

COMPETITIVE LOCAL CARRIER

This tariff, Schedule Cal. P.U.C. No. 5-T, replaces the Schedule Cal. P.U.C. No. 4-T currently on file with the California Public Utilities Commission.

Tariff Schedule Applicable to
INTRASTATE SWITCHED ACCESS SERVICE
of
SAGE TELECOM, INC.
U-6585-C

Applying to Intrastate Switched Access Communications Services Between Points in the State of California and Containing Rules and Regulations Governing Service.

COMPETITIVE LOCAL CARRIER

CHECK SHEET

SHEET	REVISION		SHEET	REVISION		SHEET	REVISION
Title	Original		26	Original		51	Original
1	1 st Revised	*	27	Original		52	Original
2	Original		28	Original		53	Original
3	Original		29	Original		54	Original
4	Original		30	Original		55	Original
5	Original		31	Original		56	Original
6	Original		32	Original		57	Original
7	Original		33	Original		58	Original
8	Original		34	Original		59	Original
9	Original		35	Original		60	Original
10	Original		36	Original		61	Original
11	1 st Revised	*	37	Original		62	Original
12	Original		38	Original		63	Original
13	1 st Revised	*	39	Original		64	Original
14	1 st Revised	*	40	Original		65	Original
15	Original		41	Original		66	Original
16	Original		42	Original		67	Original
17	Original		43	Original		68	Original
18	1 st Revised	*	44	Original		69	Original
19	1 st Revised	*	45	Original		70	Original
20	Original		46	Original		71	Original
21	Original		47	Original			*
22	Original		48	Original			*
23	Original		49	1 st Revised	*		*
24	Original		50	Original			*
25	Original						

* - indicates those pages included with this filing

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Preliminary Statement

This tariff contains the regulations and rates applicable to the furnishing of intrastate switched access service by Sage Telecom, Inc., between locations within the State of California.

EXPLANATION OF SYMBOLS

(C) - To signify changed listing, rule, or condition which may affect rates or charges.

(D) - To signify discontinued material, including listing, rate, rule or condition.

(I) - To signify increase.

(L) - To signify material relocated from or to another part of the tariff schedules with no change in text, rate, rule or condition.

(N) - To signify new material including listing, rate, rule or condition.

(R) - To signify reduction

(T) - To signify a change in wording of text but not change in rate, rule or condition.

(Z) - To signify reissued material.

AVAILABILITY OF THE COMPANY'S TARIFF

Complete copies of Company advice letters and current tariff are maintained at the Company's business offices located at:

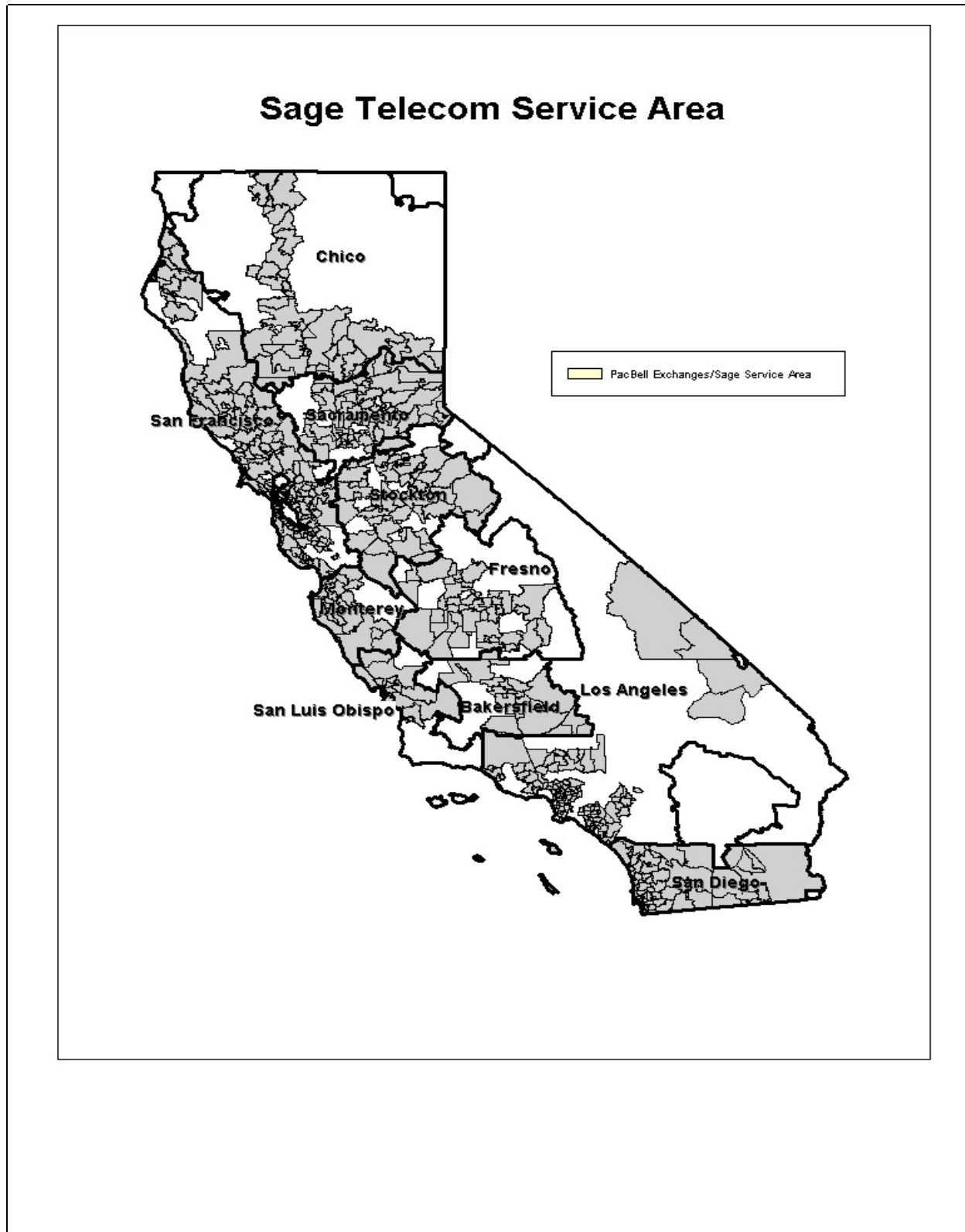
Sage Telecom, Inc.
3300 E. Renner Road, Suite 350
Richardson, Texas 75082-2800

The tariff is posted on the Company's website at: www.sagetelecom.net

The tariff is also available for public inspection at the California Public Utilities Commission.

The Company's toll free Customer service number is: [1-888-449-4940](tel:1-888-449-4940)

COMPETITIVE LOCAL CARRIER



Advice Letter No. 121
Decision No.

Issued by:
John Debus
Sr VP, CFO, Treasurer and Secretary

Date Filed: July 29, 2011
Effective: August 28, 2011
Resolution No.:

COMPETITIVE LOCAL CARRIER

1.0 RATE SCHEDULES

There are three types of rates and charges that apply to Switched Access Service provided by the Company. These are monthly recurring charges, usage charges, and nonrecurring charges.

1. Nonrecurring charges are one-time charges that apply for a specific work activity (e.g., installation or change to an existing service). Non-recurring charges may apply for installation of service, installation of optional features and service rearrangements.
2. Recurring Charges are flat monthly rates that apply for each month or fraction thereof that a specific rate element is provided. For billing purposes, each month is considered to have thirty (30) days.
3. Usage Charges are rates that apply only when a specific rate element is used. These are applied on a per-access minute, a per-call or per-query basis. Usage rates are accumulated over a monthly period.

COMPETITIVE LOCAL CARRIER

1.0 RATE SCHEDULES (Cont'd.)

Schedule 1: Carrier Common Line Access

Originating Per Access Minute	\$0.000000
Terminating Per Access Minute	\$0.000000

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1.0 RATE SCHEDULES (Cont'd.)

Schedule 2: Switched Transport

Tandem-Switched Termination (Per access minute, per termination)	\$0.00022517
Tandem-Switched Facility (Per access minute per mile)	\$0.00001705
Tandem Switching (Per access minute per tandem)	\$0.00039831
Common Transport Multiplexing (per access minute)	\$0.000000

COMPETITIVE LOCAL CARRIER

1.0 RATE SCHEDULES (Cont'd.)

Schedule 3: End Office Switching

Local Switching (per access minute)	\$0.01710885
Interconnection Charge (per access minute)	N/A
Shared End Office Trunk Port (per access minute)	\$0.000000
Information Surcharge (per access minute)	\$0.00048118

COMPETITIVE LOCAL CARRIER

1.0 RATE SCHEDULES (Cont'd.)

Schedule 4: 8YY Database Query

8YY Database Query

For any Customer who pays the Company more than \$1.5 million for Switched Access plus 8YY Database Query services during a calendar year starting January 1, 2008, and whose such payments were made on time and in full each month and therefore included any disputed amounts as part of each payment with the Company later crediting the Customer's account for any disputed amounts that the Company determines to be valid, 8YY Database Query rates will be set at \$0.006015 per query for the one-year period beginning February 1 of the immediately-following calendar year through January 31 of the next calendar year. For this purpose, the Company will evaluate all Customers' Switched Access 8YY Database payments for the prior year in January of each year. Sage's standard 8YY Database Query rates shall continue to apply for all other Customers.

8YY Database Query, Per Call	\$0.007500
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Schedule 5: Invoice Reprinting Fee

Invoice Reprinting Fee

A fee of \$25.00 will be charged for each invoice reprinted at the request of the Customer.

COMPETITIVE LOCAL CARRIER

2.0 RULES

No. 1 Definitions

Access – A connection between a Customer Premises and a Point of Presence of an interexchange carrier for the transmission of voice, data or video/image information.

Access Line - An arrangement that connects an End User Premises to a Company designated End Office. An Access Line provides a communications path capable of transmitting voice-frequency signals, although this definition does not restrict the type of information that may be transmitted over an Access Line.

Access Minutes - The increment for measuring usage of exchange facilities for the purpose of calculating chargeable usage.

Access Service Request (ASR) - The service order form used by access service Customers and the Company for the process of establishing, moving or rearranging access services provided by the Company.

