2. REGULATIONS

2.1 Undertaking of the Company

2.1.1 Scope

Access Services consist of furnishing communications service in connection with one-way and/or two-way information transmission between points within the State of California under the terms of this tariff.

2.1.2 Shortage of Equipment or Facilities

2.1.2.1 The Company reserves the right to limit or to allocate the use of existing facilities, or of additional facilities offered by the Company when necessary because of lack of facilities or due to some other cause beyond the Company's control.

2.1.2.2 The furnishing of service under this tariff is subject to the availability on a continuing basis of all the necessary facilities and is limited to the capacity of the Company's Fiber Optic Cable facilities as well as facilities the company may obtain from other Carriers from time to time, to furnish service as required at the sole discretion of the Company.

2.1.2.3 The provisioning and restoration of service in emergencies shall be in accordance with Part 64, Subpart D, Appendix A of the Federal Communications Commission's Rules and Regulations, which specifies the priority system for such activities.

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2. REGULATIONS

2.1 Undertaking of the Company

2.1.1 Scope

Access Services consist of furnishing communications service in connection with one-way and/or two-way information transmission between points within the State of California under the terms of this tariff.

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2.1.2.3 The provisioning and restoration of service in emergencies shall be in accordance with Part 64, Subpart D, Appendix A of the Federal Communications Commission's Rules and Regulations, which specifies the priority system for such activities.

2. REGULATIONS (Cont.)

2.1 Undertaking of the Company (Cont.)

2.1.3 Terms and Conditions

2.1.3.1 Except as otherwise provided herein, service is provided and billed on the basis of a minimum period of at least one month, and shall continue to be provided until canceled by the Customer, in writing, on not less than 30 days notice. Unless otherwise specified herein, for the purpose of computing charges in this tariff, a month is considered to have 30 days.

2.1.3.2 Customers may be required to enter into written Service Orders which shall contain or reference the name of the Customer, a specific description of the service ordered; the rates to be charged, the duration of the services, and the terms and conditions in this tariff. Customer will also be required to execute any other documents as may be reasonably requested by the Company.

2.1.3.3 At the expiration of the initial term specified in each Service Order, or in any extension thereof, service shall continue on a month to month basis at the then current rates unless terminated by either party upon 30 days written notice. Any termination shall not relieve Customer of its obligation to pay any charges incurred under the Service Order and this tariff prior to termination. The rights and obligations which by their nature extend beyond the termination of the term of the Service Order shall survive such termination.

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2. REGULATIONS (Cont.)

2.1 Undertaking of the Company (Cont.)

2.1.3 Terms and Conditions

2.1.3.1 Except as otherwise provided herein, service is provided and billed on the basis of a minimum period of at least one month, and shall continue to be provided until canceled by the Customer, in writing, on not less than 30 days notice. Unless otherwise specified herein, for the purpose of computing charges in this tariff, a month is considered to have 30 days.

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2. REGULATIONS (Cont.)

2.1 Undertaking of the Company (Cont.)

2.1.3 Terms and Conditions (Cont.)

2.1.3.3 At the expiration of the initial term specified in each Service Order, or in any extension thereof, service shall continue on a month to month basis at the then current rates unless terminated by either party upon 30 days written notice. Any termination shall not relieve Customer of its obligation to pay any charges incurred under the Service Order and this tariff prior to termination. The rights and obligations which by their nature extend beyond the termination of the term of the Service Order shall survive such termination.

2.1.3.4 This tariff shall be interpreted and governed by the laws of the State of California without regard for the State's choice of laws provisions.

2.1.3.5 The Customer agrees to operate Company-provided equipment in accordance with instructions of the Company or the Company's agent. Failure to do so will void Company liability for interruption of service and may make the Customer responsible for damage to equipment pursuant to section 2.1.3.6 below.

2.1.3.6 The Customer agrees to return to the Company all Company-provided equipment delivered to Customer within five (5) days of termination of the service in connection with which the equipment was used. Said equipment shall be in the same condition as when delivered to Customer, normal wear and tear only excepted. Customer shall reimburse the Company, upon demand, for any costs incurred by the Company due to Customer's failure to comply with this provision.

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2. REGULATIONS (Cont.)

2.1 Undertaking of the Company (Cont.)

2.1.3 Terms and Conditions (Cont.)

2.1.3.3 At the expiration of the initial term specified in each Service Order, or in any extension thereof, service shall continue on a month to month basis at the then current rates unless terminated by either party upon 30 days written notice. Any termination shall not relieve Customer of its obligation to pay any charges incurred under the Service Order and this tariff prior to termination. The rights and obligations which by their nature extend beyond the termination of the term of the Service Order shall survive such termination.

2.1.3.4 This tariff shall be interpreted and governed by the laws of the State of California without regard for the State's choice of laws provisions.

2.1.3.5 The Customer agrees to operate Company-provided equipment in accordance with instructions of the Company or the Company's agent. Failure to do so will void Company liability for interruption of service and may make the Customer responsible for damage to equipment pursuant to section 2.1.3.6 below.

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2. REGULATIONS (Cont.)

2.1 Undertaking of the Company (Cont.)

2.1.4 Liability of the Company

2.1.4.1 The liability of the Company for damages arising out of the furnishing of its Services, including but not limited to mistakes, omissions, interruptions, delays, errors, other defects, or representations by the Company, or use of these services or damages arising out of the failure to furnish the service whether caused by act or omission, shall be limited to the extension of allowances for interruption as set forth in 2.6 below. The extension of such allowances for interruption shall be the sole remedy of the Customer and the sole liability of the Company. The Company will not be liable for any direct, indirect, incidental, special, consequential, exemplary or punitive damages to Customer as a result of any Company service, equipment or facilities, or the acts or omissions or negligence of the Company's employees or agents.

2.1.4.2 The Company's liability for wilful misconduct, if established as a result of judicial or administrative proceedings, is not limited by this tariff. The Company's liability, if any, with regard to delayed installation of Company facilities or commencement of service, shall not exceed $1,000. With respect to any other claim or suit, by a Customer or by any others, for damages associated with the ordering (including the reservation of any specific number for use with a service), installation (including delays thereof), provision, termination, maintenance, repair interruption or restoration of any service or facilities offered under this tariff, and subject to the provisions of Section 2.6, the Company's liability, if any, shall be limited as provided herein.

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2. REGULATIONS (Cont.)

2.1 Undertaking of the Company (Cont.)

2.1.4 Liability of the Company

2.1.4.1 The liability of the Company for damages arising out of the furnishing of its Services, including but not limited to mistakes, omissions, interruptions, delays, errors, other defects, or representations by the Company, or use of these services or damages arising out of the failure to furnish the service whether caused by act or omission, shall be limited to the extension of allowances for interruption as set forth in 2.6 below. The extension of such allowances for interruption shall be the sole remedy of the Customer and the sole liability of the Company. The Company will not be liable for any direct, indirect, incidental, special, consequential, exemplary or punitive damages to Customer as a result of any Company service, equipment or facilities, or the acts or omissions or negligence of the Company's employees or agents.

2.1.4.2 The Company's liability for wilful misconduct, if established as a result of judicial or administrative proceedings, is not limited by this tariff. The Company's liability, if any, with regard to delayed installation of Company facilities or commencement of service, shall not exceed $1,000. With respect to any other claim or suit, by a Customer or by any others, for damages associated with the ordering (including the reservation of any specific number for use with a service), installation (including delays thereof), provision, termination, maintenance, repair interruption or restoration of any service or facilities offered under this tariff, and subject to the provisions of Section 2.6, the Company's liability, if any, shall be limited as provided herein.

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2. REGULATIONS (Cont.)

2.1 Undertaking of the Company (Cont.)

2.1.4 Liability of the Company (Cont.)

2.1.4.3 The Company shall not be liable for any delay or failure of performance or equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood, explosion or other catastrophes; any law, order, regulation, direction action, or request of The United States government or of any other government, including state and local governments having or claiming jurisdiction over the Company, or of any department, agency, commission, bureau, corporation, or other instrumentality of any one or more of these federal state, or local governments, or of any military authority; preemption of existing service in compliance with national emergencies; insurrections; riots; wars; unavailability of rights-of-way or materials; or strikes, lockouts work stoppages, or other labor difficulties.

2.1.4.4 The Company shall not be liable for (a) any act or omission of any entity furnishing the Company or the Company's Customers facilities or equipment used for interconnection with Access Services; or (b) for the acts or omissions of other Common Carriers or warehousemen.

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2. REGULATIONS (Cont.)

2.1 Undertaking of the Company (Cont.)

2.1.4 Liability of the Company (Cont.)

2.1.4.3 The Company shall not be liable for any delay or failure of performance or equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood, explosion or other catastrophes; any law, order, regulation, direction action, or request of The United States government or of any other government, including state and local governments having or claiming jurisdiction over the Company, or of any department, agency, commission, bureau, corporation, or other instrumentality of any one or more of these federal state, or local governments, or of any military authority; preemption of existing service in compliance with national emergencies; insurrections; riots; wars; unavailability of rights-of-way or materials; or strikes, lockouts work stoppages, or other labor difficulties.

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2. REGULATIONS (Cont.)

2.1 Undertaking of the Company (Cont.)

2.1.4 Liability of the Company (Cont.)

2.1.4.5 The Company shall not be liable for any damages or losses due to the fault or negligence of the Customer or due to the failure or malfunction of Customer-provided equipment or facilities.

2.1.4.6 The Customer shall indemnify and hold the Company harmless from any and all loss, claims, demands, suits, or other actions, or any liability whatsoever, whether suffered, made, instituted, or asserted by any other party or person(s), and for any loss, damage, or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, condition, location, or use of any installation or equipment provided by the Company. The Company reserves the right to require each Customer to sign an agreement acknowledging acceptance of the provisions of this Section 2.1.4.6 as a condition precedent to such installations.

2.1.4.7 The Company shall not be liable for any defacement of or damage to Customers Premises resulting from the furnishing of services or equipment on such Premises or the installation or removal thereof, unless such defacement or damage is caused by the willful misconduct of the Company's agents or employees. No agents or employees of other participating Carriers shall be deemed to be agents or employees of the Company.

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2. REGULATIONS (Cont.)

2.1 Undertaking of the Company (Cont.)

2.1.4 Liability of the Company (Cont.)

2.1.4.5 The Company shall not be liable for any damages or losses due to the fault or negligence of the Customer or due to the failure or malfunction of Customer-provided equipment or facilities.

2.1.4.6 The Customer shall indemnify and hold the Company harmless from any and all loss, claims, demands, suits, or other actions, or any liability whatsoever, whether suffered, made, instituted, or asserted by any other party or person(s), and for any loss, damage, or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, condition, location, or use of any installation or equipment provided by the Company. The Company reserves the right to require each Customer to sign an agreement acknowledging acceptance of the provisions of this Section 2.1.4.6 as a condition precedent to such installations.

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2. REGULATIONS (Cont.)

2.1 Undertaking of the Company (Cont.)

2.1.4 Liability of the Company (Cont.)

2.1.4.8 Notwithstanding the Customer's obligations as set forth in Section 2.3.2 below, the Company shall be indemnified, defended and held harmless by the Customer, or by others authorized by it to use the service, against any claim, loss or damage arising from Customer's use of services furnished under this tariff, including: claims for libel, slander, invasion of privacy or infringement of copyright arising from the material, data, information, or other content transmitted via the Company's service; and patent infringement claims arising from combining or connecting the service offered by the Company with apparatus and systems of the Customer or others; all other claims arising out of any act or omission of the Customer or others, in connection with any service provided by the Company pursuant to this tariff.

2.1.4.9 The Company shall be indemnified 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 tariff including: claims for libel, slander, invasion of privacy or infringement of copyright arising from the End User's own communications; patent infringement claims arising from the End User's combining or connecting the service offered by the Company with facilities or equipment furnished by the End User of another Interexchange Carrier; or all other claims arising out of any act or omission of the End User in connection with any service provided pursuant to this tariff.

2.1.4.10 The entire liability of the Company for any claim, loss, damage or expense from any cause whatsoever shall in no event exceed sums actually paid to the Company by the Customer for the specific services giving rise to the claim, and no action or proceeding against the Company shall be commenced more than one year after the service is rendered.

2.1.4.11 The Company makes no warranties or representations, expressed or implied, either in fact or by operation of law, statutory or otherwise, including warranties of merchantability or fitness for a particular use, except those expressly set forth herein.

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2. REGULATIONS (Cont.)

2.1 Undertaking of the Company (Cont.)

2.1.4 Liability of the Company (Cont.)

2.1.4.8 Notwithstanding the Customer's obligations as set forth in Section 2.3.2 below, the Company shall be indemnified, defended and held harmless by the Customer, or by others authorized by it to use the service, against any claim, loss or damage arising from Customer's use of services furnished under this tariff, including: claims for libel, slander, invasion of privacy or infringement of copyright arising from the material, data, information, or other content transmitted via the Company's service; and patent infringement claims arising from combining or connecting the service offered by the Company with apparatus and systems of the Customer or others; all other claims arising out of any act or omission of the Customer or others, in connection with any service provided by the Company pursuant to this tariff.

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2.1.4.10 The entire liability of the Company for any claim, loss, damage or expense from any cause whatsoever shall in no event exceed sums actually paid to the Company by the Customer for the specific services giving rise to the claim, and no action or proceeding against the Company shall be commenced more than one year after the service is rendered.

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2. REGULATIONS (Cont.)

2.1 Undertaking of the Company (Cont.)

2.1.4 Liability of the Company (Cont.)

2.1.4.12 The Company shall not be liable for any act or omission of any other company or companies furnishing a portion of the service, or for damages associated with service, Channels, or equipment which result from the operation of Customer-provided systems, equipment, facilities or service which are interconnected with Company services.

2.1.4.13 The Company does not guarantee nor make any warranty with respect to service installations at locations at which there is present an atmosphere that is explosive, prone to fire, dangerous or otherwise unsuitable for such installations. The Customer and End User shall indemnify and hold the Company harmless from any and all loss, claims, demands, suits or other actions, or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party, for any personal injury to, or death of, any person or persons, or for any loss, damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, locations or use of service furnished by the Company at such locations.

