the DS3 Commitment Quantity to achieve a higher Commitment Level. Such request must be submitted in writing to the Company in accordance with the same requirements used for initial enrollment to DS3 TVP under Section C2 preceding. The rates associated with the increased DS3 Commitment Quantity are effective upon the enrollment date specified in the Customer's written subscription to increase the DS3 Commitment Quantity. No retroactive adjustment prior to the subscription date for the increased DS3 Commitment Quantity will be made for any additional discount that may be associated with the Customer-initiated increase in Commitment Level.
- b. When the DS3 Commitment Quantity for the TVP is reduced under Section C7d following for a Buy-Down of the DS3 Commitment Quantity, the DS3 Commitment Quantity resulting from the Buy-Down will become the DS3 Commitment Quantity for determining the Commitment Level and rates going forward, and DS3 Commitment Quantity for the Annual Review(s) going forward.
- c. Within 30 days after completion of the Annual Review, the Customer may reduce (Buy-Down) its DS3 Commitment Quantity. Customers may exercise the Buy-Down option by notifying the Company in writing and paying an amount equal to twenty percent (20%) of the recurring monthly charges for the remainder of the Term Commitment for each DS3 SAL that is removed from the DS3 Commitment Quantity. The monthly rate used to calculate the Buy-Down penalty is the DS3 SAL rate for the predominant type of DS3 SAL as defined in Section C6 preceding. The following is an example of calculation of the Buy-Down option. Assume the following:

Monthly rate for the predominant type of DS3 SAL is the End User SAL with Company Electronics at:	\$975
Remaining months in plan:	36
Number of circuits reduced:	8

The Buy Down amount would be $\$975 \times 36 \times 8 \times 20\% \text{ Buy Down} = \$56,160$.

DS1 AND DS3 TERM VOLUME PLANS (REGION 14)

C. DS3 TERM VOLUME PLANS (Cont'd)

8. TVP Term Commitment Extension Option

Effective May 30, 2019, extension options are not permitted on 5-year DS3 TVPs. Effective December 1, 2020, extension options are not permitted on 3-year DS3 TVPs.

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9. TVP Renewal Options

- a. At the expiration of the TVP Term Commitment, the Company will convert billing to a One Year Minimum Service Period as described in 5.6.11(B) preceding, and a new DS3 Minimum Service Period will begin.

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- b. Installation charges do not apply to those DS3 SALs that are in Service on the date that they are converted from the DS3 TVP to the other term plan.

DS1 AND DS3 TERM VOLUME PLANS (REGION 14)

C. DS3 TERM VOLUME PLANS (Cont'd)

10. Upgrades

a. Upgrade to Higher Speed Service

- i. During the Term Commitment, the Customer may upgrade DS3 Service under a DS3 TVP to an equal or higher speed service by disconnecting the DS3 Service under the DS3 TVP and installing the upgraded service in accordance with the terms and conditions for that service. The upgraded service is subject to all terms, conditions, rates, and charges for the upgraded service as specified in the applicable sections of this Product Guide.
- ii. Customer will qualify for adjustment of their DS3 Commitment Quantity, as set forth in Section C10c following, if Customer is unable to meet the Minimum DS3 Commitment Quantity and is subject to shortfall penalties as a direct result of its discontinuation of DS3 SALs which are upgraded to an equal or higher speed service. Customer will qualify for such adjustment to its DS3 Commitment Quantity only if the following terms and conditions are met:
 - (1) Both the discontinued Service and the upgraded service are provided solely by the Company.
 - (2) The total bandwidth of the upgraded service is equal to or greater than the total bandwidth of the discontinued Service. For example, if two (2) in-service DS3 SALs are discontinued and replaced by an OC-3 level SONET service (equivalent to 3 DS3s), the Customer would be eligible to receive credit for two (2) DS3 SALs under this provision.
 - (3) The orders to disconnect the existing Service and install the upgraded service are placed at the same time and with due dates that are within ninety (90) days of each other.
 - (4) The Term Commitment for the upgraded service must be equal to or greater than the Term Commitment for the discontinued Service, except when an equal to or greater than Term Commitment period is not available under the upgraded service, in which case the longest Term Commitment period offered on the upgraded service must be selected.
 - (5) The originating and terminating locations of the Service being upgraded are the same originating and termination locations for the replaced (upgraded) service.

DS1 AND DS3 TERM VOLUME PLANS (REGION 14)

C. DS3 TERM VOLUME PLANS (Cont'd)

10. Upgrades (Cont'd)

a. Upgrade to Higher Speed Service (Cont'd)

- iii. In addition to Section (ii)(1) through (ii)(5) preceding, the Customer must provide written notice of the upgrade to the Company for its use during the Annual Review. Written notification must be made at the time the Customer orders the upgrade and/or thirty (30) calendar days following the Annual Review as described in Section C5 preceding. The notification must be received by the Company within the allotted time, or the Customer may be subject to a shortfall penalty if it fails to meet the Minimum DS3 Commitment Quantity for the Annual Review period. Such notice must include order number information, including the purchase order number (**PON**), of each disconnected Service that was upgraded during the Annual Review period. Failure to provide written notification to the Company within the allotted time will result in the Customer forfeiting any credit for the upgrade that would otherwise apply.
- iv. DS3 SALs that qualify as upgrades under (a) through (c) preceding will be added to the Customer's actual in-service DS3 SAL counts for the purpose of determining whether the Customer met the Minimum DS3 Commitment Quantity for the remainder of the TVP term. For example, if the Customer has a DS3 Commitment Quantity of 155 DS3 SALs and is eligible for 20 DS3 SAL upgrades to a high speed service, the Customer will have met the Minimum DS3 Commitment Quantity if their average in-service quantity of DS3 SALs is equal to or greater than 130 DS3 SALs (e.g., 155 less 3% (5 DS3 SALs) less 20 DS3 SALs equals 130 DS3 SALs).

b. Technology Migration

For Customers who subscribe to a DS3 TVP or renew an expiring DS3 TVP, the DS3 TVP Customer may disconnect a High Capacity Digital DS3 Service provided under a DS3 TVP in order to replace such Service with a Replacing Service pursuant to Part 0, Section 2.