Access Tandem - A switching system that provides a traffic concentration and distribution function for originating or terminating traffic between End Offices and the Customer's Premises or Point of Presence.

Account – Either a Customer's physical location or individual Service represented by a unique account number within the billing system. Multiple services each with a unique account number may be part of one physical location.

Answer Supervision - The transmission of the switch trunk equipment supervisory signal (off-hook or on-hook) to a carrier's Point of Presence or Customer's terminal equipment as an indication that the called party has answered or disconnected.

Application for Service – The Sage order process that includes technical, billing and other descriptive information provided by Customer that allows Sage to provide requested communications Services for Customer and Customer's Authorized Users. Upon acceptance by Sage, the Application for Service becomes a binding contract between Customer and Sage for the provision and acceptance of Service.

Authorized User – A person, firm, corporation, or other entity that is authorized by Customer to be connected to the facilities of the Customer.

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COMPETITIVE LOCAL CARRIER

2.0 RULES (Cont'd.)

No. 1 Definitions (Cont'd.)

Automatic Number Identification (ANI) - The automatic transmission of a caller's billing account telephone number to a local exchange company, interexchange carrier or a third party Customer. The primary purpose of ANI is for billing toll calls.

Bit - The smallest unit of information in a binary system of notation.

Bps - Bits per second. The number of bits transmitted in a one second interval.

Business Hours – The phrase “Business Hours” generally means the time beginning at 8:00 a.m. and ending at 5:00 p.m. local time at the place of Company operation, Monday through Friday excluding holidays.

Business Office – The phrase “Business Office” means the primary location where the business operations of Sage are performed and where a copy of Sage's tariffs are made available for public inspection. The address of the business office is 3300 E. Renner Road, Suite 350, Richardson, Texas 75082-2800.

Call - A Customer or End User attempt for which the complete address code (e.g., 0-, 911, or 10 digits) is provided to the Serving Wire Center, End Office or Access Tandem Switch.

Central Office - The premises of the Company or another local exchange carrier containing one or more switches where Customer or End User station loops are terminated for purposes of interconnection to other station loops, trunks or access facilities.

Channel - A communications path between two or more points.

CIC - An interexchange carrier identification code.

Commission - Refers to the California Public Utilities Commission.

Company or Carrier - Used throughout this tariff to indicate Sage Telecom, Inc.

Competitive Local Exchange Carrier - (“CLEC”) or Alternative Local Exchange Carrier (“ALEC”) – means any entity or person providing local exchange services in competition with an ILEC or LEC.

COMPETITIVE LOCAL CARRIER

2.0 RULES (Cont'd.)

No. 1 Definitions (Cont'd.)

Constructive Order - Delivery of calls to or acceptance of calls from the Customer's End Users over Company-switched local exchange services constitutes a Constructive Order by the Customer to purchase switched access services as described herein. Similarly the selection of the Customer by an End User as the End User's PIC constitutes a Constructive Order for switched access by the Customer.

CPE - Customer Premises Equipment. All Terminal Equipment or other communications equipment and/or systems provided by the Customer for use with the Company's facilities and services.

Customer - Any person, firm, partnership, corporation or other entity that uses service under the terms and conditions of this tariff and is responsible for the payment of charges. In most contexts, the Customer is an interexchange carrier utilizing the Company's Switched Access services described in this tariff to reach its End User customer(s).

Customer Premises - The premises specified by the Customer for termination of access services. Typically an interexchange carrier's Point of Presence.

Dedicated Access - A method of reaching the Customer's communication and switching systems whereby the End User is connected directly to the Customer's Point of Presence via dedicated facilities, circuits, or channels without utilizing the services of the local switched network.

Delinquent or Delinquency – An account for which payment has not been made in full on or before the last day for timely payment.

DS0 – Digital Signal Level 0; a dedicated, full duplex digital channel with line speeds of 2.4, 4.8, 9.6, 19.2, 56 or 64 Kbps.

DS1 – Digital Signal Level 1; a dedicated, high capacity, full duplex channel with a line speed of 1.544 Mbps isochronous serial data having a line signal format of either Alternate Mark Inversion (AMI) or Bipolar with 8 Zero Substitution (B8ZS) and either Superframe (D4) or Extended Superframe (ESF) formats. DS1 Service has the equivalent capacity of 24 Voice Grade or DS0 services.

DS3 – Digital Signal Level 3; a dedicated, high capacity, full duplex channel with a line speed of 44.736 Mbps isochronous serial data having a line code of bipolar with three zero substitution (B3ZS). Equivalent capacity of 28 DS1 Services.

Dual Tone Multifrequency (DTMF) - Tone signaling, also known as touch tone signaling.

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COMPETITIVE LOCAL CARRIER

2.0 RULES (Cont'd.)

No. 1 Definitions (Cont'd.)

End Office - The Central Office from which an End User's Premises would normally obtain local exchange service and dial tone from the Company or other local exchange carrier.

End Office Switch - A local exchange carrier switching system where End User Access Lines are terminated for purposes of interconnection to other Access Lines, trunks or access facilities.

End User - Any Customer of a service that provides the ability to place and receive voice-frequency switched telephone communications on the public switched telephone network that is not a carrier; except that a carrier other than a telephone company shall be deemed to be an "end user" when such carrier uses a telecommunications service for administrative purposes, and a person or entity that offers telecommunications services exclusively as a reseller shall be deemed to be an "end user" if all resale transmissions offered by such reseller originate on the premises of such reseller.

End User Premises - The premises specified by the Customer or End User for termination of an Access Line.

Equal Access - Where the local exchange company central office provides interconnection to interexchange carriers with Feature Group D circuits. In such End Offices, End Users can presubscribe their telephone line(s) to their preferred interexchange carrier.

Exchange - A group of lines in a unit generally smaller than a LATA established by the Company or other local exchange carrier for the administration of communications service in a specified area. An Exchange may consist of one or more central offices together with the associated facilities used in furnishing communications service within that area.

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COMPETITIVE LOCAL CARRIER

2.0 RULES (Cont'd.)

No. 1 Definitions (Cont'd.)

Exchange Message Interface (“EMI”) – The industry standard format used for exchange of telecommunications message information among carriers.

Facility (or Facilities) – Any item or items of communications plant or equipment used to provide or connect to Sage Services.

FCC – Federal Communications Commission.

Gbps – Gigabits per second; billions of bits per second.

Holiday – The term “holiday” means 8:00 a.m. to, but not including 11:00 p.m. local time at the originating city on all Company-specific holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. When holidays fall on Saturdays or Sundays, the holiday rate applies unless a larger discount would normally apply.

Host Office - An electronic switching system that provides call processing capabilities for one or more Remote Switching Modules or Remote Switching Systems.

Individual Case Basis or ICB - A process whereby the terms, conditions, rates and/or charges for a service provided under the general provisions of this tariff are developed or modified based on the unique circumstances in each case.

Interstate - For the purpose of this tariff, the term Interstate applies to the regulatory jurisdiction of services used for communications between one or more originating and terminating points located in different states within the United States or between one or more points in the United States and at least one international location.

Intrastate - For the purpose of this tariff, the term Intrastate applies to the regulatory jurisdiction of services used for communications between one or more originating and terminating points, all located within the same state.

Interexchange Carrier (IXC or IC) - A long distance telecommunications services provider that furnishes services between exchange areas.

Kbps - Kilobits per second; 1000s of bits per second.

COMPETITIVE LOCAL CARRIER

2.0 RULES (Cont'd.)

No. 1 Definitions (Cont'd.)

LATA - Local Access and Transport Area. A geographic area for the provision and administration of communications services existing on February 8, 1996, as previously established by the U.S. District Court for the District of Columbia in Civil Action No. 82-0192; or established by a Bell operating company after February 8, 1996 and approved by the FCC; or any other geographic area designated as a LATA in the National Exchange Carrier Association (NECA) Tariff F.C.C. No. 4.

Local Access Facility – The channel provided by the LEC (or other local service provided) to connect the Point-of-Presence to a Customer location.

Local Exchange Company (LEC) – A company that furnishes local exchange telephone services.

Loop – Same as Access Line above.

Mbps - Megabits per second; millions of bits per second.

Message - See Call.

N/A - Not Applicable.

Night/Weekend – The words “night/weekend” mean 11:00 p.m. to, but not including, 8:00 a.m. local time in the originating city, all day on Saturday, and all day Sunday except from 5:00 p.m. to, but not including, 11:00 p.m.

Non-business Hours – The phrase “non-business hours” means the time period after 5:00 p.m. and before 8:00 a.m., Monday through Friday, all day Saturday, Sunday, and on holidays.

Non-Recurring Charge ("NRC") - The initial charge, usually assessed on a one-time basis, to initiate and establish a service or feature.

NPA - Numbering Plan Area or area code.

Off-Hook - The active condition of Switched Access service or a telephone exchange line.

On-Hook - The idle condition of Switched Access service or a telephone exchange line.

Originating Direction - The use of Switched Access Service for the origination of calls from an End User's Premises to a Customer's Point of Presence.

Other Common Carrier – The term “other common carrier” denotes a specialized or other type of common carrier authorized by the Federal Communications Commission to provide domestic or international communications service.

COMPETITIVE LOCAL CARRIER

2.0 RULES (Cont'd.)

No. 1 Definitions (Cont'd.)

PIC Authorization - A Customer's or End User's selection of a PIC that meets the requirements of federal and state law.

PIC - Primary Interexchange Carrier.

Point of Presence or POP - The physical location associated with an interexchange carrier's communication and switching systems, or any other location specified by an Interexchange Carrier for interconnection of switched access services to facilities owned, controlled, or designated by that Interexchange Carrier..

Point of Termination - The point of demarcation within a Customer or End User Premises at which the Company's responsibility for the provision of access service ends. The point of demarcation is the point of interconnection between Company communications facilities and Customer-provided or End User-provided facilities as defined in Part 68 of the Federal Communications Commission's Rules and Regulations.

Premises - A building, portion of a building in a multi-tenant building, or buildings on continuous property not separated by a highway. May also denote a Customer-owned enclosure or utility vault located above or below ground on private property or on Customer acquired right-of-way.

Presubscription - An arrangement whereby an End User selects and designates to the Company or other LEC a carrier that user wishes to access, without an access code, for completing interLATA and/or intraLATA toll calls. The selected carrier is referred to as the Primary Interexchange Carrier (PIC).