2.1.4.14 The Company shall not be liable for the Customer's failure to fulfill its obligations to take all necessary steps including, without limitation, obtaining, installing and maintaining all necessary equipment, materials and supplies, for interconnecting the terminal equipment or communications system of the Customer, or any third party acting as its agent, to the Company's Network. The Customer shall secure all licenses, permits, rights-of-way, and other arrangements necessary for such interconnection. In addition, the Customer shall ensure that its equipment and/or system or that of its agent is properly interfaced with the Company's service, that the signals emitted into the Company's Network are of the proper mode, band-width, power, data speed, and signal level for the intended use of the Customer and in compliance with the criteria set forth in Section 2.1.6 following, and that the signals do not

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2. REGULATIONS (Cont.)

2.1 Undertaking of the Company (Cont.)

2.1.4 Liability of the Company (Cont.)

2.1.4.12 The Company shall not be liable for any act or omission of any other company or companies furnishing a portion of the service, or for damages associated with service, Channels, or equipment which result from the operation of Customer-provided systems, equipment, facilities or service which are interconnected with Company services.

2.1.4.13 The Company does not guarantee nor make any warranty with respect to service installations at locations at which there is present an atmosphere that is explosive, prone to fire, dangerous or otherwise unsuitable for such installations. The Customer and End User shall indemnify and hold the Company harmless from any and all loss, claims, demands, suits or other actions, or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party, for any personal injury to, or death of, any person or persons, or for any loss, damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, locations or use of service furnished by the Company at such locations.

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2. REGULATIONS (Cont.)

2.1 Undertaking of the Company (Cont.)

2.1.4 Liability of the Company (Cont.)

2.1.4.14 (Cont.)

damage Company equipment, injure its personnel or degrade service to other Customer. If the Customer or its agent fails to maintain and operate its equipment and/or system or that of its agent properly, with resulting imminent harm to Company equipment, personnel, or the quality of service to other Customers, the Company, may, upon written notice, require the use of protective equipment at the Customer's expense. If this fails to produce satisfactory quality and safety, the Company may, upon written notice, terminate the Customer's service without liability.

2.1.4.15 The Company shall not be liable for any act or omission concerning the implementation of Presubscription, as defined herein, unless it is due to the gross negligence of the Company.

2.1.4.16 With respect to Telecommunications Relay Service (TRS), any service provided by Company which involves receiving, translating, transmitting or delivering messages by telephone, text telephone, a telecommunications device for the deaf, or any other instrument over the facilities of Company or any connecting Carrier, Company's liability for the interruption or failure of the service shall not exceed an amount equal to the Company's charge for a one minute call to the called station at the time the affected calls was made.

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2. REGULATIONS (Cont.)

2.1 Undertaking of the Company (Cont.)

2.1.4 Liability of the Company (Cont.)

2.1.4.14 (Cont.)

damage Company equipment, injure its personnel or degrade service to other Customer. If the Customer or its agent fails to maintain and operate its equipment and/or system or that of its agent properly, with resulting imminent harm to Company equipment, personnel, or the quality of service to other Customers, the Company, may, upon written notice, require the use of protective equipment at the Customer's expense. If this fails to produce satisfactory quality and safety, the Company may, upon written notice, terminate the Customer's service without liability.

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2. REGULATIONS (Cont.)

2.1 Undertaking of the Company (Cont.)

2.1.5 Notification of Service-Affecting Activities

The Company will provide the Customer reasonable 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 and routine preventative maintenance. Generally, such activities are not specific to an individual Customer but affect many Customer's services. No specific advance notification period is applicable to all service activities. The Company will work cooperatively with the Customer to determine the reasonable, notification requirements. With some emergency or unplanned service-affecting conditions, such as an outage resulting from cable damage, notification to the Customer may not be possible.

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2. REGULATIONS (Cont.)

2.1 Undertaking of the Company (Cont.)

2.1.5 Notification of Service-Affecting Activities

The Company will provide the Customer reasonable 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 and routine preventative maintenance. Generally, such activities are not specific to an individual Customer but affect many Customer's services. No specific advance notification period is applicable to all service activities. The Company will work cooperatively with the Customer to determine the reasonable, notification requirements. With some emergency or unplanned service-affecting conditions, such as an outage resulting from cable damage, notification to the Customer may not be possible.

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2. REGULATIONS (Cont.)

2.1 Undertaking of the Company (Cont.)

2.1.6 Provision of Equipment and Facilities

2.1.6.1 The Company shall use reasonable efforts to make available services to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with, the regulations contained in this tariff. The Company does not guarantee availability by any such date and shall not be liable for any delays in commencing service to any Customer.

2.1.6.2 The Company shall use reasonable efforts to maintain facilities and equipment that it furnishes to the Customer. The Customer may not, nor may the Customer permit others to, rearrange, disconnect, remove, attempt to repair or otherwise interfere with any of the facilities or equipment installed by the Company, except upon the written consent of the Company.

2.1.6.3 The Company may substitute, change or rearrange any equipment or facility at any time and from time to time, but shall not thereby alter the technical parameters of the service provided the Customer.

2.1.6.4 Equipment the Company provides or installs at a Customer premises for use in connection with the services the Company offers shall not be used for any purpose other than that for which the Company provided it.

2.1.6.5 The Customer shall be responsible for the payment of service charges imposed on the Company by another entity, for visits to the Premises of the Customer when the service difficulty or trouble report results from the use of equipment or facilities provided by any party other than the Company, including but not limited to the Customer.

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2. REGULATIONS (Cont.)

2.1 Undertaking of the Company (Cont.)

2.1.6 Provision of Equipment and Facilities

2.1.6.1 The Company shall use reasonable efforts to make available services to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with, the regulations contained in this tariff. The Company does not guarantee availability by any such date and shall not be liable for any delays in commencing service to any Customer.

2.1.6.2 The Company shall use reasonable efforts to maintain facilities and equipment that it furnishes to the Customer. The Customer may not, nor may the Customer permit others to, rearrange, disconnect, remove, attempt to repair or otherwise interfere with any of the facilities or equipment installed by the Company, except upon the written consent of the Company.

2.1.6.3 The Company may substitute, change or rearrange any equipment or facility at any time and from time to time, but shall not thereby alter the technical parameters of the service provided the Customer.

2.1.6.4 Equipment the Company provides or installs at a Customer premises for use in connection with the services the Company offers shall not be used for any purpose other than that for which the Company provided it.

2.1.6.5 The Customer shall be responsible for the payment of service charges imposed on the Company by another entity, for visits to the Premises of the Customer when the service difficulty or trouble report results from the use of equipment or facilities provided by any party other than the Company, including but not limited to the Customer.

2. REGULATIONS (Cont.)

2.1 Undertaking of the Company (Cont.)

2.1.6 Provision of Equipment and Facilities (Cont.)

2.1.6.6 The Company shall not be responsible for the installation, operation, or maintenance of any Customer provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this tariff, the responsibility of the Company shall be limited to the furnishing of facilities offered under this tariff and to the maintenance and operation of such facilities. Notwithstanding the above, the Company shall not be responsible for:

(a) the transmission of signals by Customer-provided equipment or for the quality of, or defects in, such transmission;

(b) the reception of signals by Customer-provided equipment; or

(c) network control signaling where such signaling is performed by Customer-provided network control signaling equipment.

2.1.6.7 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.

2.1.6.8 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.

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2. REGULATIONS (Cont.)

2.1 Undertaking of the Company (Cont.)

2.1.6 Provision of Equipment and Facilities (Cont.)

2.1.6.6 The Company shall not be responsible for the installation, operation, or maintenance of any Customer provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this tariff, the responsibility of the Company shall be limited to the furnishing of facilities offered under this tariff and to the maintenance and operation of such facilities. Notwithstanding the above, the Company shall not be responsible for:

(a) the transmission of signals by Customer-provided equipment or for the quality of, or defects in, such transmission;

(b) the reception of signals by Customer-provided equipment; or

(c) network control signaling where such signaling is performed by Customer-provided network control signaling equipment.

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2. REGULATIONS (Cont.)

2.1 Undertaking of the Company (Cont.)

2.1.7 Non-routine Installation

At the Customer's request, installation and/or maintenance may be performed outside the Company's regular business hours or in unusual locations. In such cases, charges based on cost of the actual labor, material, or other costs incurred by or charged to the Company will apply. If installation is started during regular business hours but, at the Customer's request, extends beyond regular business hours into time periods including, but not limited to, weekends, holidays, and/or night hours, additional charges may apply. Prior to beginning work under this Section, the Company will provide an estimate to the Customer of the charges expected to be incurred. If the Customer so requests, the estimate will be provided in writing. After completion of the work, the Company will provide the Customer with an itemized statement supporting the charges.

2.1.8 Special Construction

Subject to the arrangement of the Company and to all of the regulations contained in this tariff, special construction of facilities may be undertaken on a reasonable efforts basis at the request of the Customer. Special construction is that construction undertaken and characterized by one or more of the following:

(a) where facilities are not presently available and there is no other requirement for the facilities so constructed;

(b) of a type other than that which the Company would normally utilize in the furnishing of its services;

(c) where facilities are to be installed over a route other than that which the Company would normally utilize in the furnishing of its services;

(d) where facilities are requested in a quantity greater than that which the Company would normally construct;

(e) where installation is on an expedited basis;

(f) on a temporary basis until permanent facilities are available;

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2. REGULATIONS (Cont.)

2.1 Undertaking of the Company (Cont.)

2.1.7 Non-routine Installation

At the Customer's request, installation and/or maintenance may be performed outside the Company's regular business hours or in unusual locations. In such cases, charges based on cost of the actual labor, material, or other costs incurred by or charged to the Company will apply. If installation is started during regular business hours but, at the Customer's request, extends beyond regular business hours into time periods including, but not limited to, weekends, holidays, and/or night hours, additional charges may apply. Prior to beginning work under this Section, the Company will provide an estimate to the Customer of the charges expected to be incurred. If the Customer so requests, the estimate will be provided in writing. After completion of the work, the Company will provide the Customer with an itemized statement supporting the charges.

2.1.8 Special Construction

Subject to the arrangement of the Company and to all of the regulations contained in this tariff, special construction of facilities may be undertaken on a reasonable efforts basis at the request of the Customer. Special construction is that construction undertaken and characterized by one or more of the following:

(a) where facilities are not presently available and there is no other requirement for the facilities so constructed;

(b) of a type other than that which the Company would normally utilize in the furnishing of its services;

(c) where facilities are to be installed over a route other than that which the Company would normally utilize in the furnishing of its services;

(d) where facilities are requested in a quantity greater than that which the Company would normally construct;

(e) where installation is on an expedited basis;

(g) on a temporary basis until permanent facilities are available;

2. REGULATIONS (Cont.)

2.1 Undertaking of the Company (Cont.)

2.1.8 Special Construction (Cont.)

(g) installation involving abnormal costs; or

(h) in advance of its normal construction schedules.

Special construction charges for Switched Access Service will be determined as described in Sections 6.1.1 and 7.5.1, following.

2.1.9 Ownership of Facilities

Title to all facilities provided in accordance with this tariff remains in the Company, its agents, contractors or suppliers.

2.2 Prohibited Uses

2.2.1 The services the Company offers shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits.

2.2.2 The Company may require applicants for service who intend to use the Company's offerings for resale and/or for shared use to file a letter with the Company confirming that their use of the Company's offerings complies with relevant laws and WUTC regulations, policies, orders, and decisions.

2.2.3 The Company may require a Customer to immediately shut down its transmission of signals if said transmission is causing interference to others.

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2. REGULATIONS (Cont.)

2.1 Undertaking of the Company (Cont.)

2.1.8 Special Construction (Cont.)

(g) installation involving abnormal costs; or

(h) in advance of its normal construction schedules.

Special construction charges for Switched Access Service will be determined as described in Sections 6.1.1 and 7.5.1, following. D

2.1.9 Ownership of Facilities

Title to all facilities provided in accordance with this tariff remains in the Company, its agents, contractors or suppliers.

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2.2.3 The Company may require a Customer to immediately shut down its transmission of signals if said transmission is causing interference to others.

Section 2, Regulations (Continued on next Sheet)

2. REGULATIONS (Cont.)

2.3 Obligations of the Customer

2.3.1 The Customer shall be responsible for:

(a) the payment of all applicable charges pursuant to this tariff;

(b) reimbursing the Company for damage to, or loss of, the Company's facilities or equipment caused by the acts or omissions of the Customer; or the noncompliance by the Customer with these regulations; or by fire or theft or other casualty on the Customer Premises, unless caused by the negligence or wilful misconduct of the employees or agents of the Company. The Company will, upon reimbursement for damages to its facilities or equipment, cooperate with the Customer in prosecuting a claim against the person causing such damage and the Customer shall be subrogated in the Company's right of recovery of damages to the extent of such payment;

(c) providing at no charge, as specified from time to time by the Company, any needed personnel, equipment, space, and power to operate Company facilities and equipment installed on the Customer Premises, and the level of heating and air conditioning necessary to maintain the proper operating environment on such Premises;

(d) obtaining, maintaining, and otherwise having full responsibility for all rights-of-way and conduit necessary for installation of Fiber Optic Cable and associated equipment used to provide Access Services to the Customer from the cable building entrance or property line to the location of the equipment space described in 2.3.1(c) above. Any costs associated with obtaining and maintaining the rights-of-way described herein, including the costs of altering the structure to permit installation of the Company-provided facilities, shall be borne entirely by, or may be charged by the Company to, the Customer. The Company may require the Customer to demonstrate its compliance with this subsection prior to accepting an order for service;

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2. REGULATIONS (Cont.)

