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21. Contract Tariffs (Cont'd)

21.24 Contract Tariff Option 23 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying DS1 and Qualifying Services (Cont'd)

(h) Sale of Verizon Operating Telephone Company

If a Verizon operating telephone company issuing this tariff, or the assets of such Verizon operating telephone company are acquired by an unaffiliated third party (**Acquired VZ Telco**), and the Telephone Company does not provide the Qualifying Services to the customer after such time, then the following terms and conditions shall apply, in addition to any other terms and conditions set forth in this tariff and in the Telephone Company's Tariff F.C.C. (x)
Nos. 11, 14, and 16. (x)

(i) each range or tier of the TBR for Qualifying DS1 and the TBR for Qualifying Services set forth in the table in (E)(2)(b) following shall be proportionately reduced by the applicable Acquisition Reduction Amount (as calculated in this (E)(1)(h));

(ii) all Billing Credits set forth in the table in (E)(2)(b) following shall be reduced by a percentage which shall be calculated by dividing the Acquisition Reduction Amount for Qualifying Services by $45M; and

(iii) in calculating the Shortfall Penalty or Termination Liability, as set forth in Sections (E)(4) and (E)(5) following, respectively, the TBR of $43M for Qualifying Services shall be reduced by the Acquisition Reduction Amount for Qualifying Services, or the Acquisition Reduction Amount for Qualifying DS1, as calculated in this (E)(1)(h). For example, if the Acquisition Reduction Amount for Qualifying Services, as calculated in this (E)(1)(h), is $8,500,000 (**$8.5M**), then a Shortfall Penalty will not be assessed if the customer has a TBR for Qualifying Services of at least $34,500,000 (the minimum TBR for Qualifying Services of $43M less the Acquisition Reduction Amount of $8.5M). (N)

(x) Issued under authority of Special Permission No. 05-015 of the Federal Communication Commission

21. Contract Tariffs (Cont'd)

21.24 Contract Tariff Option 23 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying DS1 and Qualifying Services (Cont'd)

(h) Sale of Verizon Operating Telephone Company (Cont'd)

An Acquisition Reduction Amount shall be calculated for each of the Qualifying DS1 and the Qualifying Services as follows:

Step 1: calculate the TBR for Qualifying DS1 or the TBR for Qualifying Services, as applicable, purchased by the customer from the Acquired VZ Telco during the twelve (12) months prior to the time that the Acquired VZ Telco ceases to provide the Services;

Step 2: calculate the average monthly amount purchased by the customer from the Acquired VZ Telco for Qualifying DS1 or the TBR for Qualifying Services, as applicable, by dividing the number in Step 1 above by 12; and

Step 3: multiply the average monthly amount for Qualifying DS1 or the TBR for Qualifying Services, as applicable, calculated in Step 2 above by the number of months remaining in the Service Period. (N)

21. Contract Tariffs (Cont'd)

21.24 Contract Tariff Option 23 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying DS1 and Qualifying Services (Cont'd)

(h) Sale of Verizon Operating Telephone Company (Cont'd)

As an illustrative example, assume that an Acquired VZ Telco ceased to operate in month 3 of the Service Period. Assume that the customer purchased $4,000,000 (**$4M**) of Qualifying DS1 and a total of $10,000,000 (**$10M**) of Qualifying Services from the Acquired VZ Telco during the twelve (12) months prior to the time that the Verizon operating telephone company ceased to provide the Services under this Option 23. Assume also that at the end of the Service Period, the customer has achieved a TBR for Qualifying DS1 of $25,000,000 and TBR for Qualifying Services of $57,000,000. To calculate the applicable Revenue Maintenance Credit (**RMC**) under (E)(2)(d) following, Billing Credit, or the application of Shortfall Penalty (as defined in (E)(4) following) at the end of the Service Period, the following shall apply:

Step 1: calculate the Acquisition Reduction Amounts. Using the number from the example above, the Acquisition Reduction Amount for Qualifying Services is $7.5M in Qualifying Services (calculated as $833,333 ($10M divided by 12) multiplied by the remaining 9 months of the Service Period). The Acquisition Reduction Amount for Qualifying DS1 is $3,000,000 (**$3M**) (calculated as $333,333 ($4M divided by 12) and multiplied by the remaining 9 months of the Service Period).