Primary Interexchange Carrier (PIC) - The interexchange carrier (IXC) designated by the End User Customer as its first routing choice and primary overflow carrier for routing of 1+ direct dialed and operator assisted non-local calls.

Private Line - A service that provides dedicated path between one or more Customer Premises.

Query - The inquiry to a Company database to obtain information, processing instructions or service data.

Recurring Charge - The charges to the Customer for services, facilities or equipment, which continue for the agreed upon duration of the service. Recurring charges do not vary based on Customer usage of the services, facilities or equipment provided.

Remote Switching Modules or Remote Switching Systems (RSM/RSS) - Small remotely controlled electronic End Office Switching equipment which obtains its call processing capability from a Host Office. An RSM/RSS cannot accommodate direct trunks to a Customer.

COMPETITIVE LOCAL CARRIER

2.0 RULES (Cont'd.)

No. 1 Definitions (Cont'd.)

Services – Sage's common carrier communications services provided under this Tariff.

Service Commencement Date - The first day following the date on which the Company notifies the Customer that the requested service or facility is available for use, unless extended by the Customer's refusal to accept service which does not conform to standards in the service order or this tariff, in which case the service commencement date is the date of the Customer's acceptance. The Company and Customer may mutually agree on a substitute service commencement date.

Service Order - A written request for network services executed by the Customer and the Company. The signing of a Service Order by the Customer and acceptance by the Company begins the respective obligations of the parties in that order for services offered under this tariff.

Special Access - See Dedicated Access.

Station - Refers to telephone equipment or an Access Line from or to which Calls are placed.

Switch – The term “switch” denotes an electronic device that is used to provide circuit sharing, routine, and control.

Switched Access – A service that provides a communications path for the duration of a Call between an End User and an Interexchange Carrier facilities, circuits or channels provided in whole or in part by a local exchange carrier.

Tandem Switch - See Access Tandem.

TDM – Time Division Multiplexing – a method of transmitting and receiving voice signals over the Public Switched Telephone Network (PSTN).

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COMPETITIVE LOCAL CARRIER

2.0 RULES (Cont'd.)

No. 1 Definitions (Cont'd.)

Terminal Equipment - Telecommunications devices, apparatus and associated wiring on an End User's Customer Premises.

Terminating Direction - The use of Switched Access Service for the completion of calls from a Customer's Point of Presence to an End User Premises.

Timely Payment – A payment on a Customer's account made on or before the due date.

Toll VOIP-PSTN Traffic – The term Toll VoIP-PSTN Traffic denotes a customer's interexchange voice traffic exchanged with the Telephone Company in Time Division Multiplexing format over PSTN facilities, which originates and/or terminates in Internet Protocol (IP) format. Toll VoIP-PSTN Traffic originates and /or terminates in IP format when it originates from and/or terminates to an end user customer of a service that requires IP-compatible customer premises equipment.

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Trunk - A physical or virtual communications path connecting two switching systems in a network, used in the establishment of an end-to-end connection. A trunk is capable of transmitting voice-frequency signals, although this definition does not limit the type of information that may be transmitted.

Trunk Group - A set of trunks, which are traffic engineered as a unit for the establishment of connections between switching systems in which all of the communications paths are interchangeable.

Underlying Carrier – A provider of intrastate telecommunications services from whom Sage acquires facilities or services that it utilizes to provide Sage services to Customers and End Users.

V & H Coordinates - Geographic points which define the originating and terminating points of a call in mathematical terms so that the airline mileage of the call may be determined. Call mileage may be used for the purpose of rating calls.

VoIP Service – Transmission of communication by aid of wire, cable, radio, or other like connection using Voice over Internet Protocol that is originated or terminated in Internet Protocol (IP) format. VoIP Services are those services that require the use of IP compatible customer premises equipment.

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COMPETITIVE LOCAL CARRIER

2.0 RULES (Cont'd.)

No. 2 Description of Service

Switched Access Service provides a two-point communications path between a Customer's Premises and an End User's Premises for the duration of the call. It provides for the ability to originate calls from an End User's Premises to a Customer's Premises and to terminate calls from a Customer's Premises to an End User's Premises.

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

In the absence of an ASR as described herein, delivery of calls to, or acceptance of calls from, the Customer's Point of Presence via Company-provided switched access services shall constitute a Constructive Order and an agreement by the Customer to purchase the Company's switched access services as described and priced herein.

COMPETITIVE LOCAL CARRIER

2.0 RULES (Cont'd.)

No. 2 Description of Service (Cont'd.)

Switched Access is furnished for originating and terminating Calls.

Switched Access is furnished on a per-line or per trunk basis.

Originating traffic type represents access capacity within a LATA for carrying Calls originated by an End User to the Customer; and Terminating traffic type represents access capacity within a LATA for carrying Calls originated from the Customer to the End User. When ordering capacity for Switched Access, the Customer must at a minimum specify such access capacity in terms of originating traffic type and/or terminating traffic type.

Switched Access is provisioned, at minimum, at the DS-1 level and provides line-side or trunk-side access to End Office switches for the Customer's use in originating and terminating communications. Basic Switched Access service will be provided with Multi-Frequency In Band Signaling (SS7 is also available, where capabilities exist).

Two types of Switched Access are available:

1. Tandem Connect Access: This option applies when the Customer has no direct facilities to the End Office. Traffic is routed to and from the Company's End Office via a third-party tandem provider selected by Customer. Delivery of calls to, or acceptance of calls from, the End User location(s) via Company-provided Tandem Connect Access services shall constitute a Constructive Order and an agreement by the Customer to purchase the Company's switched access services as described and priced herein.
2. Direct Connect Access: This option applies when the Customer is connected by dedicated facilities to a Company End Office. The dedicated facilities may be self-provisioned by the Customer, or obtained from a third-party carrier at its own expense. Upon request between the Customer's Premises and the End Office, to the extent that the Company is able to provide dedicated facilities between the Customer's Premises and an End Office, such arrangements would be provided on an Individual Case Basis as Special Service Arrangements pursuant to Section 3.11 of this tariff.

COMPETITIVE LOCAL CARRIER

2.0 RULES (Cont'd.)

No. 2 Description of Service (Cont'd.)

There are two rate categories applicable to Switched Access Service:

1. Switched Transport

The Switched Transport rate element, set forth in Schedule 2, applies to each minute of use for Tandem Connect Access traffic only.

2. Other Rate Elements

The Carrier Common Line rate element set forth in Schedule 1, and the End Office Switching rate element set forth in Schedule 3, each applies to all minutes of use for both Tandem Connect and Direct Connect Access.

COMPETITIVE LOCAL CARRIER

2.0 RULES (Cont'd.)

No. 3 Application for Service

General

1. Customers may order switched access through a Constructive Order, as defined herein, or through an ASR. The format and terms of the ASR will be as specified in the Industry Access Service Order Guidelines, unless otherwise specified herein.
2. A Customer may order any number of services of the same type and between the same premises on a single ASR. All details for services for a particular order must be identical.
3. The Customer shall provide all information necessary for the Company to provide and bill for the requested service. When placing an order for Access Service, the Customer shall provide the following minimum information:
 - (a) Customer name and Premises address(es);
 - (b) Billing name and address (when different from Customer name and address); and
 - (c) Customer contact name(s) and telephone number(s) for the following provisioning activities: order negotiation, order confirmation, interactive design, installation and billing.

Access Service Date Intervals

1. Access Service is provided with Standard or Negotiated Intervals.
2. The Company will specify a firm order confirmation date and Service Commencement Date contingent on the ASR being complete as received. To the extent the Access Service can be made available with reasonable effort, the Company will provide the Access Service in accordance with the Customer's requested interval, subject to the following conditions:
 - (a) For service provided under a Standard Interval: The Standard Interval for Switched Service will be sixty (60) business days from the Application Date. This interval only applies to standard service offerings where there are pre-existing facilities to the Customer Premises. Access Services provided under the Standard Interval will be installed during Company business hours.

COMPETITIVE LOCAL CARRIER

2.0 RULES (Cont'd.)

No. 3 Application for Service (Cont'd.)

2. (Cont'd.)

(b) For service provided under a Negotiated Interval: The Company will offer a Service Date based on the type and quantity of Access Services the Customer has requested. The Negotiated Interval may not exceed by more than six (6) months the Standard Interval Service Date, or, when there is no Standard Interval, the Company offered Service Date, except as otherwise agreed by the Company in writing. The Company will negotiate a Service Date interval with the Customer when:

- (1) The Customer requests a Service Date before or beyond the applicable Standard Interval Service Date; or
- (2) There is no existing facility connecting the Customer Premises with the Company; or
- (3) The Customer requests a service that is not considered by the Company to be a standard service offering (for example, if additional engineering or special construction is required to complete the order); or
- (4) The Company determines that Access Service cannot be installed within the Standard Interval.

3. All services for which rates are applied on an Individual Case Basis are provided with a Negotiated Interval.

Access Service Request Modifications

The Customer may request a modification of its ASR prior to the Service Commencement Date. All modifications must be in writing using the industry ASR process. The Company, in its sole discretion, may accept a verbal modification from the Customer. The Company will make every effort to accommodate a requested modification when it is able to do so with the normal work force assigned to complete such an order within normal business hours.

COMPETITIVE LOCAL CARRIER

2.0 RULES (Cont'd.)

No. 4 Contracts

[Copies of contracts no longer required as part of the tariff under Decision 90-08-032, August 8, 1990.]

Contracts will be used in special circumstances for Individual Case Basis ("ICB") service offerings. Customer and Company can enter into a contract for Switched Access service. The terms and conditions of each contract offering are subject to the agreement of both the Customer and Company. Such contract offerings will be made available to similarly situated Customers in substantially similar circumstances. Contracts are available to any similarly situated Customer that places an order within 90 days of the effective date for the first contract Customer as specified in each individual contract.

COMPETITIVE LOCAL CARRIER

2.0 RULES (Cont'd.)

No. 5 Special Information Required On Forms

No special notations are required to appear on agreements, contracts, bills, or deposit receipts.