2.3 Obligations of the Customer

2.3.1 The Customer shall be responsible for:

(a) the payment of all applicable charges pursuant to this tariff;

(b) reimbursing the Company for damage to, or loss of, the Company's facilities or equipment caused by the acts or omissions of the Customer; or the noncompliance by the Customer with these regulations; or by fire or theft or other casualty on the Customer Premises, unless caused by the negligence or wilful misconduct of the employees or agents of the Company. The Company will, upon reimbursement for damages to its facilities or equipment, cooperate with the Customer in prosecuting a claim against the person causing such damage and the Customer shall be subrogated in the Company's right of recovery of damages to the extent of such payment;

(c) providing at no charge, as specified from time to time by the Company, any needed personnel, equipment, space, and power to operate Company facilities and equipment installed on the Customer Premises, and the level of heating and air conditioning necessary to maintain the proper operating environment on such Premises;

(d) obtaining, maintaining, and otherwise having full responsibility for all rights-of-way and conduit necessary for installation of Fiber Optic Cable and associated equipment used to provide Access Services to the Customer from the cable building entrance or property line to the location of the equipment space described in 2.3.1(c) above. Any costs associated with obtaining and maintaining the rights-of-way described herein, including the costs of altering the structure to permit installation of the Company-provided facilities, shall be borne entirely by, or may be charged by the Company to, the Customer. The Company may require the Customer to demonstrate its compliance with this subsection prior to accepting an order for service;

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2. REGULATIONS (Cont.)

2.3 Obligations of the Customer (Cont.)

2.3.1 (e) providing a safe place to work and complying with all laws and regulations regarding the working conditions on the Premises at which Company employees and agents shall be installing or maintaining the Company's facilities and equipment. The Customer may be required to install and maintain Company facilities and equipment within a hazardous area if, in the Company's opinion, injury or damage to the Company employees or property might result from installation or maintenance by the Company. The Customer shall be responsible for identifying, monitoring, removing, and disposing of any hazardous material (e.g. friable asbestos) prior to any construction or installation work;

(f) complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses, and permits as may be required with respect to, the location of Company facilities and equipment in any Customer Premises or the rights-of-way for which Customer is responsible for obtaining under Section 2.3.1(d) above; and granting or obtaining permission for Company agents or employees to enter the Customer Premises at any time for the purpose of installing, inspecting, maintaining, repairing, or upon termination of service as stated herein, removing the facilities or equipment of the Company; and

(g) not creating or allowing to be placed or maintained any liens or other encumbrances on the Company's equipment or facilities.

2.3.2 Claims

With respect to any service or facility provided by the Company; Customer shall indemnify, defend and hold harmless the Company from all claims, actions, damages, liabilities, costs, and expenses, including reasonable attorneys' fees for:

(a) any loss, destruction or damage to property of the Company or any third party, or the death of or injury to persons, including, but not limited to employees or invitees of either the Company or the Customer, to the extent caused by or resulting from the negligent or intentional act or omission of the Customer, its employees, agents, representatives or invitees;

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2. REGULATIONS (Cont.)

2.3 Obligations of the Customer (Cont.)

2.3.1 (e) providing a safe place to work and complying with all laws and regulations regarding the working conditions on the Premises at which Company employees and agents shall be installing or maintaining the Company's facilities and equipment. The Customer may be required to install and maintain Company facilities and equipment within a hazardous area if, in the Company's opinion, injury or damage to the Company employees or property might result from installation or maintenance by the Company. The Customer shall be responsible for identifying, monitoring, removing, and disposing of any hazardous material (e.g. friable asbestos) prior to any construction or installation work;

(f) complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses, and permits as may be required with respect to, the location of Company facilities and equipment in any Customer Premises or the rights-of-way for which Customer is responsible for obtaining under Section 2.3.1(d) above; and granting or obtaining permission for Company agents or employees to enter the Customer Premises at any time for the purpose of installing, inspecting, maintaining, repairing, or upon termination of service as stated herein, removing the facilities or equipment of the Company; and

(g) not creating or allowing to be placed or maintained any liens or other encumbrances on the Company's equipment or facilities.

2.3.2 Claims

With respect to any service or facility provided by the Company; Customer shall indemnify, defend and hold harmless the Company from all claims, actions, damages, liabilities, costs, and expenses, including reasonable attorneys' fees for:

(a) any loss, destruction or damage to property of the Company or any third party, or the death of or injury to persons, including, but not limited to employees or invitees of either the Company or the Customer, to the extent caused by or resulting from the negligent or intentional act or omission of the Customer, its employees, agents, representatives or invitees;

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2. REGULATIONS (Cont.)

2.3 Obligations of the Customer (Cont.)

2.3.2 Claims (Cont.)

(b) any claim, loss, damage, expense or liability for infringement of any copyright, patent, trade secret, or any proprietary or intellectual property right of any third party, arising from any act or omission by the Customer, including, without limitation, use of the Company's services and facilities in a manner not contemplated by the agreement between the Customer and the Company.

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2. REGULATIONS (Cont.)

2.3 Obligations of the Customer (Cont.)

2.3.2 Claims (Cont.)

(b) any claim, loss, damage, expense or liability for infringement of any copyright, patent, trade secret, or any proprietary or intellectual property right of any third party, arising from any act or omission by the Customer, including, without limitation, use of the Company's services and facilities in a manner not contemplated by the agreement between the Customer and the Company.

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2. REGULATIONS (Cont.)

2.3 Obligations of the Customer (Cont.)

2.3.3 Jurisdictional Reporting (Cont.)

2.3.3.1 Percent Interstate Usage (PIU): The jurisdictional reporting requirements will be as specified below. When a Customer orders Access Service via an Access Service Request (ASR), the Customer must provide the Company with a report of its Projected Percent Interstate Usage (PIU). In addition, the Customer must provide the Company with an auditable PIU report in each calendar quarter following installation of service. The Customer must provide the PIU report in whole numbers. The PIU report will be used by the Company to apportion the Customer's use and/or charges between interstate and intrastate service. If the Customer fails to provide the required PIU report, the PIU factor will be determined as set forth in 2.3.3.1.1 below and shall not be retroactively adjusted if the Customer provides the factor at a later date.

2.3.3.1.1 Effective on the first of January, April, July and October of each year the Customer shall update the PIU factor and report the results to the Company (Quarterly PIU Report). The Quarterly PIU Report will be based on the Customer's traffic in the preceding 3-month period (calendar quarter) ending the last day of December, March, June and September (calendar quarter), respectively, and shall serve as the basis of the PIU factor to be used for the next calendar quarter.

2.3.3.1.1.1 If the Customer does not provide the Company a Quarterly PIU Report, the Company will assume the PIU factor to be the same as specified in the Quarterly PIU Report most recently provided by the Customer. If a Customer has never provided the Company a Quarterly PIU Report or the Customer is a new customer, the Company will assume the PIU factor to be the same as specified in the Access Service Request, except, if the Company can reasonably determine jurisdiction by the Customer's monthly call detail, the Company will determine the Customer's PIU on a monthly basis. If a Customer has never provided the Company a Quarterly PIU Report and has never provided a PIU factor in a Access Service Request, the Company will set the Customer's PIU factor on a default basis as 50 percent interstate and 50 percent intrastate traffic for the next calendar quarter.

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2. REGULATIONS (Cont.)

2.3 Obligations of the Customer (Cont.)

2.3.3 Jurisdictional Reporting (Cont.)

2.3.3.1 Percent Interstate Usage (PIU): The jurisdictional reporting requirements will be as specified below. When a Customer orders Access Service via an Access Service Request (ASR), the Customer must provide the Company with a report of its Projected Percent Interstate Usage (PIU). In addition, the Customer must provide the Company with an auditable PIU report in each calendar quarter following installation of service. The Customer must provide the PIU report in whole numbers. The PIU report will be used by the Company to apportion the Customer□s use and/or charges between interstate and intrastate service. If the Customer fails to provide the required PIU report, the PIU factor will be determined as set forth in 2.3.3.1.1 below and shall not be retroactively adjusted if the Customer provides the factor at a later date.

2.3.3.1.1 Effective on the first of January, April, July and October of each year the Customer shall update the PIU factor and report the results to the Company (Quarterly PIU Report). The Quarterly PIU Report will be based on the Customer□s traffic in the preceding 3-month period (calendar quarter) ending the last day of December, March, June and September (calendar quarter), respectively, and shall serve as the basis of the PIU factor to be used for the next calendar quarter.

2.3.3.1.1.1 If the Customer does not provide the Company a Quarterly PIU Report, the Company will assume the PIU factor to be the same as specified in the Quarterly PIU Report most recently provided by the Customer. If a Customer has never provided the Company a Quarterly PIU Report or the Customer is a new customer, the Company will assume the PIU factor to be the same as specified in the Access Service Request, except, if the Company can reasonably determine jurisdiction by the Customer's monthly call detail, the Company will determine the Customers□ PIU on a monthly basis. If a Customer has never provided the Company a Quarterly PIU Report and has never provided a PIU factor in a Access Service Request, the Company will set the Customer's PIU factor on a default basis as 50 percent interstate and 50 percent intrastate traffic for the next calendar quarter.

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2. REGULATIONS (Cont.)

2.3 Obligations of the Customer (Cont.)

2.3.3 Jurisdictional Reporting (Cont.)

2.3.3.2 Originating Access: Originating access minutes may be based on traffic originating at the State, LATA or Local Switching Center level, provided that the traffic being measured is only traffic originating from the Company Local Switching Center(s). Originating access minutes will be measured as follows, based on type of access:

2.3.3.2.1 For Feature Group D Switched Access Service(s), as defined in Section 5.2.1, where the Company can determine jurisdiction by its call detail, the projected Percent Interstate Usage (PIU) will be developed by the Company of a monthly basis by dividing the measured interstate originating access minutes by the total originating access minutes.

2.3.3.2.2 For Feature Group D with 950 Access, as defined in Section 5.5.3.1(e), the Customer must provide the Company with a projected PIU factor by supplying the Company with an interstate percentage of originating access minutes.

2.3.3.2.3 For 500, 700, 8XX, calling card and operator service access, the Customer must provide the Company with a projected PIU factor for each type of access. Customers who provide a PIU factor shall supply the Company with an interstate percentage of originating access minutes. The PIU factor will be used to determine the jurisdiction for billing purposes of 500, 700, Toll Free 8YY, Toll Free 8YY Transit Traffic Service, calling card and operator service access. The Company will apply the PIU filed by Customer for Toll Free 8YY to the 8YY Transit Traffic delivered to Customer.

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2. REGULATIONS (Cont.)

2.3 Obligations of the Customer (Cont.)

2.3.3 Jurisdictional Reporting (Cont.)

2.3.3.2 Originating Access: Originating access minutes may be based on traffic originating at the State, LATA or Local Switching Center level, provided that the traffic being measured is only traffic originating from the Company Local Switching Center(s). Originating access minutes will be measured as follows, based on type of access:

2.3.3.2.1 For Feature Group D Switched Access Service(s), as defined in Section 5.2.1, where the Company can determine jurisdiction by its call detail, the projected Percent Interstate Usage (PIU) will be developed by the Company of a monthly basis by dividing the measured interstate originating access minutes by the total originating access minutes.

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Section 2.3.3, Jurisdictional Reporting (Continued on next Sheet)

2. REGULATIONS (Cont.)

2.3 Obligations of the Customer (Cont.)

2.3.3 Jurisdictional Reporting (Cont.)

2.3.3.3 Terminating Access: For Feature Group D Switched Access Service(s), the Customer must provide the Company with a projected PIU factor by supplying the Company with an interstate percentage of terminating access minutes on a quarterly basis, as described in Section 2.3.3.1.

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2. REGULATIONS (Cont.)

2.3 Obligations of the Customer (Cont.)

2.3.3 Jurisdictional Reporting (Cont.)

2.3.3.3 Terminating Access: For Feature Group D Switched Access Service(s), the Customer must provide the Company with a projected PIU factor by supplying the Company with an interstate percentage of terminating access minutes on a quarterly basis, as described in Section 2.3.3.1.

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2. REGULATIONS (Cont.)

2.3 Obligations of the Customer (Cont.)

2.3.3 Jurisdictional Reporting (Cont.)

2.3.3.4 Percent Local Usage (PLU): The jurisdictional reporting requirements will be as specified below. When a Customer orders Access Service via an Access Service Request (ASR), the Customer must provide the Company with a report of its Projected Percent Local Usage (PLU). In addition, the Customer must provide the Company with an auditable PLU report in each calendar quarter following installation of service. The Customer must provide the PLU report in whole numbers. The PLU report will be used by the Company to apportion the Customer's use and/or charges between exchange and intrastate service. If the Customer fails to provide the required PLU report, the PLU factor will be determined as set forth in 2.3.3.4.1 below and shall not be retroactively adjusted if the Customer provides the factor at a later date.

2.3.3.4.1 Effective on the first of January, April, July and October of each year the Customer shall update the PLU factor and report the results to the Company (Quarterly PLU Report). The Quarterly PLU Report will be based on the Customer's traffic in the preceding 3-month period (calendar quarter) ending the last day of December, March, June and September (calendar quarter), respectively, and shall serve as the basis of the PLU factor to be used for the next calendar quarter.

2.3.3.4.1.1 If the Customer does not provide the Company a Quarterly PLU Report, the Company will assume the PLU factor to be the same as specified in the Quarterly PLU Report most recently provided by the Customer. If a Customer has never provided the Company a Quarterly PLU Report or the Customer is a new customer, the Company will assume the PLU factor to be the same as specified in the Access Service Request, except, if the Company can reasonably determine jurisdiction by the Customer's monthly call detail, the Company will determine the Customers' PLU on a monthly basis based on call detail. If a Customer has never provided the Company a Quarterly PLU Report and has never provided a PLU factor in a Access Service Request, the Company will set the Customer's PLU factor on a default basis as 50 percent exchange and 50 percent intrastate traffic for the next calendar quarter.

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2. REGULATIONS (Cont.)

2.3 Obligations of the Customer (Cont.)

2.3.3 Jurisdictional Reporting (Cont.)

2.3.3.4 Percent Local Usage (PLU): The jurisdictional reporting requirements will be as specified below. When a Customer orders Access Service via an Access Service Request (ASR), the Customer must provide the Company with a report of its Projected Percent Local Usage (PLU). In addition, the Customer must provide the Company with an auditable PLU report in each calendar quarter following installation of service. The Customer must provide the PLU report in whole numbers. The PLU report will be used by the Company to apportion the Customer's use and/or charges between exchange and intrastate service. If the Customer fails to provide the required PLU report, the PLU factor will be determined as set forth in 2.3.3.4.1 below and shall not be retroactively adjusted if the Customer provides the factor at a later date.