Step 2: If the customer has subscribed to the RMC billing credit option under (E)(2)(d) following, then the customer's 3-month average TBR for Qualifying Services (as measured on a rolling 3 month basis) shall be reduced by the average monthly TBR for Qualifying Services purchased by customer from the Acquired VZ Telco. Using the example above, the adjusted monthly minimum TBR that customer must maintain to receive the RMC billing credit and to remain eligible for the Billing Credit at the end of the Service Period is $3.7M ($4.5M less $833,333 ($10M TBR from the Acquired VZ Telco divided by 12 months).

Step 3: determine the new table for calculation of Billing Credits or Shortfall Penalties (as defined in (E)(4) following) based on the Acquisition Reduction Amounts. Subtract $7.5M (the Acquisition Reduction Amount for Qualifying Services) from each range or tier of the TBR for Qualifying Services and $3M (the Acquisition Reduction Amount for Qualifying DS1) from each of the two ranges for Qualifying DS1. This will provide an adjusted table for the determination of the Billing Credit or Shortfall Penalty, as applicable. (N)

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21. Contract Tariffs (Cont'd)

21.24 Contract Tariff Option 23 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(1) Qualifying DS1 and Qualifying Services (Cont'd)

(h) Sale of Verizon Operating Telephone Company (Cont'd)

Step 4: determine the applicable Billing Credits as defined in (E)(2) or Shortfall Penalty as described in (E)(4) from the new table calculated in Step 3 above. In this example, the Billing Credit set forth in the table at (E)(2) following will be reduced by 16.7% (calculated as $7.5M divided by $45M). The customer would be eligible for a Billing Credit of $3,165,400 ($3,800,000 Billing Credit using the table set forth in (E)(2)(b) following as adjusted in Step 3 above, less $634,600 ($3,800,000 multiplied by 0.0167).

(2) Calculation of TBR and Billing Credit

(a) At the end of the Service Period, the Telephone Company shall calculate (1) the total TBR achieved by the customer during the Service Period for Qualifying Services; and (2) the total TBR achieved by the customer during the Service Period for Qualifying DS1s, in each case in accordance with the terms and conditions set forth in this Option 23. Subject to the terms and conditions relating to disputes as set forth in (E)(2)(e)(3)(iii) and (E)(2)(e)(3)(iv) following, and subject to any reductions and adjustments as set forth herein, the customer shall be eligible to receive the applicable credit set forth in the table in (E)(2)(b) following (the **Billing Credit**), which Billing Credit may be $0 depending on the customer's TBR for the Qualifying Services and TBR for the Qualifying DS1 during the Service Period. If the customer has not met the minimum TBR requirement for Qualifying Services of $43M, or the adjusted minimum TBR requirement pursuant to (E)(1)(h) preceding, then the customer shall not receive any Billing Credits (i.e., a Billing Credit of $0 as set forth in the table set forth in (E)(2)(b) following), and the customer shall be liable for the Shortfall Penalty as set forth in (E)(4) following. If the customer exceeds the maximum TBR for Qualifying Services of $69M during the Service Period, the customer will not receive the Billing Credit under this Option 23.

(b) The Billing Credit shall be determined by using the table below. To calculate the Billing Credit, first, locate the customer's TBR for Qualifying DS1 using the "x axis" of the table below under the heading "TBR for Qualifying DS1 ($M)". Second, locate the customer's TBR for all Qualifying Services using the "y axis" of the table below under the heading "TBR for Qualifying Services ($M)". Third, find the corresponding meet-point of the two TBR amounts to determine the dollar amount of the Billing Credit. TBR Amounts will be rounded up or down to the nearest $10,000. As an illustrative example, assume that the customer has a TBR for Qualifying DS1 of $26,993,456.27 (rounded down to $26.99) and a TBR for all Qualifying Services of $54,494,666.23 (rounded down to $54.49M), then the customer shall be eligible for a Billing Credit of $2,500,000.00. (N)

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21. Contract Tariffs (Cont'd)

21.24 Contract Tariff Option 23 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(b) (Cont'd)

TBR for Qualifying Services ($M)	TBR for Qualifying DS1	
	Up to $20,000,000	$20,000,001 and above
$43.00 - $44.99*	$0.00	$0.00
45.00 - 45.99	0.76	0.95
46.00 - 46.99	0.96	1.20
47.00 - 47.99	1.16	1.45
48.00 - 48.99	1.36	1.70
49.00 - 50.99	1.56	1.95
51.00 - 53.99	1.775	2.225
54.00 - 56.99	2.00	2.50
57.00 - 58.99	2.20	2.75
59.00 - 60.99	2.40	3.00
61.00 - 62.99	2.70	3.40
63.00 - 64.99	3.00	3.80
65.00 - 66.99	3.50	4.40
67.00 - 69.00	4.00	5.00

* Shortfall Penalty applies if the customer is below this range for Qualifying Services, as set forth in (E)(4) following. (N)

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21. Contract Tariffs (Cont'd)

21.24 Contract Tariff Option 23 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(c) The Billing Credit is subject to the terms and conditions relating to disputes as set forth in (E)(2)(e)(3)(iii) and (E)(2)(e)(3)(iv) following, and subject to any reductions and adjustments as set forth herein.