COMPETITIVE LOCAL CARRIER

2.0 RULES (Cont'd.)

No. 6 Establishment and Re-establishment of Credit

The Company reserves the right to validate the creditworthiness of Customers and billed parties through available verification procedures. Where a Customer's creditworthiness is unacceptable to the Company, Company may refuse to provide service, require a deposit or advance payment, or otherwise restrict or interrupt service to a Customer.

COMPETITIVE LOCAL CARRIER

2.0 RULES (Cont'd.)

No. 7 Deposits

The Company may, in order to safeguard its interests, require a Customer which has a proven history of late payments to the Company or does not have established credit to make a deposit prior to or at any time after the provision of service to the Customer to be held by the Company as a guarantee of the payment of rates and charges. No such deposit will be required of a Customer which has established credit and has no history of late payments to the Company.

A deposit may not exceed the actual or estimated rates and charges for the service for a two-month period. The fact that a deposit has been made in no way relieves the Customer from complying with the Company's requirement as to the prompt payment of bills.

At such time as the provision of the service to the Customer is terminated, the amount of the deposit will be credited to the Customer's account and any credit balance which may remain will be refunded. After the Customer has established a one year prompt payment record, such a deposit will be refunded or credited to the Customer account at any time prior to the termination of the provision of the service to the Customer.

In case of a cash deposit, for the period the deposit is held by the Company, simple annual interest will be applied to the deposit for the number of days from the date the Customer deposit is received by the Company to and including the date such deposit is credited to the Customer's account or the date the deposit is refunded by the Company. Deposits held will accrue interest at a rate specified by the California Public Utilities Commission or at the rate of 3% per annum if the CPUC has not specified a rate.

If the amount of a deposit is proven to be less than required to meet the requirements specified above, the Customer shall be required to pay an additional deposit upon request.

A Customer whose service has been discontinued for nonpayment of bills will be required to pay the unpaid balance due to the Company and may be required to pay reconnect charges.

COMPETITIVE LOCAL CARRIER

2.0 RULES (Cont'd.)

No. 8 Notices

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 Customer may also designate a separate address to which the Company's bills for service shall be mailed.

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 Company may designate a separate address on bills for service to which the Customer shall mail payment on that bill.

Notice of a pending disconnection of a Customer's service may contain the reason for the notice, the date of the notice, a description of any remedies the Customer may make, the time allotted for the Customer to make remedies (if any), and a toll free Customer service number the Customer may call to obtain additional information.

Except as otherwise stated in this tariff, all other notices or communications required to be given under this tariff will 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 second business day following placement 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.

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.

COMPETITIVE LOCAL CARRIER

2.0 RULES (Cont'd.)

No. 9 Rendering and Payment of Bills

All charges due from the Customer are payable to the Company or any agent duly authorized to receive such payments. Terms of payment shall be according to the rules and regulations of the agent and subject to the rules of regulatory bodies having jurisdiction.

Non-recurring charges for installations, service connections, moves or rearrangements are due and payable upon receipt of the Company's invoice by the Customer. At the Company's discretion, payment of all or a portion of any non-recurring charges may be required prior to commencement of facility or equipment installation or construction required to provide the services requested by the Customer.

The Company shall present invoices for recurring charges monthly to the Customer, in advance of the month in which service is provided, and recurring charges shall be due and payable as specified on the bill.

When billing is based upon Customer usage, usage charges will be billed monthly in arrears for service provided in the preceding billing period. Charges shall be due and payable as specified on the bill.

Customer billing will begin on the service commencement date, which is the day the Company determines in its reasonable sole discretion that the service or facility is available for use, except that the service commencement date may be postponed by mutual agreement of the parties, or if the service or facility does not conform to standards under this tariff or the service order. Billing accrues through and includes the day that the service, circuit, arrangement or component is discontinued.

When service does not begin on the first day of the 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. For this purpose, every month is considered to have 30 (thirty) days.

Amounts not paid within 30 (thirty) days after the mailing date of invoice will be considered past due.

COMPETITIVE LOCAL CARRIER

2.0 RULES (Cont'd.)

No. 9 Rendering and Payment of Bills (Cont'd.)

If the entire amount billed, exclusive of any amount disputed by the Customer, is received by Sage after the payment date or if any portion of the payment is received by Sage in funds which are not immediately available to Sage, then a late payment charge will apply to the unpaid balance. The late payment charge will be equal to the lesser of: the highest interest rate (in decimal value) which may be levied by law for commercial transactions, compounded daily and applied for each month or portion thereof that an outstanding balance remains; or 0.0005 per calendar day, compounded daily and applied for each month or portion thereof that an outstanding balance remains.

Until such time as Sage receives authorization to assess late payment charges, late payment charges will not apply to services purchases by the state government, including service to an agency in any branch of government.

A service charge equal to \$25.00, or the actual fee incurred by Company from a bank or financial institution, whichever is greater, will be assessed for all checks returned by a bank or other financial institution for: insufficient or uncollected funds, closed account, apparent tampering, missing signature or endorsement, or any other insufficiency or discrepancy necessitating return of the instrument at the discretion of the drawee bank or other financial institution.

Pursuant to Resolution T-16901, all telecommunications carriers are required to apply CPUC mandated Public Program surcharge rates (excluding (a) Universal Lifeline Telephone Service (ULTS) billings; (b) charges to other certificated carriers for services that are to be resold; (c) coin sent paid telephone calls (coin in box) and debit card calls; (d) Customer-specific contracts effective before 9/15/94; (e) usage charges for coin-operated pay telephones; (f) directory advertising; and (g) one-way radio paging) and the CPUC Reimbursement Fee rate (excluding (a) directory advertising and sales; (b) terminal equipment sales; (c) inter-utility sales) to intrastate services. For a list of the Public Program surcharges and Reimbursement Fee, and the amounts, please refer to the Pacific Bell (d.b.a. SBC California) tariffs.

COMPETITIVE LOCAL CARRIER

2.0 RULES (Cont'd.)

No. 9 Rendering and Payment of Bills (Cont'd.)

Taxes, Surcharges and Fees

1. All taxes, including state and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax), are listed as separate line items on the Customer's bill and are not included in the quoted rates and charges set forth in this tariff. To the extent that a municipality, other political subdivision or local agency of government, or Commission imposes upon and collects from the Company a gross receipts tax, sales tax, occupation tax, license tax, permit fee, rights-of-way fee, franchise fee, or other regulatory fee or tax, such and fees and taxes shall, insofar as practicable and allowed by law, be billed pro rata to Customers receiving service from the Company within the territorial limits of such municipality, other political subdivision or local agency of government. It shall be the responsibility of the Customer to pay any such taxes and fees that subsequently become applicable retroactively.
2. The Company may adjust its rates and charges or impose additional rates and charges on its Customers in order to recover amounts it is required by governmental or quasi-governmental authorities to collect from or pay to others in support of statutory or regulatory programs.

COMPETITIVE LOCAL CARRIER

2.0 RULES (Cont'd.)

No. 10 Disputed Bill Procedure

In the event that a billing dispute occurs concerning any charges billed to the Customer by the Company, the Customer must submit a documented claim for the disputed amount including a detailed written explanation of the basis of the dispute. The Customer also will submit all documentation as may reasonably be required to support the claim. All claims must be submitted to the Company within 60 days of receipt of billing for the disputed services. If the Customer does not submit a claim as stated above, the Customer waives all rights to filing a claim thereafter.

1. If there is disagreement about the disputed amount after an investigation and review by a manager of the Company, the Customer may appeal to the Consumer Affairs Branch ("CAB") of the CPUC for an investigation and decision.
 - (a) Filing a dispute does not eliminate or postpone the Customer's obligation to pay billed charges. The Company may treat any dispute of charges that have not been paid on a timely basis as a bad-faith claim, and may reject the dispute for that reason alone.
 - (b) If the dispute is resolved in favor of the Customer after the Customer has paid the disputed amount, the Customer will receive an interest credit from the Company for the disputed amount times a late factor as set forth in Rule No. 9 above from the date of actual payment to the date of resolution of the dispute.
 - (c) In the event that the Company agrees to refund a credit by check or wire transfer, interest will be applied up to and including the date of issuance for either the check or wire transfer.
 - (d) If the dispute is resolved in favor of the Company and the Customer has paid the disputed amount on or before the payment due date, no interest credit or penalties will apply.
 - (e) If the dispute is resolved in favor of the Company and the Customer has withheld the disputed amount, any payments withheld pending settlement of the disputed amount shall be subject to the late penalty as set forth preceding.

COMPETITIVE LOCAL CARRIER

2.0 RULES (Cont'd.)

No. 11 Discontinuance and Restoration of Service

Service will continue to be provided until canceled by the Customer, in writing, or until canceled by the Company as set forth below. The Company may render bills subsequent to the termination of service for charges incurred before termination.

Cancellation by the Customer:

The Customer may have service discontinued upon written notice to the Company. The Company shall hold the Customer responsible for payment of all bills for service furnished until the cancellation date specified by the Customer or until the date that the written cancellation notice is received, whichever is later. A termination liability charge applies to early cancellation of a term agreement.

Customers seeking to cancel service have an affirmative obligation to block traffic originating from or terminating to the Company's network. By originating traffic from or terminating traffic to the Company's network, the Customer will have constructively ordered the Company's switched access service.

Cancellation by the Company:

1. For Nonpayment: The Company, by written notice to the Customer and in accordance with applicable law, may discontinue service or cancel an application for service without incurring any liability when there is an unpaid balance for service that is more than 60 days overdue.
2. For Returned Checks: The Customer whose check or draft is returned unpaid for any reason, after two attempts at collection, shall be subject to discontinuance of service in the same manner as provided for nonpayment of overdue charges.

COMPETITIVE LOCAL CARRIER

2.0 RULES (Cont'd.)

No. 11 Discontinuance and Restoration of Service (Cont'd.)

Cancellation by the Company (Cont'd.):

3. For any violation of law or of any of the provisions governing the furnishing of service under this tariff: The Customer shall be subject to discontinuance of service, without notice, for any violation of any law, rule, regulation or policy of any government authority having jurisdiction over service, or by reason of any order or decision of a court or other government authority having jurisdiction which prohibits the Company from furnishing such service.
4. For the Company to comply with any order or request of any governmental authority having jurisdiction: The Customer shall be subject to discontinuance of service, without notice, for the Company to comply with any order or request of any governmental authority having jurisdiction.