2.3.3.4.1 Effective on the first of January, April, July and October of each year the Customer shall update the PLU factor and report the results to the Company (Quarterly PLU Report). The Quarterly PLU Report will be based on the Customer's traffic in the preceding 3-month period (calendar quarter) ending the last day of December, March, June and September (calendar quarter), respectively, and shall serve as the basis of the PLU factor to be used for the next calendar quarter.

2.3.3.4.1.1 If the Customer does not provide the Company a Quarterly PLU Report, the Company will assume the PLU factor to be the same as specified in the Quarterly PLU Report most recently provided by the Customer. If a Customer has never provided the Company a Quarterly PLU Report or the Customer is a new customer, the Company will assume the PLU factor to be the same as specified in the Access Service Request, except, if the Company can reasonably determine jurisdiction by the Customer's monthly call detail, the Company will determine the Customers PLU on a monthly basis based on call detail. If a Customer has never provided the Company a Quarterly PLU Report and has never provided a PLU factor in a Access Service Request, the Company will set the Customer's PLU factor on a default basis as 50 percent exchange and 50 percent intrastate traffic for the next calendar quarter.

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2. REGULATIONS (Cont.)

2.3 Obligations of the Customer (Cont.)

2.3.3 Jurisdictional Reporting (Cont.)

2.3.3.5 Jurisdictional Reports Verification: For Switched Access Service, if a billing dispute arises or a regulatory commission questions the projected PIU factor, the Customer will provide the data used to determine the projected PIU factor within 30 days of the Company's 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, shall make the records available for inspection as reasonably necessary for purposes of verification of the percentages.

2.3.3.5.1 The Company reserves the right to conduct an audit of the Customer's PIU Report and PLU Report. The Company and/or the Customer may request an audit of the PIU Report or the PLU Report within 6 months of the Company's receipt the PIU Report and/or PLU Report, as applicable. Such request must be made on no less than ten days written notice to the other party. Audits shall be conducted during normal business hours at the office of the party being audited. Such audit must be performed by an independent auditor mutually agreed to by the parties. Independent auditor cost will be paid for by the party which requests the audit.

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2. REGULATIONS (Cont.)

2.3 Obligations of the Customer (Cont.)

2.3.3 Jurisdictional Reporting (Cont.)

2.3.3.5 Jurisdictional Reports Verification: For Switched Access Service, if a billing dispute arises or a regulatory commission questions the projected PIU factor, the Customer will provide the data used to determine the projected PIU factor within 30 days of the Company's 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, shall make the records available for inspection as reasonably necessary for purposes of verification of the percentages.

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2.3.3.5.1 The Company reserves the right to conduct an audit of the Customer's PIU Report and PLU Report. The Company and/or the Customer may request an audit of the PIU Report or the PLU Report within 6 months of the Company's receipt the PIU Report and/or PLU Report, as applicable. Such request must be made on no less than ten days written notice to the other party. Audits shall be conducted during normal business hours at the office of the party being audited. Such audit must be performed by an independent auditor mutually agreed to by the parties. Independent auditor cost will be paid for by the party which requests the audit.

Section 2, Regulations (Continued on next Sheet)

2. REGULATIONS (Cont.)

2.3 Obligations of the Customer (Cont.)

2.3.3 Jurisdictional Reporting (Cont.)

2.3.3.6 Identification and Rating of VoIP-PSTN Traffic

2.3.3.6.1 Scope

2.3.3.6.1.1 VoIP-PSTN Traffic is defined as traffic exchanged between a Verizon Access end user and the customer in time division multiplexing ("TDM") format that originates and/or terminates in Internet protocol ("IP") format. This section governs the identification of VoIP-PSTN Traffic that is required to be compensated at interstate access rates by the Federal Communications Commission in its Report and Order in WC Docket Nos. 10-90, etc., FCC Release No. 11-161 (Nov. 18, 2011) ("Order"), as modified by its Second Order on Reconsideration, FCC Release No. 12-47 (Apr. 25, 2012), and as codified in 47 C.F.R. § 51.319 ("Reconsideration Order"), and unless Verizon Access and the customer have agreed otherwise. Specifically, this section establishes the method of separating such traffic (referred to in this tariff as "Relevant VoIP-PSTN Traffic") from the customer's traditional intrastate access traffic, so that such Relevant VoIP-PSTN Traffic can be billed in accordance with the FCC Orders.

2.3.3.6.1.2 This section will be applied to the billing of switched access charges to a customer that is a local exchange carrier only to the extent that the customer has also implemented billing of interstate access charges for Relevant VoIP-PSTN Traffic in accordance with the FCC Orders.

2.3.3.6.2 Rating of VoIP-PSTN Traffic

The Relevant VoIP-PSTN Traffic identified in accordance with this tariff Section will be billed at rates equal to Verizon Access applicable tariffed interstate switched access rates as specified in Tariff FCC No. 1. Intrastate access minutes of use not required to be billed at interstate rates pursuant to this Section 2.3.3.6 will be billed in accordance with the other rate provisions of this Tariff (absent) an agreement between Verizon and the customer on a different compensation mechanism).

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2. REGULATIONS (Cont.)

2.3 Obligations of the Customer (Cont.)

2.3.3 Jurisdictional Reporting (Cont.)

2.3.3.6 Identification and Rating of VoIP-PSTN Traffic

2.3.3.6.1 Scope

2.3.3.6.1.1 VoIP-PSTN Traffic is defined as traffic exchanged between a Verizon Access end user and the customer in time division multiplexing ("TDM") format that originates and/or terminates in Internet protocol ("IP") format. This section governs the identification of VoIP-PSTN Traffic that is required to be compensated at interstate access rates by the Federal Communications Commission in its Report and Order in WC Docket Nos. 10-90, etc., FCC Release No. 11-161 (Nov. 18, 2011) ("Order"), as modified by its Second Order on Reconsideration, FCC Release No. 12-47 (Apr. 25, 2012), and as codified in 47 C.F.R. § 51.319 ("Reconsideration Order"), and unless Verizon Access and the customer have agreed otherwise. Specifically, this section establishes the method of separating such traffic (referred to in this tariff as "Relevant VoIP-PSTN Traffic") from the customer's traditional intrastate access traffic, so that such Relevant VoIP-PSTN Traffic can be billed in accordance with the FCC Orders. T

2.3.3.6.1.2 This section will be applied to the billing of switched access charges to a customer that is a local exchange carrier only to the extent that the customer has also implemented billing of interstate access charges for Relevant VoIP-PSTN Traffic in accordance with the FCC Orders. T

2.3.3.6.2 Rating of VoIP-PSTN Traffic

The Relevant VoIP-PSTN Traffic identified in accordance with this tariff Section will be billed at rates equal to Verizon Access' applicable tariffed interstate switched access rates as specified in Tariff FCC No. 1. Intrastate access minutes of use not required to be billed at interstate rates pursuant to this Section 2.3.3.6 will be billed in accordance with the other rate provisions of this Tariff (absent an agreement between Verizon and the customer on a different compensation mechanism). T T/N N

Section 2, Regulations (Continued on next Sheet)

2. REGULATIONS (Cont.)

2.3 Obligations of the Customer (Cont.)

2.3.3 Jurisdictional Reporting (Cont.)

2.3.3.6 Identification and Rating of VoIP-PSTN Traffic

2.3.3.6.1 Scope

2.3.3.6.1.1 VoIP-PSTN Traffic is defined as traffic exchanged between a Company end user and the customer in time division multiplexing ("TDM") format that originates and/or terminates in Internet protocol ("IP") format. This section governs the identification of VoIP-PSTN Traffic that is required to be compensated at interstate access rates (unless the parties have agreed otherwise) by the Federal Communications Commission in its Report and Order in WC Docket Nos. 10-90, etc., FCC Release No. 11-161 (Nov. 18, 2011) ("FCC Order"). Specifically, this section establishes the method of separating such traffic (referred to in this tariff as "Relevant VoIP-PSTN Traffic") from the customer's traditional intrastate access traffic, so that such Relevant VoIP-PSTN Traffic can be billed in accordance with the FCC Order.

2.3.3.6.1.2 This section will be applied to the billing of switched access charges to a customer that is a local exchange carrier only to the extent that the customer has also implemented billing of interstate access charges for Relevant VoIP-PSTN Traffic in accordance with the FCC Order.

2.3.3.6.2 Rating of VoIP-PSTN Traffic
The Relevant VoIP-PSTN Traffic identified in accordance with this tariff section will be billed at rates equal to the Company's applicable tariffed interstate switched access rates in MCImetro Access Transmission Services LLC Tariff FCC No. 1.

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Section 2, Regulations (Continued on next Sheet)

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2. REGULATIONS (Cont.)

2.3 Obligations of the Customer (Cont.)

2.3.3 Jurisdictional Reporting (Cont.)

2.3.3.6 Identification and Rating of VoIP-PSTN Traffic (Cont.)

2.3.3.6.3 Calculation and Application of Percent-VoIP-Usage Factor
Verizon Access will determine the number of Relevant VoIP-PSTN Traffic minutes of use ("MOU") to which interstate rates will be applied under subsection 2.3.3.6.2, above, through the use of a Percent VoIP Usage ("PVU") factor, which in turn will be based on a PVU-C factor and a PVU-V factor. These factors will be derived and applied as set forth below. The PVU-V and PVU-C factors will be based on information such as the number of Verizon's or the customer's retail VoIP subscriptions in the state (e.g., as reported on FCC Form 477), traffic studies, actual call detail, or other relevant and verifiable information.

2.3.3.6.3.1 For the period from December 29, 2011, through July 12, 2012, and for the period on and after July 1, 2014:

(a) The customer will calculate and furnish to Verizon Access a PVU-C factor representing the percentage of the total access MOU that the customer exchanges with Verizon Access in the State that (a) is sent to Verizon Access and that originated in IP format; or (b) is received from Verizon and terminated in IP format. A PVU-C factor for the period December 29, 2011, through July 12, 2012, must be submitted by April 15, 2012, in order to apply retroactively to December 29, 2011. A PVU-C factor for the period on and after July 1, 2014, will be submitted by June 1, 2014.

(b) The Company will, likewise, calculate PVU-V factors, for the two periods representing the percentage of Verizon Access' total access MOU in the State that Verizon Access originates or terminates on its network in IP format, and will begin applying those PVU-V factors to the calculation of the PVU factor as of December 29, 2011, and July 1, 2014, respectively.

2.3.3.6.3.2 For the period from July 13, 2012, through June 30, 2014:

(a) The customer will calculate and furnish to Verizon Access, before July 1, 2012, a PVU-C factor representing the percentage of the total access MOU sent by the customer to Verizon Access in the that the customer originates in IP format. If the customer submitted a PVU-C factor under Section 2.3.3.6.3.1(a) and does not furnish a new factor under this Section 2.3.3.6.3.2(a), Verizon Access will use that previously submitted factor as the PVU-C for purposes of this subsection 2.3.3.6.3.2(a).

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2. REGULATIONS (Cont.)

2.3 Obligations of the Customer (Cont.)

2.3.3 Jurisdictional Reporting (Cont.)

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2. REGULATIONS (Cont.)

2.3 Obligations of the Customer (Cont.)

2.3.3 Jurisdictional Reporting (Cont.)

2.3.3.6 Identification and Rating of VoIP-PSTN Traffic (Cont.)

2.3.3.6.3 Calculation and Application of Percent-VoIP-Usage Factor (Cont.)

2.3.3.6.3.2 (Cont.)

(b) Verizon Access will, likewise, calculate a PVU-V factor for this Period representing the percentage of Verizon Access' total terminating access MOU in the State that Verizon Access terminates on its network in IP format, and will begin applying that PVU-V factor to the calculation of the PVU factor as of July 13, 2012.

2.3.3.6.3.3 The PVU factor will be calculated as the sum of: (A) the PVU-C factor and (B) the PVU-V factor times (100% minus the PVU-C factor).

2.3.3.6.3.4 For the period from December 29, 2011 through July 12, 2012 and for the period on and after July 1, 2014, Verizon Access will apply the PVU to the total intrastate access MOU exchanged with the customer to determine the number of such minutes that will be billed at the applicable interstate switched access rates. For the period from July 13, 2012 through June 30, 2014, Verizon Access will apply the PVU factor to the total terminating intrastate access MOU received from the customer, and the resulting number of minutes will be billed at terminating interstate access rates.

Example 1: For February 2013, the PVU-V is 10% and *t*he PVU-C is 40%. The PVU factor is equal to 40% + (10% x 60%) = 46%. Verizon Access will bill 46% of the customer's terminating intrastate access MOU at its tariffed interstate terminating switched access rates.

Example 2: For September 2014, the PVU-V is 10% *a*nd the PVU-C is 0%. The PVU factor is 0% + (100% x 10%) = 10%. Verizon Access will bill 10% of the customer's intrastate access MOU at the Verizon Access' tariffed interstate switched access rates (originating or terminating as applicable).

Example 3: For a period after December 29, 2011, and prior to July 13, 2012, the PVU-C is 100%. No matter what the PVU-V factor is, the PVU is 100%. Verizon Access will bill 100% of the customer's intrastate access MOU at Verizon Access' tariffed interstate switched access rates (originating or terminating, as applicable).

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2. REGULATIONS (Cont.)

2.3 Obligations of the Customer (Cont.)

2.3.3 Jurisdictional Reporting (Cont.)

2.3.3.6 Identification and Rating of VoIP-PSTN Traffic (Cont.)

2.3.3.6.4 Initial PVU Factor and PVU Factor Changes

2.3.3.6.4.1 If the PVU factor for the period from December 29, 2011, to July 12, 2012, is not available and/or cannot be implemented in Verizon Access' billing systems by December 29, 2011, once that factor is available and can be implemented the Verizon Access will adjust the customer's bills to reflect that PVU retroactively to December 29, 2011. In calculating the initial PVU, to be applied from December 29, 2011, to July 12, 2012, Verizon Access will take the customer-specified PVU-C into account retroactively to December 29, 2011, p*rovided that* the customer provides the factor to the Company no later than April 15, 2012.