(d) Revenue Maintenance Credit Option

The customer has the option to receive a credit of $500,000 ($500K) under this Option 23 if the customer achieves a monthly TBR for Qualifying Services that is greater than $4,500,000 (**$4.5M**) in any of the first three (3) months of its subscription to Option 23 (**Revenue Maintenance Credit or RMC**). In the event that the customer's 3-month average TBR for Qualifying Services (as measured on a rolling 3 month basis) falls below $4.5M in any of the remaining nine (9) months of the Service Period, the RMC amount must be refunded to the Telephone Company, and the customer will not be eligible for any Billing Credits at the end of the Service Period. The customer may also be subject to a Shortfall Penalty under (E)(4) following, in which event, the customer must refund the amount of the RMC in addition to paying any applicable Shortfall Penalty. If the customer terminates this Option 23, then the customer may also be subject to termination penalties under (E)(5) following, in which event, the customer must refund the amount of the RMC in addition to paying any applicable termination penalties. If the customer is eligible to receive the RMC, the RMC will be credited to the customer's account in the fifth bill period following subscription to Option 23. The amount of the RMC shall not be subject to any interest penalty. (N)

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21. Contract Tariffs (Cont'd)

21.24 Contract Tariff Option 23 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(e) Timing of Payments and Billing Credits, Disputes, Releases, and Waivers

(1) If the customer is eligible to receive the Billing Credit, the Billing Credit will be credited to the customer's account no later than the ninetieth (**90th**) day following the end of the Service Period, subject to the terms of this Option 23.

If the customer is required to pay a Shortfall Penalty in accordance with the terms of (E)(4) following, then the customer shall pay such amount no later than the 90th day following the end of the Service Period. If the Customer is required to refund the RMC in accordance with Section (E)(2)f) preceding, then customer must refund such RMC no later than the ninetieth (90th) day following the end of the Service Period.

(2) The Telephone Company's provision of the Billing Credit is contingent on payment in full by the customer of all undisputed billed amounts for Qualifying Services no later than the 45th day after the end of the Service Period. After the 45th day following the end of the Service Period, any amounts that remain disputed or are withheld by the customer (i.e., not paid in full) shall not be used in calculation of the TBR for the Qualifying Services, TBR for Qualifying DS1, in determination of the Billing Credit, or in determination of any applicable Shortfall Penalty, as applicable. The foregoing shall apply regardless of whether such dispute is resolved in favor of the customer or the customer remits payment of undisputed amounts at a later date.

(3) Upon inclusion of any amounts in the TBR for Qualifying Services or in the TBR for Qualifying DS1, the customer agrees to the following:

(i) such amounts included in the calculation of TBR shall not be subject to dispute at a later date.

(ii) the customer waives and releases, and forever discharges the Telephone Company of and from any and all manner of claims, demands, rights, liabilities, damages, potential actions, causes of action, suits, agreements, judgments, decrees and controversies of any kind and nature whatsoever, at law, in equity, or otherwise, whether known or unknown, which have arisen or might arise related to amounts paid or payable by the customer or any amounts credited to the customer by the Telephone Company for the Qualifying Services provided by the Telephone Company to the customer during the Service Period. (N)

21. Contract Tariffs (Cont'd)

21.24 Contract Tariff Option 23 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Calculation of TBR and Billing Credit (Cont'd)

(e) Timing of Payments and Billing Credits, Disputes, Releases, and Waivers (Cont'd)

(3) (Cont'd)

(iii) The customer shall retain its right to dispute with respect to any amounts that are not included in the TBR for Qualifying Services or in the TBR for Qualifying DS1.