Restoration of service:

1. If service has been discontinued for nonpayment or as otherwise provided herein and the Customer wishes it continued, service shall, at the Company's discretion, be restored when all past due amounts are paid or the event giving rise to the discontinuance (if other than nonpayment) is corrected and the Customer pays a deposit at Company's discretion. Nonrecurring charges apply to restored services.
2. Restoration of disrupted services shall be in accordance with applicable California Public Utilities Commission and/or Federal Communications Commission Rules and Regulations, which specify the priority system for such activities.

COMPETITIVE LOCAL CARRIER

2.0 RULES (Cont'd.)

No. 12 Information to be Provided the Public

Pertinent information regarding the Company's service is available upon request and open to public inspection by inquiring in person or writing to:

Sage Telecom, Inc.
3300 E. Renner Road, Suite 350
Richardson, Texas 75082-2800

COMPETITIVE LOCAL CARRIER

2.0 RULES, (Cont'd.)

No. 13 Temporary Service

[Reserved for Future Use]

COMPETITIVE LOCAL CARRIER

2.0 RULES (Cont'd.)

No. 14 Allowances for Interruptions in Service

Upon the written request of the Customer, delivered to the Company no later than thirty (30) days following the date of service interruption, a credit allowance will be given when service is interrupted, except as specified following. A service is interrupted when it becomes inoperative to the Customer, e.g., the Customer is unable to transmit or receive, because of a failure of a component furnished by the Company under this tariff.

An interruption period begins when the Customer reports to the Company a service, facility or circuit is inoperative and, if necessary, releases it for testing and repair by the Company, as determined in its sole and reasonable discretion. An interruption period ends when the service, facility or circuit is operative.

If the Customer reports a service, facility or circuit to be interrupted but declines to release it for testing and repair, refuses access to its premises for test and repair by the Company, or continues to make voluntary use of the service, the service, facility or circuit is considered to be impaired but not interrupted. No credit allowances will be made for a service, facility or circuit considered by the Company to be impaired.

The Customer shall be responsible for the payment of service charges for visits by the Company's agents or employees 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.

COMPETITIVE LOCAL CARRIER

2.0 RULES (Cont'd.)

No. 14 Allowances for Interruptions in Service (Cont'd.)

1. Limitations of Allowances

No credit allowance will be made for any interruption in service:

- (a) due to the negligence of or noncompliance with the provisions of this tariff by any person or entity other than the Company, including but not limited to the Customer;
- (b) due to the failure of power, equipment, systems, connections or services not provided by the Company;
- (c) due to circumstances or causes beyond the reasonable control of the Company;
- (d) during any period in which the Company is not given full and free access to its facilities and equipment for the purposes of investigating and correcting interruptions;
- (e) 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;
- (f) when the Customer is known to have planned or participated in terrorism or in acts that may cause harm to citizens;
- (g) that occurs or continues due to the Customer's failure to authorize replacement of any element of special construction; and
- (h) that was not reported to the Company within thirty (30) days of the date that service was affected.

2. Use of Another Means of Communications

If the Customer elects to use another means of communications during the period of interruption, the Customer must pay the charges for the alternative service used.

COMPETITIVE LOCAL CARRIER

2.0 RULES (Cont'd.)

No. 14 Allowances for Interruptions in Service (Cont'd.)

3. Application of Credits for Interruptions in Service

- (a) Except as provided herein, if a Customer's service is interrupted, and it remains interrupted for eight (8) normal working hours or longer after access to the premises is made available and after being reported to be out of order, appropriate adjustments or refunds shall be made to the Customer, when such adjustment exceeds \$1.00.
- (b) The amount of adjustment or refund shall be determined on the basis of the known period of interruption; generally beginning from the time the service interruption is first reported. The refund to the Customer shall be a pro rata part of the month's flat rate charges (if any) for the period of days and that portion of the service facilities rendered useless or inoperative. The refund may be accomplished by a credit on a subsequent bill for the service.
- (c) For purposes of credit computation every month shall be considered to have seven hundred and twenty (720) hours. For services with a monthly recurring charge, no credit shall be allowed for an interruption of continuous duration of less than eight (8) hours. The Customer shall be credited for an interruption of eight (8) or more hours at the rate of 1/720th of the monthly charge for the services affected for each day that the interruption continues. The formula used for computation of credits is as follows:
- $$\text{Credit} = A/720 \times B$$
- A = outage time in hours (must be 8 or more)
B = total monthly recurring charge for affected service.
- (d) No credits will be provided for usage sensitive services.
- (e) Cellular and other wireless transmission and Internet-based calling is subject to interruptions including but not limited to, dropped calls, interrupted calls, unintelligible calls, one-way audio and other problems created by factors beyond Company's control. Under no circumstances will Company provide credit or payment of any kind for calls that experience problems related to cellular or other wireless transmissions or for calls that experience problems related to Internet-based communications including but not limited to those calls that transcend wireline, broadband and Voice over Internet Protocol ("VoIP") networks.

COMPETITIVE LOCAL CARRIER

2.0 RULES, (Cont'd.)

No. 15 Extensions

[Reserved for Future Use]

COMPETITIVE LOCAL CARRIER

2.0 RULES (Cont'd.)

No. 16 Service Connections and Facilities on Customers' Premises

1. Interconnection

- (a) Service furnished by the Company may be interconnected with services or facilities of other authorized communications common carriers and with private systems, subject to technical limitations established by the Company. Service furnished by the Company is not part of a joint undertaking with such other common carriers or systems. Any special interface equipment or facilities necessary to achieve compatibility between the facilities of Company and other participating carriers shall be provided at the Customer's expense.
- (b) Connection with the facilities or services of other carriers shall be under the applicable terms and conditions of the other carriers' tariffs. The Customer is responsible for taking all necessary legal steps for interconnecting Customer-provided terminal equipment or systems with Company's facilities. Customer shall secure all licenses, permits, rights-of-way, and other arrangements necessary for such interconnection.
- (c) The Customer shall ensure that the facilities or equipment provided by another carrier are properly interconnected with the facilities or equipment of the Company. If the Customer maintains or operates the interconnected facilities or equipment in a manner which results or may result in harm to the Company's facilities, equipment, personnel, or the quality of service, the Company may, upon five (5) days written notice, require the use of protective equipment at the Customer's expense. If this written notice fails to eliminate the actual or potential harm, the Company may, upon additional five (5) days written notice, terminate the existing service of the Customer.
- (d) If harm to the Company's network, personnel or services is imminent due to interconnection with another carrier's services, the Company reserves the right to shut down Customer's service immediately, with no prior notice required.

COMPETITIVE LOCAL CARRIER

2.0 RULES (Cont'd.)

No. 16 Service Connections and Facilities on Customers' Premises (Cont'd.)

2. Customer-Provided Equipment

- (a) The Company's services are designed primarily for the transmission of voice-grade telephonic signals, except as otherwise stated in this tariff. A user may transmit any form of signal that is compatible with the Company's equipment, but the Company does not represent that its services will be suitable for purposes other than voice-grade telephonic communication except as specifically stated in this tariff.
- (b) Terminal equipment on the user's premises and the electric power consumed by such equipment shall be provided by and maintained at the expense of the Customer. The Customer is responsible for the provision of wiring or cable to connect its terminal equipment to the Company's network.
- (c) 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 to other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the Customer's expense, subject to prior Customer approval of the equipment expense.
- (d) Upon suitable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements under this Rule No. 16 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.

COMPETITIVE LOCAL CARRIER

2.0 RULES (Cont'd.)

No. 16 Service Connections and Facilities on Customers' Premises (Cont'd.)

2. Customer-Provided Equipment (Cont'd.)

- (e) 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 may, upon five (5) days written notice, require the use of additional protective equipment at the Customer's expense. If this written notice fails to remedy any protective deficiencies or potential harm, the Company may, upon additional five (5) days written notice, terminate the existing service of the Customer.
- (f) If harm to the Company's network, personnel or services is imminent, the Company reserves the right to shut down Customer's service immediately, with no prior notice required.

COMPETITIVE LOCAL CARRIER

2.0 RULES (Cont'd.)

No. 16 Service Connections and Facilities on Customers' Premises (Cont'd.)

3. Inspection, Testing and Adjustments

- (a) The Company may, upon reasonable notice, make such tests and inspections as may be necessary to determine whether the terms and conditions of this tariff are being complied with in the installation, operation or maintenance of the Customer's or the Company's facilities or equipment. The Company may interrupt service at any time, without penalty or liability, due to the departure from or reasonable suspicion of the departure from any of these terms and conditions.
- (b) Upon reasonable notice, the facilities or equipment provided by the Company shall be made available to the Company for such tests and adjustments as may be necessary for their maintenance in a condition satisfactory to the Company. No interruption allowance shall be granted for the time during which such tests and adjustments are made, unless such interruption exceeds twenty-four (24) hours in length and is requested by the Customer.
- (c) 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 Customers' services. No specific advance notification period applies 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.

COMPETITIVE LOCAL CARRIER

2.0 RULES (Cont'd.)

No. 17 Measurement of Service

When recording originating calls over Switched Access Service with multi-frequency address signaling, usage measurement begins when the first wink supervisory signal is forwarded from the Customer's facilities. The measurement of originating call usage over Switched Access Service ends when the originating Switched Access Service entry switch receives disconnect supervision from either the originating End User's End Office (indicating that the originating End User has disconnected), or from the Customer's facilities, whichever is recognized first by the entry switch.

For terminating calls over Switched Access Service with multi-frequency address signaling, the measurement of access minutes begins when a seizure signal is received from the Customer's trunk group at the Point of Presence within the LATA. The measurement of terminating call usage over Switched Access Service ends when a disconnect signal is received, indicating that either the originating or terminating user has disconnected.

When recording originating calls over Switched Access Service with SS7 signaling, usage measurement begins with the transmission of the initial address message by the switch for direct trunk groups and with the receipt of an exit message by the switch for tandem trunk groups. The measurement of originating Switched Access Service usage ends when the entry switch receives or sends a release message, whichever occurs first.