2.3.3.6.4.2 The customer may submit an updated factor quarterly using the methodology set forth in subsection 2.3.3.6.3.1 or 2.3.3.6.3.2, above, as applicable. If the customer chooses to submit such updates, it shall forward to Verizon Access, no later than 15 days after the first day of January, April, July and/or October of each year, a revised PVU-C factor based on data for the prior three months, ending the last day of December, March, June and September, respectively. Verizon Access will use the revised PVU-C to calculate a revised PVU. The revised PVU factor will apply prospectively and serve as the basis for billing until superseded by a new PVU.

2.3.3.6.5 PVU Factor Verification

Not more than twice in any year, Verizon Access may ask the customer to verify the PVU-C factor furnished to Verizon Access and customer may ask Verizon Access to verify the PVU-V factor and the calculation of the PVU factor. The party so requested shall comply, and shall reasonably provide the records and other information used to determine the respective PVU-C and PVU-V factors.

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2. REGULATIONS (Cont.)

2.3 Obligations of the Customer (Cont.)

2.3.3 Jurisdictional Reporting (Cont.)

2.3.3.6 Identification and Rating of VoIP-PSTN Traffic (Cont.)

2.3.3.6.3 Calculation and Application of Percent-VoIP-Usage Factor

Verizon Access will determine the number of Relevant VoIP-PSTN Traffic minutes of use ("MOU") to which interstate rates will be applied under subsection 2.3.3.6.2, above, through the use of a Percent VoIP Usage ("PVU") factor, which in turn will be based on a PVU-C factor and a PVU-V factor. These factors will be derived and applied as set forth below. The PVU-V and PVU-C factors will be based on information such as the number of Verizon's or the customer's retail VoIP subscriptions in the state (e.g., as reported on FCC Form 477), traffic studies, actual call detail, or other relevant and verifiable information. T D/C D/C

2.3.3.6.3.1 For the period from December 29, 2011 through July 12, 2012, and for the period on and after July 1, 2014: C/N

(a) The customer will calculate and furnish to Verizon Access a PVU-C factor representing the percentage of the total access MOU that the customer exchanges with Verizon Access in the State that (a) is sent to Verizon Access and that originated in IP format; or (b) is received from Verizon and terminated in IP format. A PVU-C factor for the period December 29, 2011 through July 12, 2012 must be submitted by April 15, 2012, in order to apply retroactively to December 29, 2011. A PVU-C factor for the period on and after July 1, 2014 will be submitted by June 1, 2014.

(b) The Company will, likewise, calculate PVU-V factors for the two periods representing the percentage of Verizon Access' total access MOU in the State that Verizon Access originates or terminates on its network in IP format, and will begin applying those PVU-V factors to the calculation of the PVU factor as of December 29, 2011 and July 1, 2014, respectively. C/N

2.3.3.6.3.2 For the period from July 13, 2012 through June 30, 2014: C/N

(a) The customer will calculate and furnish to Verizon Access, before July 1, 2012, a PVU-C factor representing the percentage of the total access MOU sent by the customer to Verizon Access in the State that the customer originates in IP format. If the customer submitted a PVU-C factor under Section 2.3.3.6.3.1(a) and does not furnish a new factor under this Section 2.3.3.6.3.2(a), Verizon Access will use that previously submitted factor as the PVU-C for purposes of this subsection 2.3.3.6.3.2(a). C/N

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Section 2, Regulations (Continued on next Sheet)

2. REGULATIONS (Cont.)

2.3 Obligations of the Customer (Cont.)

2.3.3 Jurisdictional Reporting (Cont.)

2.3.3.6 Identification and Rating of VoIP-PSTN Traffic (Cont.)

2.3.3.6.3 Calculation and Application of Percent-VoIP-Usage Factor
The Company will determine the number of Relevant VoIP-PSTN Traffic minutes of use ("MOU") to which interstate rates will be applied under subsection 2.3.3.6.2, above, by applying a Percent VoIP Usage ("PVU") factor to the total intrastate access MOU exchanged between a Company end user and the customer. The PVU will be derived and applied as follows:

2.3.3.6.3.1 The customer will calculate and furnish to the Company a factor (the "PVU-C") representing the percentage of the total intrastate and interstate access MOU that the customer exchanges with the Company in the State, that (a) is sent to the Company and that originated in IP format; or (b) is received from the Company and terminated in IP format. This PVU-C shall be based on information such as the number of the customer's retail VoIP subscriptions in the state (*e.g*., as reported on FCC Form 477), traffic studies, actual call detail, or other relevant and verifiable information.

2.3.3.6.3.2 The Company will, likewise, calculate a factor (the "PVU-V") representing the percentage of the Company's total intrastate and interstate access MOU in the State that the Company originates or terminates on its network in IP format. This PVU-V shall be based on information, such as the number of the Company's retail VoIP subscriptions in the state (*e.g*., as reported on FCC Form 477), traffic studies, actual call detail, or other relevant and verifiable information.

2.3.3.6.3.3 The Company will use the PVU-C and PVU-V factors to calculate a PVU factor that represents the percentage of total intrastate and interstate access MOU exchanged between a Company end user and the customer that is originated or terminated in IP format, whether at the Company's end, at the customer's end, or at both ends. The PVU factor will be calculated as the sum of: (A) the PVU-C factor and (B) the PVU-V factor times (1.0 minus the PVU-C factor).

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Section 2, Regulations (Continued on next Sheet)

2. REGULATIONS (Cont.)

2.4 Customer Equipment and Channels

2.4.1 In General

A Customer may transmit or receive information or signals via the facilities of the Company.

2.4.2 Station Equipment

2.4.2.1 The Customer is responsible for providing and maintaining any terminal equipment on the Customer Premises. The electric power consumed by such equipment shall be provided by, and maintained at the expense of, the Customer. All such terminal equipment must be registered with the FCC under 47 C.F.R., Part 68 and all wiring must be installed and maintained in compliance with those regulations. 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 impair the Company's right to discontinue forthwith the use of a service temporarily 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 Section 2.6 following is not applicable.

2.4.2.2 The Customer is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring shall be such as not to cause damage to the Company-provided equipment and wiring or injury to the Company's employees or other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the Customer's expense.

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2. REGULATIONS (Cont.)

2.4 Customer Equipment and Channels (Cont.)

2.4.3 Interconnection of Facilities

2.4.3.1 Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing Access Services and the Channels, facilities, or equipment of others shall be provided at the Customer's expense.

2.4.3.2 Access Services may be connected to the services or facilities of other communications carriers only when authorized by, and in accordance with, the terms and conditions of the tariffs of the other communications carriers which are applicable to such connections.

2.4.4 Inspections

2.4.4.1 Upon reasonable notification to the Customer, and at reasonable times, the Company may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements set forth in Section 2.4.2.2 for the installation, operation, and maintenance of Customer-provided facilities, equipment, and wiring in the connection of Customer-provided facilities and equipment to Company-owned facilities and equipment. No credit will be allowed for any interruptions occurring during such inspections.

2.4.4.2 If the protective requirements for Customer-provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment, and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten days of receiving this notice, the Customer must take this corrective action and notify the Company of the action taken. If the Customer fails to do this, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities, equipment, and personnel from harm. The Company will, upon request 24 hours in advance, provide the Customer with a statement of technical parameters that the Customer's equipment must meet.

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2. REGULATIONS (Cont.)

2.3 Obligations of the Customer (Cont.)

2.3.3 Jurisdictional Reporting (Cont.)

2.3.3.6 Identification and Rating of VoIP-PSTN Traffic (Cont.)

2.3.3.6.3 Calculation and Application of Percent-VoIP-Usage Factor (Cont.)

2.3.3.6.3.2 (Cont.) T

(b) Verizon Access will, likewise, calculate a PVU-V factor for this Period representing the percentage of Verizon Access' total terminating access MOU in the State that Verizon Access terminates on its network in IP format, and will begin applying that PVU-V factor to the calculation of the PVU factor as of July 13, 2012. C/N

2.3.3.6.3.3 The PVU factor will be calculated as the sum of: (A) the PVU-C factor and (B) the PVU-V factor times (100% minus the PVU-C factor). D/C

2.3.3.6.3.4 For the period from December 29, 2011 through July 12, 2012 and for the period on and after July 1, 2014, Verizon Access will apply the PVU to the total intrastate access MOU exchanged with the customer to determine the number of such minutes that will be billed at the applicable interstate switched access rates. For the period from July 13, 2012 through June 30, 2014, Verizon Access will apply the PVU factor to the total terminating intrastate access MOU received from the customer, and the resulting number of minutes will be billed at terminating interstate access rates. C

Example 1: For February 2013, the PVU-V is 10% and the PVU-C is 40%. The PVU factor is equal to 40% + (10% x 60%) = 46%. Verizon Access will bill 46% of the customer's terminating intrastate access MOU at its tariffed interstate terminating switched access rates. C

Example 2: For September 2014, the PVU-V is 10% and the PVU-C is 0%. The PVU factor is 0% + (100% x 10%) = 10%. Verizon Access will bill 10% of the customer's intrastate access MOU at the Verizon Access' tariffed interstate switched access rates (originating or terminating as applicable). C

Example 3: For a period after December 29, 2011 and prior to July 13, 2012, the PVU-C is 100%. No matter what the PVU-V factor is, the PVU is 100%. Verizon Access will bill 100% of the customer's intrastate access MOU at Verizon Access' tariffed interstate switched access rates (originating or terminating, as applicable). C

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Section 2, Regulations (Continued on next Sheet)

2. REGULATIONS (Cont.)

2.3 Obligations of the Customer (Cont.)

2.3.3 Jurisdictional Reporting (Cont.)

2.3.3.6 Identification and Rating of VoIP-PSTN Traffic (Cont.)

2.3.3.6.3 Calculation and Application of Percent-VoIP-Usage Factor (Cont.)

2.3.3.6.3.4 The Company will apply the PVU factor to the total intrastate access MOU exchanged with the customer to determine the number of Relevant VoIP-PSTN Traffic MOUs.

Example 1: The PVU-V is 10% and the PVU-C is 40%. The PVU factor is equal to 40% + (10% x 60%) = 46%. The Company will bill 46% of the customer's intrastate access MOU at its applicable tariffed interstate rates.

Example 2: The PVU-V is 10% and the PVU-C is 0%. The PVU factor is 0% + (100% x 10%) = 10%. The Company will bill 10% of the customer's intrastate access MOU at the Company's applicable tariffed interstate switched access rates.

Example 3: The PVU-C is 100%. No matter what the PVU-V factor is, the PVU is 100%. The Company will bill 100% of the customer's intrastate access MOU at the Company's applicable tariffed interstate switched access rates.

2.3.3.6.3.5 If the customer does not furnish the Company with a PVU-C pursuant to the preceding paragraph 1, the Company will utilize a PVU equal to the PVU-V.

2.3.3.6.4 Initial PVU Factor

If the PVU factor is not available and/or cannot be implemented in the Company's billing systems by January 1, 2012, once the factor is available and can be implemented the Company will adjust the customer's bills to reflect the PVU retroactively to January 1, 2012. In calculating the initial PVU, the Company will take the customer-specified PVU-C into account retroactively to January 1, 2012, *provided that* the customer provides the factor to the Company no later than April 15, 2012; otherwise, it will set the initial PVU equal to the PVU-V, as specified in subsection 2.3.3.6.3.5, above.

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Section 2, Regulations (Continued on next Sheet)

2. REGULATIONS (Cont.)

2.5 Payment Arrangements

2.5.1 Payment for Service

The Customer is responsible for payment of all charges for services and facilities furnished by the Company to the Customer or its joint or Authorized Users.

2.5.1.1 Taxes

The Company concurs in the Municipal Utility Occupation tax schedules of each Local Exchange Company tariff in the State of California to the extent those local taxes are both current and applicable to the services the Company provides. This amount will be separately stated on each bill to the customer.

In municipalities that impose a utility occupation tax on gross revenues or gross income from the telephone business, but which exclude charges that are passed on to customers to compensate for the cost of the municipal tax, the effective rate for billing will be the ordinance tax rate. This rate will be applied to telephone business revenues as defined in the ordinance.

In municipalities that impose a utility occupation tax on gross revenues or gross income from the telephone business, and which do not exclude charges that are passed on to customers to compensate for the cost of the municipal tax, the effective rate for billing will be determined by dividing the ordinance tax rate by one minus the ordinance tax rate (R/1(1-R)). The rate determined will be applied to telephone business revenues as defined in the ordinance

In municipalities that include toll revenues within the definition of “telephone business”, the applicable effective rate for billing will be applied to 100% (unless a lower percentage is specified in the ordinance) of the charges for sent-paid and received-collect intrastate toll messages billed to customers within these municipalities.

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2. REGULATIONS (Cont.)

2.5 Payment Arrangements (Cont.)

2.5.1 Payment for Service (Cont.)

2.5.1.1 Taxes (Cont.)

In municipalities that impose a tax on specific telephone company revenues, such as but not limited to toll or miscellaneous revenues, the effective rate for billing will be equal to the ordinance rate, or where miscellaneous revenues are taxed, the ordinance rate divided by one, minus the ordinance rate (R/(1-R)). The applicable billing rate will be applied to the specific telephone company revenues enumerated in the ordinance, but will not be applied to any such revenues that constitute competitive telephone service.

2.5.1.2 A surcharge is imposed on all charges for service originating at addresses in states which levy, or assert a claim of right to levy, a gross receipts tax on the Company's operations in any such state, or a tax on interstate access charges incurred by the Company for originating access to telephone exchanges in that state.[1] This surcharge is based on the particular state's receipts tax and other state taxes imposed directly or indirectly upon the Company by virtue of, and measured by, the gross receipts or revenues of the Company in that state and/or payment of interstate access charges in that state. The surcharge will be shown as a separate line item on the Customer's monthly invoice.

[1]Pending the conclusion of any challenge to a jurisdiction's right to impose a gross receipts tax the Company may, in its sole discretion, elect to impose and collect a surcharge covering such taxes, unless otherwise constrained by court order or direction, or it may elect not to impose and collect the surcharge. If it has collected a surcharge and the challenged tax is found to have been invalid and unenforceable, the Company, in its sole discretion, will either reduce service rates for a fixed period of time in the future in order to flow - through to Customers an amount equivalent to the funds collected or it will credit or refund such amounts to affected Customers (less its reasonable administrative costs), if the funds collected were retained by the Company or if they were delivered over to the taxing jurisdiction and later returned to the Company, or negotiate an arrangement with the taxing jurisdiction that benefits Customers in the jurisdiction in the future.