As an illustrative example, assume that the Telephone Company calculates the TBR for the Qualifying Services to be equal to $60,000,000 (**$60M**), and the TBR for Qualifying DS1 to be equal to $25,000,000 (**$25M**). Assume that of the $60M, the customer disputes $10M in SONET Special Access Services, and has no other disputes for Qualifying Services. Assume also that the customer has paid such amount and that such dispute remains unresolved as of the 45th day following the end of the Service Period. Then, the final TBR for Qualifying Services shall be $50,000,000 ($60M less the $10M in disputes) and the final TBR for Qualifying DS1 shall be $25M, and the Telephone Company shall pay a Billing Credit of $1,950,000 in accordance with the terms of this Option 23. The customer shall retain its right to dispute and recover any amounts (and interest penalties, as applicable) on the outstanding dispute of $10M, but such amounts (even if resolved in favor of the customer at a later date) shall not result in an adjustment of the Billing Credit. Upon payment of the Billing Credit, the customer may not dispute charges on any amounts included in the $50,000,000 (the TBR for Qualifying Services) or in the $25M (the TBR for Qualifying DS1).

(iv) With respect to any dispute for Qualifying Services, the customer must provide sufficient claim detail to enable the Telephone Company to appropriately assess the dispute, including but not limited to, the Billing Account Number (**BAN**), circuit ID, USOC detail, amount in dispute, appropriate tariff references, and a full explanation regarding why the customer believes it was billed in error.

(v) The amount of the Billing Credit shall not be subject to any interest penalty. (N)

21. Contract Tariffs (Cont'd)

21.24 Contract Tariff Option 23 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(3) Migration from Existing Contract Tariff Options

Customers who convert (migrate) from Contract Tariff Option 10 preceding to this Option 23 are eligible to receive a pro-rated billing credit for the elapsed time of the Service Period of Contract Tariff Option 10. For example, assume the customer was eligible for a three million (**$3M**) dollar billing credit under Contract Tariff Option 10 if it met the applicable total billed revenue requirement thereunder. Further assume that the service period for that contract tariff option is twelve (12) months and that the customer is in the tenth (10th) month of the 12 month service period of Option 10 at the time of migration to this Option 23. In this case, the customer would receive a pro-rated billing credit for the first ten (10) months of the 12 month service period equal to $2.5M ($3M x 10/12), and the customer's subscription to Contract Tariff Option 10 would be ended. The pro-rated billing credit will be credited to the customer within sixty (60) days of subscription to this Option 23.

(4) Shortfall Penalty

If the customer does not satisfy the minimum TBR requirement for Qualifying Services of $43M during the Service Period, the customer will pay a shortfall payment equal to fifty percent (50%) of the difference between the minimum TBR of $43M, or the adjusted minimum TBR requirement as set forth in (E)(1)(h) preceding, as applicable, and the customer's actual annual TBR for the Qualifying Services during the Service Period (the **Shortfall Penalty**). In addition, and even upon payment of the Shortfall Penalty as set forth in the prior sentence, the customer will not be eligible to receive any applicable Billing Credits under this Option 23. Further, if customer has elected to and has received the RMC in accordance with (E)(2)(d) preceding, such RMC amount must be refunded to the Telephone Company. The refund of the RMC amount is in addition to any Shortfall Penalties that are payable by customer under this section (E)(4). If the customer has a TBR for Qualifying Services of at least $43M, or an adjusted minimum TBR requirement as set forth in Section (E)(1)(h) preceding, then no Shortfall Penalty, as set forth in this Section (E)(4), shall apply, but the customer may be ineligible for any Billing Credits, as set forth in the table in (E)(2)(b) preceding, based on the customer's TBR for Qualifying Services and the customer's TBR for Qualifying DS1, each as adjusted in accordance with (E)(1)(h) preceding, as applicable.

As an illustrative example, assume that the customer has achieved a TBR for the Qualifying Services of $40,000,000 (**$40M**) during the Service Period, and assuming that no adjustment under (E)(1)(h) occurred, then the customer shall pay to the Telephone Company an amount equal to $1,500,000 (which is equal to $3,000,000 (i.e., minimum TBR for Qualifying Services of $43M less the customer's actual TBR for the Qualifying Services of $40M), multiplied by 50%). The customer will not be eligible to receive any applicable Billing Credits, and must refund any RMC amounts previously paid by Telephone Company. (N)

21. Contract Tariffs (Cont'd)

21.24 Contract Tariff Option 23 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(5) Termination Charges

If the customer cancels or terminates this Option 23 or its subscription to Contract Tariff Option 25 in the Telephone Company's (x) Tariff F.C.C. No. 11 or Contract Tariff Option 13 in the Telephone (x) Company's Tariff F.C.C. No. 14 prior to the expiration of the (x) Service Period, the customer will be liable for one hundred percent (100%) of the difference between the customer's TBR for the Qualifying Services at the time of cancellation or termination and the minimum TBR for Qualifying Services of $43M, or the adjusted minimum TBR requirement as set forth in (E)(1)(h) preceding, as applicable. Additionally, the customer must refund any RMC amounts previously paid under (E)(2)(d) by the Telephone Company. This section does not relieve the customer of any termination liabilities or minimum period charges under the Tariffs that may apply for (x) termination of any individual Qualifying Service. The terms and conditions of the Tariffs, including any applicable termination (x) liabilities, shall continue to apply with respect to any Qualifying Service.