For terminating calls over Switched Access Service with SS7 signaling, the measurement of access minutes begins when the terminating recording switch receives the initial address message from the terminating End User. On directly routed trunk groups or on tandem routed trunk groups, the Company switch receives the initial address message and sends the indication to the Customer in the form of an answer message. The measurement of terminating Switched Access Service call usage ends when the entry switch receives or sends a release message, whichever occurs first.

Mileage, where applicable, will be measured in accordance with standard industry practices

COMPETITIVE LOCAL CARRIER

2.0 RULES (Cont'd.)

No. 17 Measurement of Service (Cont'd.)

The Company will use the Small Exchange Carrier Access Billing ("SECAB") guidelines, or the Carrier Access Billing System ("CABS") guidelines, or other system that emulates or otherwise produces a reasonable substitute for the output of SECAB or CABS, for billing all charges under this tariff. The Company will provide billing using a hardcopy format or upon request, a mechanized medium (e.g., cartridge tape, CD ROM, etc.). Bills will be accurate and contain sufficient supporting details to allow Customers to account for the charges and to verify their accuracy in a reasonable and timely fashion. Requests for additional bill detail will be handled and priced on an Individual Case Basis (ICB).

COMPETITIVE LOCAL CARRIER

3.0 GENERAL REGULATIONS

- 3.1 Undertaking of Sage Telecom, Inc.
- 3.1.1 The Company undertakes to furnish switched or dedicated access communications service pursuant to the terms of this tariff.
- 3.1.2 The Company's services and facilities are available twenty-four (24) hours per day, seven (7) days per week.
- 3.1.3 The Company is responsible under this tariff only for the services and facilities provided hereunder, and it assumes no responsibility for any service provided by any other entity that purchases access to the Company network in order to originate or terminate its own services, or to communicate with its own Customers.
- 3.1.4 The Company arranges for installation, operation, and maintenance of the communications services provided in this tariff for Customers in accordance with the terms and conditions set forth under this tariff. The Customer shall be responsible for all charges due for such service arrangements.
- 3.1.5 The Company may use any available technology, equipment, and facilities to provide the services described in this Tariff, and may alter, relocate, or replace such technology, equipment, and facilities at its discretion without notice to Customers, except when any such action requires modification of the facilities used by Customers to interconnect with the Company. The Company may, in its sole discretion, provide services under this Tariff using its own facilities, using facilities owned by other entities, including without limitation an Underlying Carrier, by resale of services purchased from other entities, or any combination of the foregoing. Any references in this Tariff to the Company's facilities, Company's network, or the like, include such third-party facilities and resold services as the case may be.

COMPETITIVE LOCAL CARRIER

3.0 GENERAL REGULATIONS

3.2 Use of the Company's Service

- 3.2.1 Services provided under this tariff may be used by the Customer for any lawful telecommunications purpose for which the service is technically suited.
- 3.2.2 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.
- 3.2.3 Any service provided under this tariff may be resold to or shared (jointly used) with other persons at the Customer's option. The Customer remains solely responsible for all use of service ordered by it or billed to its account(s) pursuant to this tariff, for determining who is authorized to use its service, and for promptly notifying the Company of any unauthorized use. The Customer may advise its Customers that a portion of its service is provided by the Company, but the Customer shall not represent that the Company jointly participates with the Customer in the provision of the service. The Company may require applicants for service who intend to use the Company's offerings for resale, shared and/or joint use to file a letter with the Company confirming that their use of the Company's offerings complies with relevant laws and the Commission's regulations, policies, orders, and decisions.

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COMPETITIVE LOCAL CARRIER

3.0 GENERAL REGULATIONS (Cont'd.)

3.3 Limitations

- 3.3.1 The Company does not undertake to transmit messages, but offers the use of its facilities when available, and will not be liable for errors in transmission or for failure to establish connections.
- 3.3.2 The furnishing of service under this tariff is subject to the availability on a continuing basis of all the necessary facilities and equipment and is limited to the capacity of the Company's facilities as well as facilities and services the Company may obtain from other carriers, from time to time, to furnish service as required at the sole discretion of the Company.
- 3.3.3 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.
- 3.3.4 The Company may block any signals being transmitted over its network by Customers that cause interference to the Company or other users. Customer shall not be relieved of all obligations to make payments for charges relating to any blocked service and shall indemnify the Company for any claim, judgment or liability resulting from such blockage.
- 3.3.5 The Company reserves the right to discontinue service when the Customer is using the service in violation of the provisions of this tariff, or in violation of the law.
- 3.3.6 The Company reserves the right to discontinue service, limit service, or to impose requirements as required to meet changing regulatory or statutory rules and standards, or when such rules and standards have an adverse material affect on the business or economic feasibility of providing service, as determined by the Company in its reasonable judgment.
- 3.3.7 No Company services specified herein shall be provided until after the Company has completed, to its satisfaction, testing of such services and of Company systems, processes and procedures.

COMPETITIVE LOCAL CARRIER

3.0 GENERAL REGULATIONS (Cont'd.)

3.4 Assignment and Transfer

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 to a) any entity controlling, controlled by or under common control with the Company, whether direct or indirect; b) under any sale or transfer of all or substantially all the assets of the Company within the applicable state or states; or c) under any financing, merger or reorganization of the Company.

3.5 Application for Service

Customers may be required to enter into written or oral service orders which shall contain or reference 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. Customers will also be required to execute any other documents as may be reasonably requested by the Company. However, a Customer's failure to provide or execute any document pursuant to this Section shall not affect the Customer's obligations under any provision of this Tariff.

3.6 Ownership of Facilities

3.6.1 The Customer obtains no property right or interest in the use of any specific type of facility, service, equipment, number, process, or code.

3.6.2 Title to all facilities utilized by the Company to provide service under the provisions of this tariff shall remain with the Company, its partners, agents, contractors or suppliers. Such facilities shall be returned to the Company, its partners, agents, contractors or suppliers by the Customer, whenever requested, within a reasonable period following the request in original condition, reasonable wear and tear expected.

COMPETITIVE LOCAL CARRIER

3.0 GENERAL REGULATIONS (Cont'd.)

3.7 Liability of the Company

- 3.7.1 The liability of the Company for damages of any nature arising from errors, mistakes, omissions, interruptions, or delays of the Company, its agents, servants, or employees, in the course of establishing, furnishing, rearranging, moving, terminating, changing or removing the service or facilities or equipment shall not exceed an amount equal to the charges applicable under this tariff (calculated on a proportionate basis where appropriate, at the sole discretion of the Company) to the period during which such error, mistake, omission, interruption or delay occurs.
- 3.7.2 In no event shall the Company be liable for any incidental, indirect, special, or consequential damages (including, without limitation, lost revenue or profits) of any kind whatsoever regardless of the cause or foreseeability thereof.
- 3.7.3 When the services or facilities of other common carriers are used separately or in conjunction with the Company's facilities or equipment in establishing connection to points not reached by the Company's facilities or equipment, the Company shall not be liable for any act or omission of such other common carriers or their agents, servants or employees.
- 3.7.4 The Company shall not be liable for any failure of performance hereunder if such failure is due to any cause or causes beyond the reasonable control of the Company. Such causes shall include, without limitation, acts of God, fire, explosion, vandalism, cable cut, storm or other similar occurrence, any law, order, regulation, direction, action or request of the United States government or of any other government or of any civil or military authority, national emergencies, insurrections, riots, wars, strikes, lockouts or work stoppages or other labor difficulties, supplier failures, shortages, breaches or delays, or preemption of existing service to restore service in compliance with FCC, or other relevant Commission, rules and regulations.
- 3.7.5 The Company shall not be liable for interruptions, delays, errors, or defects in transmission, or for any injury whatsoever, caused by the Customer, or the Customer's agents, End Users, or by facilities or equipment provided by the Customer.

COMPETITIVE LOCAL CARRIER

3.0 GENERAL REGULATIONS (Cont'd.)

3.7 Liability of the Company (Cont'd.)

- 3.7.6 No liability shall attach to the Company by reason of any defacement or damage to the Customer's premises resulting from the existence of the Company's equipment or facilities on such premises, or by the installation or removal thereof, when such defacement or damage is not the result of the gross negligence or intentional misconduct of the Company or its employees.
- 3.7.7 The Company does not guarantee nor make any warranty with respect to installations provided by it for use in an explosive atmosphere.
- 3.7.8 The Company makes no warranties or representations, express 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.
- 3.7.9 Failure by the Company to assert its rights under a provision of this tariff does not preclude the Company from asserting its rights under other provisions.

COMPETITIVE LOCAL CARRIER

3.0 GENERAL REGULATIONS (Cont'd.)

3.8 Liability of the Customer

- 3.8.1 The Customer will be liable for damages to the facilities of the Company and for all incidental and consequential damages caused by the acts or omissions of the Customer, its officers, employees, agents, invites, or contractors where such acts or omissions are not the direct result of the Company's negligence or intentional misconduct.
- 3.8.2 To the extent caused by the acts or omissions of the Customer as described in 3.8.1, preceding, the Customer shall indemnify, defend and hold harmless the Company from and against all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees, for (1) any loss, destruction or damage to property of any third party, and (2) any liability incurred by any third party pursuant to this or any other tariff of the Company, or otherwise, for any interruption of, interference to, or other defect in any service provided to such third party.
- 3.8.3 A Customer shall not assert any claim against any other Customer or user of the Company's services for damages resulting in whole or in part from or arising in connection with the furnishing of service under this tariff including but not limited to mistakes, omissions, interruptions, delays, errors or other defects or misrepresentations, whether or not such other Customer or user contributed in any way to the occurrence of the damages, unless such damages were caused solely by the negligent or intentional act or omission of the other Customer or user and not by any act or omission of the Company. Nothing in this tariff is intended either to limit or to expand Customer's right to assert any claims against third parties for damages of any nature other than those described in the preceding sentence.
- 3.8.4 The Customer shall be fully liable for any damages, including, without limitation, usage charges, that the Customer may incur as a result of the unauthorized use of services provided to a Customer. Unauthorized use occurs when a person or entity that does not have actual, apparent, or implied authority to use the network, obtains the Company's services provided under this tariff. The unauthorized use of the Company's services includes, but is not limited to, the placement of calls from the Customer's premises, and the placement of calls through equipment controlled and/or provided by the Customer, that are transmitted over the Company's network without the authorization of the Customer. The Customer shall be fully liable for all such usage charges.