2. REGULATIONS (Cont.)

2.3 Obligations of the Customer (Cont.)

2.3.3 Jurisdictional Reporting (Cont.)

2.3.3.6 Identification and Rating of VoIP-PSTN Traffic (Cont.)

2.3.3.6.4 Initial PVU Factor and PVU Factor Changes T/C

2.3.3.6.4.1 If the PVU factor for the period from December 29, 2011 to July 12, 2012, is not available and/or cannot be implemented in Verizon Access' billing systems by December 29, 2011, once that factor is available and can be implemented the Verizon Access will adjust the customer's bills to reflect that PVU retroactively to December 29, 2011. In calculating the initial PVU, to be applied from December 29, 2011 to July 12, 2012, Verizon Access will take the customer-specified PVU-C into account retroactively to December 29, 2011, *provided that* the customer provides the factor to the Company no later than April 15, 2012. T/C C T T T T C C T D

2.3.3.6.4.2 The customer may submit an updated factor quarterly using the methodology set forth in subsection 2.3.3.6.3.1 or 2.3.3.6.3.2, above, as applicable. If the customer chooses to submit such updates, it shall forward to Verizon Access, no later than 15 days after the first day of January, April, July and/or October of each year, a revised PVU-C factor based on data for the prior three months, ending the last day of December, March, June and September, respectively. Verizon Access will use the revised PVU-C to calculate a revised PVU. The revised PVU factor will apply prospectively and serve as the basis for billing until superseded by a new PVU. C | C T T

2.3.3.6.5 PVU Factor Verification T
Not more than twice in any year, Verizon Access may ask the customer to verify the PVU-C factor furnished to Verizon Access and customer may ask Verizon Access to verify the PVU-V factor and the calculation of the PVU factor. The party so requested shall comply, and shall reasonably provide the records and other information used to determine the respective PVU-C and PVU-V factors. T T T

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Section 2, Regulations (Continued on next Sheet)

2. REGULATIONS (Cont.)

2.3 Obligations of the Customer (Cont.)

2.3.3 Jurisdictional Reporting (Cont.)

2.3.3.6 Identification and Rating of VoIP-PSTN Traffic (Cont.)

2.3.3.6.5 PVU Factor Updates

The customer may update the PVU-C factor quarterly using the method set forth in subsection 2.3.3.6.3.1, above. If the customer chooses to submit such updates, it shall forward to the Company, no later than 15 days after the first day of January, April, July and/or October of each year, a revised PVU-C factor based on data for the prior three months, ending the last day of December, March, June and September, respectively. The Company will use the revised PVU-C to calculate a revised PVU. The revised PVU factor will apply prospectively and serve as the basis for billing until superseded by a new PVU.

2.3.3.6.6 PVU Factor Verification

Not more than twice in any year, the Company may ask the customer to verify the PVU-C factor furnished to the Company and customer may ask the Company to verify the PVU-V factor and the calculation of the PVU factor. The party so requested shall comply, and shall reasonably provide the records and other information used to determine the respective PVU-C and PVU-V factors.

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Section 2, Regulations (Continued on next Sheet)

2. REGULATIONS (Cont.)

2.5 Payment Arrangements (Cont.)

2.5.2 Billing and Collection of Charges

The Company shall bill on a current basis all charges incurred by, and credits due to, the Customer under this tariff attributable to services established, provided, or discontinued during the preceding billing period. All bills for services provided to or on behalf of the Customer by the Company are due in immediately available funds.

2.5.2.1 Non-Recurring Charges are payable when the service for which they are specified has been performed. Recurring charges which are not dependent on usage will be billed in advance of the month in which service is to be provided. The Company shall bill Non-Recurring charges and Recurring charges monthly to the Customer.

2.5.2.2 All charges are due and payable within 30 days after the invoice date.

2.5.2.2.1 If the payment due date would cause payment to be due on a Saturday, Sunday or Holiday (New Year's Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, or any day which is a legally observed Federal government holiday), the payment due date shall be as follows:

(1) If the payment due 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 that day; or

(2) If the payment due date falls on a Saturday or on a Holiday which is observed on a Tuesday, Wednesday, Thursday or Friday, the payment date shall be the last non-Holiday day following such Saturday or Holiday.

2.5.2.3 When service does not begin on the first day of a calendar month, or end on the last day of the month, the charge for the fraction of the month in which service was furnished will be calculated on a pro-rata basis, based on a thirty (30) day month.

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2. REGULATIONS (Cont.)

2.5 Payment Arrangements (Cont.)

2.5.2 Billing and Collection of Charges (Cont.)

2.5.2.4 Billing of the Customer by the Company will begin on the Service Commencement Date. Billing accrues through and includes the day that the service, arrangement or component is discontinued.

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2. REGULATIONS (Cont.)

2.4 Customer Equipment and Channels

2.4.1 In General

A Customer may transmit or receive information or signals via the facilities of the Company.

2.4.2 Station Equipment

2.4.2.1 The Customer is responsible for providing and maintaining any terminal equipment on the Customer Premises. The electric power consumed by such equipment shall be provided by, and maintained at the expense of, the Customer. All such terminal equipment must be registered with the FCC under 47 C.F.R., Part 68 and all wiring must be installed and maintained in compliance with those regulations. 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 impair the Company's right to discontinue forthwith the use of a service temporarily 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 Section 2.6 following is not applicable.

2.4.2.2 The Customer is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring shall be such as not to cause damage to the Company-provided equipment and wiring or injury to the Company's employees or other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the Customer's expense.

2. REGULATIONS (Cont.)

2.5 Payment Arrangements (Cont.)

2.5.2 Billing and Collection of Charges (Cont.)

2.5.2.5 Late Payment Charges: Amounts not paid within 30 days after the date of invoice will be considered past due and subject to the following late payment provisions:

If (i) no payment is received by the Company from the Customer, (ii) a partial payment of the amount due is received by the Company after the payment due date and/or (iii) payment is received by the Company in funds that are not immediately available to the Company, a late payment charge shall be applied. The late payment charge will be an amount equal to the lesser of the following:

(1) The highest interest rate which may be levied by law for commercial transactions, compounded daily for each day from the payment due date through and including the date the Customer makes payment to the Company; or

(2) 0.0005 percent of the amount due compounded daily, for each day from the payment due date through and including the date the Customer makes payment to the Company. Calculation by this method yields an 18 percent annual percentage rate.

Interest shall not be assessed on any previously assessed late payment charges.

If the Company becomes concerned at any time about the ability of a Customer to pay its bills, the Company may require that the Customer pay its bills within a specified number of days (less than 30 days after the date of the invoice) and make such payments in cash or the equivalent of cash. All such request will be made in writing. If a service is disconnected by the Company in accordance with Section 2.5.5 following and later restored, restoration of service will be subject to all applicable installation charges.

2.5.2.6 The Customer shall notify the Company of any disputed items on an invoice within 90 days of receipt of the invoice. If the Customer and the Company are unable to resolve the dispute to their mutual satisfaction, the Customer may file a complaint with the California Public Utilities Commission in accordance with the Commission's rules of procedures.

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2. REGULATIONS (Cont.)

2.4 Customer Equipment and Channels (Cont.)

2.4.3 Interconnection of Facilities

2.4.3.1 Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing Access Services and the Channels, facilities, or equipment of others shall be provided at the Customer's expense.

2.4.3.2 Access Services may be connected to the services or facilities of other communications carriers only when authorized by, and in accordance with, the terms and conditions of the tariffs of the other communications carriers which are applicable to such connections.

2.4.4 Inspections

2.4.4.1 Upon reasonable notification to the Customer, and at reasonable times, the Company may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements set forth in Section 2.4.2.2 for the installation, operation, and maintenance of Customer-provided facilities, equipment, and wiring in the connection of Customer-provided facilities and equipment to Company-owned facilities and equipment. No credit will be allowed for any interruptions occurring during such inspections.

2.4.4.2 If the protective requirements for Customer-provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment, and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten days of receiving this notice, the Customer must take this corrective action and notify the Company of the action taken. If the Customer fails to do this, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities, equipment, and personnel from harm. The Company will, upon request 24 hours in advance, provide the Customer with a statement of technical parameters that the Customer's equipment must meet.

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2. REGULATIONS (Cont.)

2.5 Payment Arrangements (Cont.)

2.5.2 Billing and Collection of Charges (Cont.)

2.5.2.7 Ordering, Rating and Billing of Access Services Where More Than One Exchange Carrier is Involved

All recurring and non-recurring charges for services provided by each Exchange Carrier are billed under each company's applicable tariffs. Under a Meet Point Billing arrangement, the Company will only bill for charges for traffic carried between the Company Local Switching Center and the End User.

The multiple billing arrangements described in this section is subject to the provisions of the Multiple Exchange Carrier Access billing Guidelines (MECAB) and the Multiple Exchange Carrier Ordering and Design Guidelines (MECOD), except that the Company will not bill for local transport as described in MECAB. The Company will bill the Tandem Connect (as defined in Section 7.2.2) rate elements as specified in this tariff.

The Company must notify the Customer of: 1) the meet point option that will be used; 2) the Carrier(s) that will render the bill(s); 3) the Carrier(s) to whom payment should be remitted; and 4) the Carrier(s) that will provide the bill inquiry function. The Company shall provide such notification at the time orders are placed for Access Service. Additionally, the Company shall provide this notice in writing 30 days in advance of any changes in the arrangement.

The Company will handle the ordering, rating and billing of Access Services under this tariff where more than one Exchange Carrier is involved in the provision of Access Services, as follows:

(1) The Company must receive an order for Feature Group D (FGD) Switched Access Service, as defined herein, ordered to the Company's Local Switching Center through a switch operated by another Exchange Carrier.

(2) In addition, for FGD Switched Access Service ordered to the Company's Local Switching Center through a switch operated by another Exchange Carrier with whom the Company has an agreement, the Customer may be required to submit an order as specified by the Exchange Carrier which operates the switch.

(3) Separate bills will be rendered by the Exchange Carrier for FGD access service.

2. REGULATIONS (Cont.)

2.5 Payment Arrangements

2.5.1 Payment for Service

The Customer is responsible for payment of all charges for services and facilities furnished by the Company to the Customer or its joint or Authorized Users.

2.5.1.1 Taxes

The Company concurs in the Municipal Utility Occupation tax schedules of each Local Exchange Company tariff in the State of California to the extent those local taxes are both current and applicable to the services the Company provides. This amount will be separately stated on each bill to the customer.

In municipalities that impose a utility occupation tax on gross revenues or gross income from the telephone business, but which exclude charges that are passed on to customers to compensate for the cost of the municipal tax, the effective rate for billing will be the ordinance tax rate. This rate will be applied to telephone business revenues as defined in the ordinance.

In municipalities that impose a utility occupation tax on gross revenues or gross income from the telephone business, and which do not exclude charges that are passed on to customers to compensate for the cost of the municipal tax, the effective rate for billing will be determined by dividing the ordinance tax rate by one minus the ordinance tax rate (R/1(1-R)). The rate determined will be applied to telephone business revenues as defined in the ordinance

In municipalities that include toll revenues within the definition of "telephone business", the applicable effective rate for billing will be applied to 100% (unless a lower percentage is specified in the ordinance) of the charges for sent-paid and received-collect intrastate toll messages billed to customers within these municipalities.

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2. REGULATIONS (Cont.)

2.5 Payment Arrangements (Cont.)

2.5.2 Billing and Collection of Charges (Cont.)

2.5.2.7 Ordering, Rating and Billing of Access Services Where More Than One Exchange Carrier is Involved (Cont.)

(4) Rating and Billing of Service: Each company will provide its portion of Access Service based on the regulations, rates and charges contained in its respective access service tariff, subject to the following rules, as appropriate:

(a) The application of non-distance sensitive rate elements varies according to the rate structure and the location of the facilities involved:

(b) when rates and charges are listed on a per minute basis, the Company's rates and charges will apply to traffic originating from the Customer's Premises and terminating at the End User's premises, and vice versa.

2.5.3 Advance Payments

The Advance Payment will not exceed an amount equal to the Non-Recurring Charge(s) and one month’s estimated average charges for the service to be provided. In addition, where special construction is involved, the Advance Payment may also include an amount equal to the estimated Non-Recurring Charges for the Special Construction and Recurring Charges (if any) for a period to be set by agreement between the Company and the Customer. The Advance Payment will be credited to the Customer’s initial bill. An Advance Payment may be required in addition to a deposit.

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2. REGULATIONS (Cont.)

2.5 Payment Arrangements (Cont.)

2.5.1 Payment for Service (Cont.)

2.5.1.1 Taxes (Cont.)

In municipalities that impose a tax on specific telephone company revenues, such as but not limited to toll or miscellaneous revenues, the effective rate for billing will be equal to the ordinance rate, or where miscellaneous revenues are taxed, the ordinance rate divided by one, minus the ordinance rate (R/(1-R)). The applicable billing rate will be applied to the specific telephone company revenues enumerated in the ordinance, but will not be applied to any such revenues that constitute competitive telephone service.

2.5.1.2 A surcharge is imposed on all charges for service originating at addresses in states which levy, or assert a claim of right to levy, a gross receipts tax on the Company's operations in any such state, or a tax on interstate access charges incurred by the Company for originating access to telephone exchanges in that state.[1] This surcharge is based on the particular state's receipts tax and other state taxes imposed directly or indirectly upon the Company by virtue of, and measured by, the gross receipts or revenues of the Company in that state and/or payment of interstate access charges in that state. The surcharge will be shown as a separate line item on the Customer's monthly invoice.