11. Termination Liability

- a. When the entire DS3 TVP is discontinued prior to the end of the Term Commitment, termination liability applies to each DS3 SAL that is in-service for the ACNAs included in the DS3 TVP on the date of discontinuance. Termination liability charges apply from the date of discontinuance to the end of the Term Commitment of the DS3 TVP. When applicable, termination liability is equal to one hundred percent (100%) of the total monthly recurring charges for the remaining portion of the first year and fifteen percent (15%) of the total monthly recurring charges for the remainder of the Term Commitment. The monthly rates used to calculate termination liability are the monthly rates that would otherwise apply had the DS3 TVP not been discontinued (i.e., charges based on current Commitment Level and Term Commitment at the time of discontinuance).

DS1 AND DS3 TERM VOLUME PLANS (REGION 14)

C. DS3 TERM VOLUME PLANS (Cont'd)

11. Termination Liability (Cont'd)

b. TISC

- i. TISC reduces the time for which the new DS3 TVP is subject to termination liability under Section C10a preceding. TISC will be granted based on the longest in service time of any DS3 circuit being converted as shown in the following table:

DS3 SAL Time In-Service	TVP Plan Term	TISC Allowance
24 to 36 months	3 Years or Longer	6 months credit
Over 36 months	3 Years	6 months credit
Over 36 months	5 Years or Longer	12 months credit*

- * Applies only to Customers who were granted TISC upon subscription to a 5-year DS3 TVP which began prior to May 30, 2019.

For example, if the Customer had SALs with in service times of 11 months, 18 months, 26 months, and 48 months and subscribed to a 3-Year TVP, they would be eligible for 6 months of TISC, as set forth in the table above. If that same Customer subscribed to a 5-Year TVP, they would be eligible for 12 months TISC.

- ii. In order to receive TISC, the Customer must have requested TISC at the time of initial subscription to the DS3 TVP under Section C2 preceding by providing the circuit ID and Service Establishment Date (**SED**) of the qualifying circuit.
- iii. The maximum amount of TISC available under this Section C is six (6) months. TISC will be applied to the end of the Commitment Period. TISC reduces the number of months from the end of the selected Commitment Period to which termination liability charges are applicable for the purposes of calculating any Termination Liability that may be applied under this Section C10.
- iv. The Customer may also receive C-TISC as a result of converting its DS3 TVP to a new DS3 TVP under Section C8 preceding.

DS1 AND DS3 TERM VOLUME PLANS (REGION 14)

C. DS3 TERM VOLUME PLANS (Cont'd)

12. Termination Without Liability

Subject to the terms and conditions set forth in this Section C, including any shortfall penalties that might apply for failing to meet the Minimum DS3 Commitment Quantity, Minimum Period charges, and all other applicable requirements and penalties as set forth in other sections of this Product Guide, individual DS3 SALs may be disconnected under the DS3 TVP without the application of termination liability charges.

For DS3 TVPs established prior to December 17, 2019, in the event the Company initiates a rate increase and the total discounted monthly billing for the affected Service type increases by eight percent (8%) or more, the Customer may cancel the DS3 TVP without the application of termination liability. The Customer must exercise its option to cancel the DS3 TVP under these conditions by providing written notice to the Company within thirty (30) calendar days of the date of the effective rate increase.

13. Minimum Period Charges

A one (1) year minimum period will apply to all new DS3 SALs that are added after the DS3 TVP enrollment date. If such Service is disconnected prior to completion of the first year following establishment of such Service, a charge equal to 100% of the monthly recurring charge for such Service applies for the balance of the minimum period. Minimum period charges are in addition to any termination liabilities that may be assessed in accordance with Section C10a preceding, and no Time in Service Credits are applicable for the minimum period. For example, assume that the Customer subscribes to DS3 TVP on the first day of January and subsequently orders a new Service under its DS3 TVP on the first day of February in the same year. Also assume that the Customer disconnects that same Service seven (7) months later and that the monthly recurring charge for that Service at the time of the disconnection is \$900. Further, assume that the Customer continues to be enrolled in its DS3 TVP. The Minimum Period Charge will be the five (5) remaining months x \$900 = \$4,500 Minimum Period liability. DS3 SALs that are already in-service at the time of initial subscription to TVP are not subject to the 1 year minimum period under this Section C12.

14. Rate Changes

The Company may change rates for any or all of the DS3 TVP SAL rate elements at any time. Subject to the provisions of Section C11b preceding, the new rates will apply for the remainder of the TVP Term.

15. TVP Nonrecurring Charge

With the exception of converting an existing DS3 SAL to a DS3 TVP under Section C2c preceding, nonrecurring charges apply as specified in this or other sections of this Product Guide.