COMPETITIVE LOCAL CARRIER

3.0 GENERAL REGULATIONS (Cont'd.)

3.9 Obligations of the Company

With regard to access services provided by the Company, specific Company responsibilities include, but are not limited to the following:

3.9.1 Network Management

The Company will administer its network to ensure that provision of acceptable service levels to all telecommunications users of the Company's network services.

Generally, service levels are considered acceptable only when both End Users and Customers are able to establish connections with minimal delay encountered within the Company network. The Company maintains the right to apply protective controls, i.e., those actions, such as call gapping, which selectively cancel the completion of traffic, over any traffic carried over its network, including that associated with a Customer's Switched Access Service. Generally, such protective measures would only be taken as a result of occurrences such as a failure or overload of Company or Customer facilities, natural disasters, mass calling or national security demands

3.9.2 Design and Traffic Routing of Switched Access Service

The Company shall design and determine the routing of Switched Access Service, including the selection of the first point of switching and the selection of facilities from the interface to any switching point and to the End Offices. The Company shall also decide if capacity is to be provided by originating only, terminating only, or two-way trunk groups. Finally, the Company will decide whether trunk side access will be provided through the use of two-wire or four-wire trunk terminating equipment.

Selection of facilities and equipment and traffic routing of the service are based on standard engineering methods, available facilities and equipment and the Company's traffic routing plans. If the Customer desires different routing or directionality than that determined by the Company, the Company will work cooperatively with the Customer in determining (1) whether the service is to be routed directly to an end office or through an access tandem switch and (2) the directionality of the service.

COMPETITIVE LOCAL CARRIER

3.0 GENERAL REGULATIONS (Cont'd.)

3.10 Obligations of the Customer

3.10.1 The Customer is responsible for making proper application for service; for placing any necessary orders; for complying with tariff regulations; and for payment of charges for services provided. Specific Customer responsibilities include, but are not limited to the following:

- A. 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 non-compliance by the Customer, with these regulations; or by fire or theft or other casualty on the Customer premises, unless caused by the gross negligence or intentional misconduct of the employees or agents of the Company;
- B. providing at no charge, as specified from time to time by the Company, any needed equipment, secured space, power, supporting structures, and conduit to operate Company facilities and equipment installed on the premises of the Customer, and the level of heating and air conditioning necessary to maintain the proper operating environment on such premises;
- C. obtaining, maintaining and otherwise having full responsibility for all rights-of-way and conduit necessary for installation of cable and associated equipment used to provide communications services to the Customer from the cable building entrance or property line to the location of the equipment space described in Section 3.10.1.B. Any and all costs associated with the 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 Section prior to accepting an order for service;
- D. 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;

COMPETITIVE LOCAL CARRIER

3.0 GENERAL REGULATIONS (Cont'd.)

3.10 Obligations of the Customer (Cont'd.)

3.10.1 (Cont'd.)

- E. 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 under Section 3.10.1.C.; and granting or obtaining permission for Company agents or employees to enter the premises of the Customer 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;
- F. not creating or allowing to be placed any liens or other encumbrances on the Company's equipment or facilities;
- G. making Company facilities and equipment available periodically for maintenance purposes at a time agreeable to both the Company and the Customer, such agreement not to be reasonably withheld or denied. No allowance will be made for the period during which service is interrupted for such purposes;
- H. taking all steps necessary to cancel or otherwise discontinue any service(s) to be replaced by any of the Company's service(s) as described herein; and
- I. ensuring that any Customer provided equipment and/or systems are properly interfaced with Company facilities or services, that the signals emitted into Company's network are of the proper mode, bandwidth, power, and signal level for the intended use of the Customer and in compliance with the criteria set forth in this tariff, and that the signals do not damage equipment, injure personnel, or degrade service to other Customers.
- J. The Customer's facilities shall provide the necessary on and off-hook supervision for accurate timing of calls.

COMPETITIVE LOCAL CARRIER

3.0 GENERAL REGULATIONS (Cont'd.)

3.10 Obligations of the Customer (Cont'd.)

3.10.2 With regard to access services provided by the Company, specific Customer responsibilities include, but are not limited to the following:

A. Design of Customer Services

The Customer shall be responsible for its own expense for the overall design of its services and for any redesigning or rearrangements of its services which may be required because of changes in facilities, operations or procedures of the Company, minimum protection criteria, or operating or maintenance characteristics of the facilities.

B. Network Contingency Coordination

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

C. Jurisdictional Reports

(1) Report Requirements for Access Services

All charges (i.e. monthly rates, usage rates, and nonrecurring charges) are prorated between interstate and intrastate based on industry practices as set forth in this Section.

(2) Procedure for Determining Call Jurisdiction

For traffic originated by the Customer and terminated by Sage, Sage shall compare the terminating NPA-NXX of the called Sage local service Customer to the Local Routing Number ("LRN") field of the EMI access records, where such LRN field is properly populated. Where such LRN field is not properly populated, and for all other traffic, Sage shall compare its local service Customer's NPA-NXX to the originating Automatic Number Identification ("ANI") or to the calling NPA-NXX, except that Sage shall use the Percent Interstate Use ("PIU") when the originating ANI is not available or when the jurisdiction of the call cannot otherwise be determined.

COMPETITIVE LOCAL CARRIER

3.0 GENERAL REGULATIONS (Cont'd.)

3.10 Obligations of the Customer (Cont'd.)

3.10.2 (Cont'd.)

D. Jurisdictional Definitions

Interstate – A call is an interstate communication if it involves dial-up access to the Internet or if the NPA-NXX of the Sage local service Customer placing or receiving the call is not within the same state as the called or calling party respectively.

Intrastate – Except for ISP dial-up calls which are inherently interstate, a call is an intrastate communication if the NPA-NXX of the Sage local service Customer placing or receiving the call is within the same state as the called or calling party respectively.

COMPETITIVE LOCAL CARRIER

3.0 GENERAL REGULATIONS (Cont'd.)

3.10 Obligations of the Customer (Cont'd.)

3.10.2 (Cont'd.)

E. Jurisdictional Percentages and Determination of Access Charges

Usage-sensitive and non-usage-sensitive rates and nonrecurring charges, including those associated with optional features, shall be prorated based on the call jurisdiction determined through the procedure set forth in 3.10.2.C.(2), above. When a PIU must be used, it shall be expressed as a whole number between 0 and 100. The sum of the PIU and the intrastate jurisdictional percentage (IJP) must equal 100%. The IJP is determined by subtracting the PIU from 100.

When a PIU must be used, the PIU factor and IJP factor serve as the basis for development of interstate and intrastate charges to the Customer pursuant to the procedure identified in 3.10.2.C.(2), above.

When a PIU must be used for non-usage sensitive and nonrecurring rates, the quantity of service is multiplied by the PIU and IJP factors and by the applicable tariff rate to develop the charge. When a PIU must be used for usage sensitive rates, the quantity of usage-sensitive units is multiplied by the PIU and IJP factors and by the applicable tariff rate to develop the charge.

Separate PIU factors, when PIU factors are applicable pursuant to 3.10.2.C.(2), above, are required for originating or terminating usage.

F. Interstate PIU

The PIU will be established by Sage or provided by the interexchange carrier (IC) Customer as described following:

(1) Sage-Developed PIU

Where Sage can, pursuant to 3.10.2.C.(2), above, adequately determine the jurisdiction of an originating or terminating call from the call detail, Sage will bill according to the jurisdiction of the call as determined from that call detail.

COMPETITIVE LOCAL CARRIER

3.0 GENERAL REGULATIONS (Cont'd.)

3.10 Obligations of the Customer (Cont'd.)

3.10.2 (Cont'd.)

F. Interstate PIU, (Cont'd.)

(2) Customer-Provided PIU

Where Sage does not possess the capability to adequately determine the jurisdiction of a switched access service, a PIU factor must be reported by the Customer to Sage, as follows:

The Customer will provide a projected interstate usage percentage for originating (FGA, FGB, and FGD) access minutes for each LATA from which the Customer may originate or terminate traffic. The specified percentage will be applied to all end offices to which the Customer may originate or terminate traffic within the LATA.

All PIU factors provided in a report update must be furnished via a letter. PIU factors provided via letter will be kept on file by Sage.

For FGA and FGB, pursuant to Federal Communications Commission Order FCC 85-145 (adopted April 16, 1985), when the Customer does not have sufficient data to determine jurisdiction, the PIU is to be developed as though every call that enters the Customer's network at a point within the same state as that in which the called station is situated (as designated by the called station number) is an intrastate communication. Every call for which the point of entry is in a state other than that where the called station is situated (as designated by the called station number) in an interstate communication.

COMPETITIVE LOCAL CARRIER

3.0 GENERAL REGULATIONS (Cont'd.)

3.4 Obligations of the Customer (Cont'd.)

3.10.2 (Cont'd.)

G. Intrastate IJP

(1) Sage-Developed IJP

Where Sage can, pursuant to 3.10.2.C.(2), above, adequately determine the jurisdiction of an originating or terminating call from the call detail, Sage will bill according to the jurisdiction of the call as determined from that call detail.

(2) Customer-Provided IJP

Where Sage does not possess the capability to adequately determine the jurisdiction of a switched access service, Sage will determine the IJP for the service by subtracting the Customer-provided PIU from 100.

H. Report Updates

(1) Annual Requirements

The Customer shall provide to Sage by April 15 of each year a written report which provides the methodology utilized by the Customer to develop the PIU factors provided in the quarterly report.

If the Customer does not provide the annual report by April 15 of each year, Sage will designate its default PIU factor of 50% for each service, with the exception of originating 700 Access Service, arranged for interstate use. For originating 700 Access Service, Sage will designate a PIU factor of 0%. This factor will be applied pursuant to 3.10.2.C.(2), above, to the next billing cycle following the thirty (30) day notice period and will be utilized until the Customer provides an annual report. Once the Customer does provide an annual report, Sage will update the Customer's PIU factors within fifteen (15) business days utilizing the most current PIU reported by the Customer.

COMPETITIVE LOCAL CARRIER

3.0 GENERAL REGULATIONS (Cont'd.)

3.10 Obligations of the Customer (Cont'd.)

3.10.2 (Cont'd.)