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[1]Pending the conclusion of any challenge to a jurisdiction's right to impose a gross receipts tax the Company may, in its sole discretion, elect to impose and collect a surcharge covering such taxes, unless otherwise constrained by court order or direction, or it may elect not to impose and collect the surcharge. If it has collected a surcharge and the challenged tax is found to have been invalid and unenforceable, the Company, in its sole discretion, will either reduce service rates for a fixed period of time in the future in order to flow - through to Customers an amount equivalent to the funds collected or it will credit or refund such amounts to affected Customers (less its reasonable administrative costs), if the funds collected were retained by the Company or if they were delivered over to the taxing jurisdiction and later returned to the Company, or negotiate an arrangement with the taxing jurisdiction that benefits Customers in the jurisdiction in the future.

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2. REGULATIONS (Cont.)

2.5 Payment Arrangements (Cont.)

2.5.4 Deposits

2.5.4.1 Applicants for service or existing Customers who have failed to establish credit may be required at any time to provide the Company with a security deposit. The deposit requested will be in cash or the equivalent of cash, and will be held as a guarantee for the payment of charges. A deposit does not relieve the Customer of the responsibility for the prompt payment of bills on presentation. The deposit will not exceed an amount equal to:

1) two months' estimated billing.

2) In addition, the company shall be entitled to require such an applicant or Customer to pay all its bills within a specified period of time, and to make such payments in cash or the equivalent of cash. At the Company's sole discretion, such deposit may be refunded to the Customer's account at any time. Also, the Company reserves the right to cease accepting and processing Service Orders after it has requested a security deposit and prior to the Customer's compliance with this request.

2.5.4.2 A deposit may be required in addition to an advance payment.

2.5.4.3 Deposits held will accrue interest using the 3-month commercial paper rate published by the Federal Reserve Board or at the rate of 6%, whichever is higher on a thirty (30) day month.

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2. REGULATIONS (Cont.)

2.5 Payment Arrangements (Cont.)

2.5.2 Billing and Collection of Charges

The Company shall bill on a current basis all charges incurred by, and credits due to, the Customer under this tariff attributable to services established, provided, or discontinued during the preceding billing period. All bills for services provided to or on behalf of the Customer by the Company are due in immediately available funds.

2.5.2.1 Non-Recurring Charges are payable when the service for which they are specified has been performed. Recurring charges which are not dependant on usage will be billed in advance of the month in which service is to be provided. The Company shall bill Non-Recurring charges and Recurring charges monthly to the Customer.

2.5.2.2 All charges are due and payable within 30 days after the invoice date.

2.5.2.2.1 If the payment due date would cause payment to be due on a Saturday, Sunday or Holiday (New Year's Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, or any day which is a legally observed Federal government holiday), the payment due date shall be as follows:

(1) If the payment due 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 that day; or

(2) If the payment due date falls on a Saturday or on a Holiday which is observed on a Tuesday, Wednesday, Thursday or Friday, the payment date shall be the last non-Holiday day following such Saturday or Holiday.

2.5.2.3 When service does not begin on the first day of a calendar month, or end on the last day of the month, the charge for the fraction of the month in which service was furnished will be calculated on a pro-rata basis, based on a thirty (30) day month.

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2. REGULATIONS (Cont.)

2.5 Payment Arrangements (Cont.)

2.5.4 Deposits (Cont.)

2.5.4.4 The charges set forth in this tariff for Channel terminations contemplate installations made in normal locations and under normal working conditions. Any installations to be made under other circumstances are subject to additional charges.

2.5.4.5 When a service is discontinued, the amount of a deposit, if any, will be applied to the Customer's account and any credit balance remaining will be refunded. Before the service or facility is discontinued, the Company may, at its option, return the deposit or credit the Customer's account.

Notwithstanding the regulations described in Sections 2.5.3 and 2.5.4 herein, the Company will not require or accept any advances or deposits from Customers until such time as it has in place a bond or escrow account satisfactory to the California Public Utilities Commission for the protection of Customers.

2.5.5 Refusal and Discontinuance of Service

2.5.5.1 Discontinuance of service will be governed by the rules and regulations of this tariff.

2.5.5.2 Upon nonpayment of any amounts owing to the Company, the Company may, by giving requisite prior written notice to the Customer, discontinue or suspend service without incurring any liability.

2.5.5.3 Upon violation of any of the other material terms or conditions for furnishing service the Company may, by giving 30 days' prior notice in writing to the Customer, discontinue or suspend service without incurring any liability if such violation continues during that period.

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2. REGULATIONS (Cont.)

2.5 Payment Arrangements (Cont.)

2.5.2 Billing and Collection of Charges (Cont.)

2.5.2.5 Billing of the Customer by the Company will begin on the Service Commencement Date. Billing accrues through and includes the day that the service, arrangement or component is discontinued. D

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2. REGULATIONS (Cont.)

2.5 Payment Arrangements (Cont.)

2.5.5 Refusal and Discontinuance of Service (Cont.)

2.5.5.4 Upon condemnation of any material portion of the facilities used by the Company to provide service to a Customer or if a casualty renders all or any material portion of such facilities inoperable beyond feasible repair, the Company, by notice to the Customer, may discontinue or suspend service without incurring any liability.

2.5.5.5 Upon any governmental prohibition, or required alteration of the services to be provided or any violation of an applicable law or regulation, the Company may immediately discontinue service without incurring any liability.

2.5.5.6 Upon the Company's discontinuance of service to the Customer, the Company, in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this tariff, may declare all future monthly and other charges which would have been payable by the Customer during the remainder of the term for which such services would have otherwise been provided to the Customer to be immediately due and payable.

2.5.5.7 In the event the Company incurs fees or expenses, including attorney's fees, in collecting, or attempting to collect, any charges owed the Company, the Customer will be liable to the Company for the payment of all such fees and expenses reasonably incurred.

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2. REGULATIONS (Cont.)

2.5 Payment Arrangements (Cont.)

2.5.2 Billing and Collection of Charges (Cont.)

2.5.2.5 Late Payment Charges: Amounts not paid within 30 days after the date of invoice will be considered past due and subject to the following late payment provisions:

If (i) no payment is received by the Company from the Customer, (ii) a partial payment of the amount due is received by the Company after the payment due date and/or (iii) payment is received by the Company in funds that are not immediately available to the Company, a late payment charge shall be applied. The late payment charge will be an amount equal to the lesser of the following:

(1) The highest interest rate which may be levied by law for commercial transactions, compounded daily for each day from the payment due date through and including the date the Customer makes payment to the Company; or

(2) 0.0005 percent of the amount due compounded daily, for each day from the payment due date through and including the date the Customer makes payment to the Company. Calculation by this method yields an 18 percent annual percentage rate.

Interest shall not be assessed on any previously assessed late payment charges.

If the Company becomes concerned at any time about the ability of a Customer to pay its bills, the Company may require that the Customer pay its bills within a specified number of days (less than 30 days after the date of the invoice) and make such payments in cash or the equivalent of cash. All such request will be made in writing. If a service is disconnected by the Company in accordance with Section 2.5.5 following and later restored, restoration of service will be subject to all applicable installation charges.

2.5.2.6 The Customer shall notify the Company of any disputed items on an invoice within 90 days of receipt of the invoice. If the Customer and the Company are unable to resolve the dispute to their mutual satisfaction, the Customer may file a complaint with the California Public Utilities Commission in accordance with the Commission's rules of procedures.

2. REGULATIONS (Cont.)

2.5 Payment Arrangements (Cont.)

2.5.5 Refusal and Discontinuance of Service (Cont.)

2.5.5.8 When Access Service is provided by more than one Company, the companies involved in providing the joint service may individually or collectively deny service to a Customer for nonpayment. Where the Company(s) affected by the nonpayment is incapable of effecting discontinuance of service without cooperation from the other joint providers of Switched Access Service, such other Company(s) will, if technically feasible, assist in denying the joint service to the Customer. Service denial for such joint service will only include calls originating or terminating within, or transiting, the operating territory of the Company initiating the service denial for nonpayment. When more than one of the joint providers must deny service to effectuate termination for nonpayment, in cases where a conflict exists in the applicable tariff provisions, the tariff regulations of the company whose Local Switching Center serves the Customer shall apply for joint service discontinuance.

2.5.6 Cancellation of Contract for Service

2.5.6.1 Contracts for service are non-cancellable unless the Company otherwise agrees. Where the Company permits the Customer to cancel an application for service prior to the start of service or prior to any special construction, no charges will be imposed except as may be specified in this Section and Section 3.2.3.

2.5.6.2 Where, prior to cancellation by the Customer, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs the Company incurred, less net salvage, shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of services ordered, including installation charges, and all charges others levy against the company that would have been chargeable to the Customer had service begun. The special charges described in this Section will be calculated and applied on an Individual Case Basis.

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2. REGULATIONS (Cont.)

2.5 Payment Arrangements (Cont.)

2.5.2 Billing and Collection of Charges (Cont.)

2.5.2.7 Ordering, Rating and Billing of Access Services Where More Than One Exchange Carrier is Involved

All recurring and non-recurring charges for services provided by each Exchange Carrier are billed under each company's applicable tariffs. Under a Meet Point Billing arrangement, the Company will only bill for charges for traffic carried between the Company Local Switching Center and the End User.

The multiple billing arrangements described in this section is subject to the provisions of the Multiple Exchange Carrier Access billing Guidelines (MECAB) and the Multiple Exchange Carrier Ordering and Design Guidelines (MECOD), except that the Company will not bill for local transport as described in MECAB. The Company will bill the Tandem Connect (as defined in Section 7.2.2) rate elements as specified in this tariff.

The Company must notify the Customer of: 1) the meet point option that will be used; 2) the Carrier(s) that will render the bill(s); 3) the Carrier(s) to whom payment should be remitted; and 4) the Carrier(s) that will provide the bill inquiry function. The Company shall provide such notification at the time orders are placed for Access Service. Additionally, the Company shall provide this notice in writing 30 days in advance of any changes in the arrangement.

The Company will handle the ordering, rating and billing of Access Services under this tariff where more than one Exchange Carrier is involved in the provision of Access Services, as follows:

(1) The Company must receive an order for Feature Group D (FGD) Switched Access Service, as defined herein, ordered to the Company's Local Switching Center through a switch operated by another Exchange Carrier.

(2) In addition, for FGD Switched Access Service ordered to the Company's Local Switching Center through a switch operated by another Exchange Carrier with whom the Company has an agreement, the Customer may be required to submit an order as specified by the Exchange Carrier which operates the switch.

(3) Separate bills will be rendered by the Exchange Carrier for FGD access service.

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2. REGULATIONS (Cont.)

2.6 Allowances for Interruptions in Service

Interruptions in service which are not due to the negligence of or noncompliance with the provisions of this tariff by, the Customer or the operation or malfunction of the facilities, power, or equipment provided by the Customer, will be credited to the Customer as set forth in 2.6.1 for the part of the service that the interruption affects.

2.6.1 Credit for Interruptions

2.6.1.1 Credit for Interruptions: When the use of service or facilities furnished by the Company is interrupted due to any cause other than the negligence or willful act of the Customer, or the operation or failure of the facilities or equipment provided by the Customer, a pro rata adjustment of the monthly Recurring Charges subject to interruption will be allowed for the service and facilities rendered useless and inoperative by reason of the interruption whenever said interruption continues for a for a period of 8 hours or more for customers of small business local service from the time the interruption is reported to or known to exist by the Company, except as otherwise specified in the Company's Price Lists. If the Customer reports a service, facility or circuit to be inoperative but declines to release it for testing and repair, it is considered to be impaired, but not interrupted.

For calculating credit allowances, every month is considered to have 30 days. A credit allowance is applied on a pro rata basis against the monthly Recurring Charges specified hereunder for Local Line or Local Trunk Service and is dependent upon the length of the interruption. Only those facilities on the interrupted portion of the circuit will receive a credit. Credit allowances for service outages that exceed 24 hours in duration will be rounded up to the next whole 24 hours.

2.6.1.2 A credit allowance will be made when an interruption occurs because of a failure of any component furnished by the Company under this tariff. An interruption period begins when the Customer reports a service, facility or circuit, to be interrupted and releases it for testing and repair. An interruption period ends when the service, facility, or circuit is operative. If the Customer reports a service, facility or circuit to be inoperative but declines to release it for testing and repair, it is considered to be impaired, but not interrupted.

2.6.1.3 For calculating credit allowances, every month is considered to have 30 days. A credit allowance is applied on a pro-rata basis against the rates specified hereunder and is dependent upon the length of the interruption. Only those facilities on the interrupted portion of the circuit will receive a credit.

2. REGULATIONS (Cont.)

2.5 Payment Arrangements (Cont.)

2.5.2 Billing and Collection of Charges (Cont.)

2.5.2.7 Ordering, Rating and Billing of Access Services Where More Than One Exchange Carrier is Involved (Cont.) T

(4) Rating and Billing of Service: Each company will provide its portion of Access Service based on the regulations, rates and charges contained in its respective access service tariff, subject to the following rules, as appropriate:

(a) The application of non-distance sensitive rate elements varies according to the rate structure and the location of the facilities involved:

(b) when rates and charges are listed on a per minute basis, the Company's rates and charges will apply to traffic originating from the Customer's Premises and terminating at the End User's premises, and vice versa.

2.5.3 Advance Payments

The Advance Payment will not exceed an amount equal to the Non-Recurring Charge(s) and one month's estimated average charges for the service to be provided. In addition, where special construction is involved, the Advance Payment may also include an amount equal to the estimated Non-Recurring Charges for the Special Construction and Recurring Charges (if any) for a period to be set by agreement between the Company and the Customer. The Advance Payment will be credited to the Customer's initial bill. An Advance Payment may be required in addition to a deposit.

Section 2, Regulations (Continued on next Sheet)

2. REGULATIONS (Cont.)

2.5 Payment Arrangements (Cont.)

2.5.2 Billing and Collection of Charges (Cont.)

2.5.2.8 Ordering, Rating and Billing of Access Services Where More Than One Exchange Carrier is Involved (Cont.)

(4) Rating and Billing of Service: Each company will provide its portion of Access Service based on the regulations, rates and charges contained in its respective access service tariff, subject to the following rules, as appropriate:

(a) The application of non-distance sensitive rate elements varies according to the rate structure and the location of the facilities involved:

(b) when rates and charges are listed on a per minute basis, the Company's rates and charges will apply to traffic originating from the Customer's Premises and terminating at the End User's premises, and vice versa.