I. Quarterly Update Requirements

The Customer is required to provide updates to the PIU reports. Upon receipt by Sage, the revised report will serve as the basis for future billing pursuant to 3.10.2.C.(2), above, and will be effective on the next bill date for that service. No prorating or back billing will be done based on the report. The revised report will be used by Sage to apportion usage rates pursuant to 3.10.2.C.(2), above.

- (1) Effective on the first of January, April, July, and October of each year, the Customer will update the PIU reports. The Customer will forward to Sage, to be received no later than fifteen (15) business days after the first of each such month, a revised report showing the interstate and intrastate percentage of use for the past three months ending the last day of December, March, June and September, respectively, for each service arranged for interstate use. The revised report will serve as the basis for the next three months billing pursuant to 3.10.2.C.(2), above.
- (2) When the Customer does not provide a quarterly update report, but has complied with the annual report requirements, Sage will assume the percentages to be the same as those provided in the last quarterly update report received by Sage. When the Customer does not provide a quarterly update report and has not complied with the annual report requirements, the default PIU will be applied pursuant to 3.10.2.C.(2), above.

COMPETITIVE LOCAL CARRIER

3.0 GENERAL REGULATIONS (Cont'd.)

3.10 Obligations of the Customer (Cont'd.)

3.10.2 (Cont'd.)

J. Audit of Jurisdictional Accuracy

- (1) If Sage disputes the reasonableness of the PIU provided by the Customer as set forth in 3.9.2.H., preceding, or the reported PIU varies by more than five percentage points over the preceding PIU, Sage may ask the Customer to provide the data used by the Customer to determine the projected interstate percentage. The Customer shall retain, for a minimum of one year, accurate call detail records from which the percentage of interstate and intrastate use can be derived, and shall make such records available for inspection as reasonably necessary for PIU verification. Such records shall be made available for inspection and audit within fifteen (15) days of Sage's request for verification.

Sage shall limit audits to no more than one per year, except where additional audits may be required to verify allocation changes that represent a five percent shift from the Customer's most recent reported figures, and such change is not the result of seasonal shifts or other identifiable reasons. The Customer may request that verification audits be conducted by an independent auditor. In such cases the associated auditing expenses will be paid by the Customer.

In the event that the Customer fails to provide adequate records to enable Sage or an independent auditor to conduct an audit verifying the Customer's PIU, Sage will bill the usage for all the contested periods using the PIU reported by the Customer for the previous period pursuant to 3.10.2.H., above. This PIU will remain in effect until the Customer provides the call detail records from which the percentage of interstate and intrastate use can be derived. No prorating or back billing will be done based on the newly derived factor.

COMPETITIVE LOCAL CARRIER

3.0 GENERAL REGULATIONS (Cont'd.)

3.10 Obligations of the Customer (Cont'd.)

3.10.3 Mixed Interstate and Intrastate Switched Access Services

When mixed interstate and intrastate switched access service is provided, all charges, including nonrecurring charges, usage charges, and optional features changes shall be determined through the procedure set forth in 3.10.2, above.

COMPETITIVE LOCAL CARRIER

3.0 GENERAL REGULATIONS (Cont'd.)

3.11 Special Contracts, Arrangements, and Construction

3.11.1 Special Contract Arrangements

At the option of the Company, services may be offered on a contract basis to meet specialized pricing requirements of the Customer not contemplated by this tariff. The terms of each contract shall be mutually agreed upon between the Customer and Company and may include discounts off of rates contained herein and waiver of recurring, nonrecurring, or usage charges. The terms of the contract may be based partially or completely on the term and volume commitment, type of access arrangement, mixture of services, or other distinguishing features. Service shall be available to all similarly situated Customers for a fixed period of time following the initial offering to the first contract Customer as specified in each individual contract.

3.11.2 Special Service Arrangements

- A. If a Customer's requirements cannot be met by services included in this tariff, or pricing for a service is shown in this tariff as an Individual Case Basis or ICB, the Company will provide, where practical and at its sole discretion, special service arrangements at charges to be determined on an Individual Case Basis. These special service arrangements will be provided if the provision of such arrangements is not detrimental to any other services furnished under the Company's tariffs.
- B. Special service arrangement rates are subject to revision depending on changing costs or operating conditions.
- C. If and when a special service arrangement becomes a generically tariffed offering, the tariffed rate or rates will apply from the date of tariff approval.

3.11.3 Non-Routine Installation Charges

At the Customer's request, installation and/or maintenance may be performed outside the Company's regular business hours or in hazardous 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 or night hours, additional charges may apply.

COMPETITIVE LOCAL CARRIER

3.0 GENERAL REGULATIONS (Cont'd.)

3.11 Special Contracts, Arrangements, and Construction, (Cont'd.)

3.11.4 Special Construction Charges

A. General

Special construction charges may apply for services provided to the Customer by the Company. Special construction includes but is not limited to that construction undertaken:

- (1) where facilities are not presently available, and there is no other requirement for the facilities so constructed;
- (2) of a type other than that which the Company would normally utilize in the furnishing of its services;
- (3) over a route other than that which the Company would normally utilize in the furnishing of its services;
- (4) in a quantity greater than that which the Company would normally construct;
- (5) on an expedited basis;
- (6) on a temporary basis until permanent facilities are available;
- (7) involving abnormal costs;
- (8) in advance of its normal construction; or
- (9) when the Company furnishes a facility or service for which a rate or charge is not specified in the Company's tariff.

B. Where the Company furnishes a facility or service requiring special construction, charges will be determined by the Company and may include: (1) non-recurring charges; (2) recurring charges; (3) usage charges; (4) termination liabilities; or (5) a combination thereof.

C. Rates and charges for special construction shall be determined and presented to the Customer for its approval prior to the start of construction. No construction will commence until and unless the Customer accepts in writing the rates and charges as presented by the Company.

COMPETITIVE LOCAL CARRIER

3.0 GENERAL REGULATIONS (Cont'd.)

3.12 Identification and Rating of VoIP-PSTN Traffic

3.12.1 Scope

VoIP-PSTN Traffic is the traffic exchanged 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 et. al., FCC No. 11-161 (November 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.

3.12.2 Rating of VoIP-PSTN Traffic

The Relevant VoIP-PSTN Traffic identified in accordance with this tariff section will be billed in accordance with the Company's applicable interstate switched access Tariff FCC No. 5.

3.12.3 Calculation and Application of Percent-VoIP-PSTN-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 3.12.2, above, by applying a Percent VoIP Usage ("PVU") factor to the total intrastate access MOU (however determined – either based on call detail information or PIU) exchanged between the Company and the Customer. The PVU will be derived and applied as follows:

- A. The Customer will calculate and furnish to the Company a factor (the "PVU-A") representing the whole number percentage of the total originating or terminating access MOU that the Customer exchanges with the Company in the State, that (a) is sent to the Company and that originates in IP format; and (b) is received from the Company and terminates in IP format. This PVU-A 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.

(N)

(N)

COMPETITIVE LOCAL CARRIER

3.0 GENERAL REGULATIONS (Cont'd.)

3.12 Identification and Rating of VoIP-PSTN Traffic (Cont'd.)

3.12.3 Calculation and Application of Percent-VoIP-PSTN-Usage Factor (Cont'd.)

- B. Company will, likewise, calculate a factor (the "PVU-B") representing the percentage of the Company's total access MOU in the State that the Company originates or terminates in IP format. This PVU-B 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.
- C. The Company will use the PVU-A and PVU-B factors to calculate an effective PVU factor that represents the percentage of total access MOU exchanged between the Company and the Customer that is originated and/or terminated in IP format, whether at the Company's end, at the Customer's end, or at both ends. The effective PVU factor will be calculated as the sum of: (A) the PVU-A factor and (B) the PVU-B factor times (1.0 minus the PVU-A factor).
- D. The Company will apply the effective 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-B is 10% and the PVU-A is 40%. The effective PVU factor is equal to $40\% + (10\% \times 60\%) = 46\%$. The Company will bill 46% of the Customer's intrastate access MOU in accordance with the Company's applicable interstate switched access tariff.

Example 2: The PVU-B is 10% and the PVU-A is 0%. The effective PVU factor is $0\% + (10\% \times 100\%) = 10\%$. The Company will bill 10% of the Customer's intrastate access MOU in accordance with the Company's applicable interstate switched access tariff.

Example 3: The PVU-A is 100%. No matter what the PVU-B factor is, the effective PVU is 100%. The Company will bill 100% of the Customer's intrastate access MOU in accordance with the Company's applicable interstate switched access tariff.

(N)

(N)

COMPETITIVE LOCAL CARRIER

3.0 GENERAL REGULATIONS (Cont'd.)

3.12 Identification and Rating of VoIP-PSTN Traffic (Cont'd.)

3.12.3 Calculation and Application of Percent-VoIP-PSTN-Usage Factor (Cont'd.)

E. If the Customer does not furnish the Company with a PVU-A pursuant to the preceding paragraph 1, the Company will utilize an effective PVU equal to the PVU-B.

F. The Customer shall not modify their reported PIU factor to account for VoIP-PSTN Traffic.

3.12.4 Initial PVU Factor

If the PVU factor is not available and/or cannot be implemented in the Company's billing systems by December 29, 2011, once the factor is available and can be implemented the Company will adjust the Customer's bills to reflect the PVU retroactively to December 29, 2011. In calculating the initial PVU, the Company will take the Customer-specified PVU-A into account retroactively to December 29, 2011, 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-B, as specified in subsection 3.12.3.E, above.

3.12.5 PVU Factor Updates

The Customer may update the PVU-A factor or the Company may update the PVU-B quarterly using the method set forth in subsection 3.12.3.A or 3.12.3.B, respectively, 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-A 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-A 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.

(N)

(N)

COMPETITIVE LOCAL CARRIER

3.0 GENERAL REGULATIONS (Cont'd.)

3.12 Identification and Rating of VoIP-PSTN Traffic (Cont'd.)

3.12.6 PVU Factor Verification

Not more than twice in any year, the Company may ask the Customer to verify the PVU-A factor furnished to the Company and Customer may ask the Company to verify the PVU-B 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-A and PVU-B factors. The Customer shall retain the call detail, work papers, and/or other information used to develop the PVU factor for a minimum of one year. No prorating or back billing will be done based on updated PVU factors.

(N)

(N)