2.5.3 Advance Payments

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The Advance Payment will not exceed an amount equal to the Non-Recurring Charge(s) and one month’s estimated average charges for the service to be provided. In addition, where special construction is involved, the Advance Payment may also include an amount equal to the estimated Non-Recurring Charges for the Special Construction and Recurring Charges (if any) for a period to be set by agreement between the Company and the Customer. The Advance Payment will be credited to the Customer’s initial bill. An Advance Payment may be required in addition to a deposit. D

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2. REGULATIONS (Cont.)

2.6 Allowances for Interruptions in Service (Cont.)

2.6.1 Credit for Interruptions (Cont.)

.

2. REGULATIONS (Cont.)

2.6 Allowances for Interruptions in Service (Cont.)

2.6.1 Credit for Interruptions (Cont.)

2.6.1.4 For Switched Access Service, no credit will be allowed for an interruption of less than 24 hours. After the first 24 hour period, a credit equal to 1/30 of the Direct Connect facilities charges will be applied to each interruption which is in excess of twelve hours and up to 24 hours.

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2. REGULATIONS (Cont.)

2.5 Payment Arrangements (Cont.)

2.5.4 Deposits

2.5.4.1 Applicants for service or existing Customers who have failed to establish credit may be required at any time to provide the Company with a security deposit. The deposit requested will be in cash or the equivalent of cash, and will be held as a guarantee for the payment of charges. A deposit does not relieve the Customer of the responsibility for the prompt payment of bills on presentation. The deposit will not exceed an amount equal to:

1) two months' estimated billing.

2) In addition, the company shall be entitled to require such an applicant or Customer to pay all its bills within a specified period of time, and to make such payments in cash or the equivalent of cash. At the Company's sole discretion, such deposit may be refunded to the Customer's account at any time. Also, the Company reserves the right to cease accepting and processing Service Orders after it has requested a security deposit and prior to the Customer's compliance with this request.

2.5.4.2 A deposit may be required in addition to an advance payment.

2.5.4.3 Deposits held will accrue interest using the 3-month commercial paper rate published by the Federal Reserve Board or at the rate of 6%, whichever is higher.

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2. REGULATIONS (Cont.)

2.6 Allowances for Interruptions in Service (Cont.)

2.6.2 Limitations on Allowances

No credit allowance will be made for:

(a) interruptions due to the negligence of, or noncompliance with the provisions of this tariff by, the Customer, Authorized User, Joint-User, or other Common Carrier providing service connected to the service of Company;

(b) interruptions due to the negligence of any person other than the Company, including, but not limited to, the Customer or other Common Carriers connected to the Company's facilities;

(c) interruptions due to the failure or malfunction of non-Company equipment;

(d) interruptions of service during any period in which the Company is not given full and free access to its facilities and equipment for the purpose of investigating and correcting interruptions;

(e) interruptions of service during a period in which the Customer continues to use the service on an impaired basis;

(f) interruptions of service during any period when the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements;

(g) interruption of service due to circumstances or causes beyond the control of the Company.

2.6.2.1 Use of 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 tariffed rates and charges for the alternative service used.

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2. REGULATIONS (Cont.)

2.5 Payment Arrangements (Cont.)

2.5.4 Deposits (Cont.)

2.5.4.4 The charges set forth in this tariff for Channel terminations contemplate installations made in normal locations and under normal working conditions. Any installations to be made under other circumstances are subject to additional charges.

2.5.4.5 When a service is discontinued, the amount of a deposit, if any, will be applied to the Customer's account and any credit balance remaining will be refunded. Before the service or facility is discontinued, the Company may, at its option, return the deposit or credit the Customer's account. D

Notwithstanding the regulations described in Sections 2.5.3 and 2.5.4 herein, the Company will not require or accept any advances or deposits from Customers until such time as it has in place a bond or escrow account satisfactory to the California Public Utilities Commission for the protection of Customers.

2.5.5 Refusal and Discontinuance of Service

2.5.5.1 Discontinuance of service will be governed by the rules and regulations of this tariff.

2.5.5.2 Upon nonpayment of any amounts owing to the Company, the Company may, by giving requisite prior written notice to the Customer, discontinue or suspend service without incurring any liability.

2.5.5.3 Upon violation of any of the other material terms or conditions for furnishing service the Company may, by giving 30 days' prior notice in writing to the Customer, discontinue or suspend service without incurring any liability if such violation continues during that period.

Section 2, Regulations (Continued on next Sheet)

2. REGULATIONS (Cont.)

2.6 Allowances for Interruptions in Service (Cont.)

2.6.3 Cancellation For Service Interruption

Cancellation or termination for service interruption is permitted only if any circuit experiences a single continuous outage of 8 hours or more or cumulative service credits equaling 16 hours in a continuous 12-month period. The right to cancel service under this provision applies only to the single circuit which has been subject to the outage or cumulative service credits.

2.7 Cancellation of Service

2.7.1 If a Customer cancels services before the completion of the term for any reason whatsoever other than a service interruption (as defined in Section 2.6.1 above), the Customer agrees to pay to the Company the following sums which shall become due and owing as of the effective date of the cancellation or termination and shall be payable within the period set forth in Section 2.5.2: all costs, fees, and expenses reasonably incurred in connection with 1) all Non-Recurring Charges reasonably expended by Company to establish service to Customer, plus 2) any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by Company on behalf of Customer, plus 3) all Recurring Charges specified in the applicable tariff for the balance of the then current term.

The terms and conditions specified in Section 3.2.3 will apply for cancellation of an Access Service Request.

2.8 Transfers and Assignments

Neither the Company nor the Customer may assign or transfer its rights or duties in connection with the services and facilities provided by the Company without the written consent of the other party, except that the Company may assign its rights and duties (a) to any subsidiary, parent Company or affiliate of the Company (b) pursuant to any sale or transfer of substantially all the assets of the Company; or (c) pursuant to any financing, merger or reorganization of the Company.

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2. REGULATIONS (Cont.)

2.5 Payment Arrangements (Cont.)

2.5.5 Refusal and Discontinuance of Service (Cont.)

2.5.5.4 Upon condemnation of any material portion of the facilities used by the Company to provide service to a Customer or if a casualty renders all or any material portion of such facilities inoperable beyond feasible repair, the Company, by notice to the Customer, may discontinue or suspend service without incurring any liability.

2.5.5.5 Upon any governmental prohibition, or required alteration of the services to be provided or any violation of an applicable law or regulation, the Company may immediately discontinue service without incurring any liability.

2.5.5.6 Upon the Company's discontinuance of service to the Customer, the Company, in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this tariff, may declare all future monthly and other charges which would have been payable by the Customer during the remainder of the term for which such services would have otherwise been provided to the Customer to be immediately due and payable.

2.5.5.7 In the event the Company incurs fees or expenses, including attorney's fees, in collecting, or attempting to collect, any charges owed the Company, the Customer will be liable to the Company for the payment of all such fees and expenses reasonably incurred.

2. REGULATIONS (Cont.)

2.9 Notices and Communications

2.9.1 The Customer shall designate on the Service Order an address to which the Company shall mail or deliver all notices and other communications, except that the Customer may also designate a separate address to which the Company's bills for service shall be mailed.

2.9.2 The Company shall designate on the Service Order an address to which the Customer shall mail or deliver all notices and other communications, except that the Company may designate a separate address, on each bill for service, to which the Customer shall mail payment on that bill.

2.9.3 All notices or other communications required to be given pursuant to this tariff shall be in writing. Notices and other communications of either party, and all bills mailed by the Company, shall be presumed to have been delivered to the other party on the third business day following deposit of the notice, communication, or bill with the U.S. Mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.

2.9.4 The Company or the Customer shall advise the other party of any changes to the addresses designated for notices, other communications or billing, by following the procedures for giving notice set forth herein.

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2. REGULATIONS (Cont.)

2.5 Payment Arrangements (Cont.)

2.5.5 Refusal and Discontinuance of Service (Cont.)

2.5.5.8 When Access Service is provided by more than one Company, the companies involved in providing the joint service may individually or collectively deny service to a Customer for nonpayment. Where the Company(s) affected by the nonpayment is incapable of effecting discontinuance of service without cooperation from the other joint providers of Switched Access Service, such other Company(s) will, if technically feasible, assist in denying the joint service to the Customer. Service denial for such joint service will only include calls originating or terminating within, or transiting, the operating territory of the Company initiating the service denial for nonpayment. When more than one of the joint providers must deny service to effectuate termination for nonpayment, in cases where a conflict exists in the applicable tariff provisions, the tariff regulations of the company whose Local Switching Center serves the Customer shall apply for joint service discontinuance.

2.5.6 Cancellation of Contract for Service

2.5.6.1 Contracts for service are noncancellable unless the Company otherwise agrees. Where the Company permits the Customer to cancel an application for service prior to the start of service or prior to any special construction, no charges will be imposed except as may be specified in this Section and Section 3.2.3.

2.5.6.2 Where, prior to cancellation by the Customer, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs the Company incurred, less net salvage, shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of services ordered, including installation charges, and all charges others levy against the company that would have been chargeable to the Customer had service begun. The special charges described in this Section will be calculated and applied on an Individual Case Basis.

2. REGULATIONS (Cont.)

2.6 Allowances for Interruptions in Service

Interruptions in service which are not due to the negligence of or noncompliance with the provisions of this tariff by, the Customer or the operation or malfunction of the facilities, power, or equipment provided by the Customer, will be credited to the Customer as set forth in 2.6.1 for the part of the service that the interruption affects.

2.6.1 Credit for Interruptions

2.6.1.1 Credit for Interruptions: When the use of service or facilities furnished by the Company is interrupted due to any cause other than the negligence or willful act of the Customer, or the operation or failure of the facilities or equipment provided by the Customer, a pro rata adjustment of the monthly Recurring Charges subject to interruption will be allowed for the service and facilities rendered useless and inoperative by reason of the interruption whenever said interruption continues for a for a period of 8 hours or more for customers of small business local service from the time the interruption is reported to or known to exist by the Company, except as otherwise specified in the Company's Price Lists. If the Customer reports a service, facility or circuit to be inoperative but declines to release it for testing and repair, it is considered to be impaired, but not interrupted.

For calculating credit allowances, every month is considered to have 30 days. A credit allowance is applied on a pro rata basis against the monthly Recurring Charges specified hereunder for Local Line or Local Trunk Service and is dependent upon the length of the interruption. Only those facilities on the interrupted portion of the circuit will receive a credit. Credit allowances for service outages that exceed 24 hours in duration will be rounded up to the next whole 24 hours.

2.6.1.2 A credit allowance will be made when an interruption occurs because of a failure of any component furnished by the Company under this tariff. An interruption period begins when the Customer reports a service, facility or circuit, to be interrupted and releases it for testing and repair. An interruption period ends when the service, facility, or circuit is operative. If the Customer reports a service, facility or circuit to be inoperative but declines to release it for testing and repair, it is considered to be impaired, but not interrupted.

2.6.1.3 For calculating credit allowances, every month is considered to have 30 days. A credit allowance is applied on a pro-rata basis against the rates specified hereunder and is dependent upon the length of the interruption. Only those facilities on the interrupted portion of the circuit will receive a credit.

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2. REGULATIONS (Cont.)

2.6 Allowances for Interruptions in Service (Cont.)

2.6.1 Credit for Interruptions (Cont.)

2.6.1.3 D

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Section 2, Regulations (Continued on next Sheet)

2. REGULATIONS (Cont.)

2.6 Allowances for Interruptions in Service (Cont.)

2.6.1 Credit for Interruptions (Cont.)

2.6.1.3 D
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2.6.1.5 For Switched Access Service, no credit will be allowed for an interruption of less than 24 hours. After the first 24 hour period, a credit equal to 1/30 of the Direct Connect facilities charges will be applied to each interruption which is in excess of twelve hours and up to 24 hours.

Section 2, Regulations (Continued on next Sheet)

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2. REGULATIONS (Cont.)

2.6 Allowances for Interruptions in Service (Cont.)

2.6.2 Limitations on Allowances

No credit allowance will be made for:

(a) interruptions due to the negligence of, or noncompliance with the provisions of this tariff by, the Customer, Authorized User, Joint-User, or other Common Carrier providing service connected to the service of Company;

(b) interruptions due to the negligence of any person other than the Company, including, but not limited to, the Customer or other Common Carriers connected to the Company's facilities;

(c) interruptions due to the failure or malfunction of non-Company equipment;

(d) interruptions of service during any period in which the Company is not given full and free access to its facilities and equipment for the purpose of investigating and correcting interruptions;

(e) interruptions of service during a period in which the Customer continues to use the service on an impaired basis;

(f) interruptions of service during any period when the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements;

(g) interruption of service due to circumstances or causes beyond the control of the Company.

2.6.2.1 Use of 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 tariffed rates and charges for the alternative service used.

2. REGULATIONS (Cont.)

2.6 Allowances for Interruptions in Service (Cont.)

2.6.3 Cancellation For Service Interruption

Cancellation or termination for service interruption is permitted only if any circuit experiences a single continuous outage of 8 hours or more or cumulative service credits equaling 16 hours in a continuous 12-month period. The right to cancel service under this provision applies only to the single circuit which has been subject to the outage or cumulative service credits.

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The terms and conditions specified in Section 3.2.3 will apply for cancellation of an Access Service Request.

2.8 Transfers and Assignments

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2. REGULATIONS (Cont.)

2.9 Notices and Communications

2.9.1 The Customer shall designate on the Service Order an address to which the Company shall mail or deliver all notices and other communications, except that the Customer may also designate a separate address to which the Company's bills for service shall be mailed.

2.9.2 The Company shall designate on the Service Order an address to which the Customer shall mail or deliver all notices and other communications, except that the Company may designate a separate address, on each bill for service, to which the Customer shall mail payment on that bill.

2.9.3 All notices or other communications required to be given pursuant to this tariff shall be in writing. Notices and other communications of either party, and all bills mailed by the Company, shall be presumed to have been delivered to the other party on the third business day following deposit of the notice, communication, or bill with the U.S. Mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.

2.9.4 The Company or the Customer shall advise the other party of any changes to the addresses designated for notices, other communications or billing, by following the procedures for giving notice set forth herein.