As an illustrative example, assume that the customer has a TBR for the Qualifying Services of $35,000,000 (**$35M**) during the first eight (8) months of the Service Period, and that no adjustment under (E)(1)(h) preceding occurred. Also assume that the customer decides to terminate this Option 23 at such time. The customer shall pay termination charges of $8,000,000 (the minimum TBR of $43M for Qualifying Services less the actual TBR for the Qualifying Services of $35M, multiplied by 100%) and must refund any RMC amounts previously paid by the Telephone Company. The customer shall not be eligible for any applicable Billing Credits. In this example, if the customer also terminates or discontinues one or more Qualifying Services, then the customer shall be responsible for any associated termination liabilities and minimum period charges assessable under the applicable Tariff for such terminated or discontinued Qualifying (x) Services. (N)

(x) Issued under authority of Special Permission No. 05-015 of the Federal Communications Commission

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21. Contract Tariffs (Cont'd)

21.24 Contract Tariff Option 23 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(6) Qualifying DS1 Rate Stability Option

Customers whose purchases of Qualifying DS1 Special Access Services are equal to or more than ninety percent (90%) of such customer's purchases of DS1 services from the Telephone Company are eligible to subscribe to this Qualifying DS1 Rate Stability Option. The 90% threshold will be measured using revenues of the customer during the prior 12-month period from the date of the customer's subscription to this Option 23.

For avoidance of doubt, assume that the customer purchases $50M in total DS1 services from the Telephone Company during the 12 month period prior to its subscription to this Option 23, and that of such $50M, the customer's purchases of Qualifying DS1 Special Access Services are equal to $46M, then such customer is eligible to subscribe to this Qualifying DS1 Rate Stability option. If the customer elects the Qualifying DS1 Rate Stability option and complies with the terms set forth in this section, during the Service Period, the Telephone Company will not initiate any rate increases to the applicable rate elements for such Qualifying DS1 Services in those MSAs where the Telephone Company has achieved Phase I or Phase II pricing flexibility under this tariff, even if rates for Qualifying DS1 Services under other sections of this tariff may be increased. The customer is required to meet the 90% threshold described above only at the time of subscription to this Option 23, and is not required to meet this 90% threshold on a continuous basis during the Service Period of this Option 23 in order to be eligible for this Qualifying DS1 Rate Stability Option. (N)

21. Contract Tariffs (Cont'd)

21.56 Contract Tariff Option 55 (N)

(A) Scope

Contract Tariff Option 55 provides Billing Credits to customers who subscribe to this Option 55 and satisfy the criteria set forth herein. All references to amounts represented in dollars followed by the letter "M" shall refer to such number in millions (e.g., $17.25M shall mean $17,250,000).

(B) Eligibility

All of the following requirements must be met in order to be eligible for subscription to Option 55.

(1) Subscription Period

A customer must subscribe to Option 55 by submitting a written authorization in a manner designated by the Telephone Company during the thirty (30) day period which begins on March 1, 2009 and ends on March 30, 2009 (**Subscription Period**). Such subscription must include a list of Customer **ACNAs** which the Telephone Company agrees to, in writing, for inclusion in this Option 55.

(2) The customer must be a provider of Commercial Mobile Radio Services (**CMRS**) in each of the following Local Access and Transport Areas (**LATAs**): Western Massachusetts (LATA 126), Eastern Massachusetts (LATA 128), Rhode Island (LATA 130), New York Metropolitan (LATA 132), Atlantic Coast New Jersey (LATA 220), Delaware Valley New Jersey (LATA 222), North Jersey (LATA 224), Washington DC (LATA 236), and Baltimore Maryland (LATA 238).

(3) The customer, together with all its affiliates, must have: (i) achieved a minimum of $77,000,000 ($77M) in billed revenue during calendar year 2008 for all **Qualifying Services** purchased by the customer from the Telephone Company provided that (ii) no more than three percent (3%) of the revenue from such Qualifying Services is derived from the purchase of Telephone Company Facilities Management Service (**FMS**). The only revenues from Qualifying Services that count towards eligibility are NRC and MRC amounts that are paid in full by the customer. For purposes of this Option 55, **MRCs** shall mean billed monthly recurring revenues, and **NRCs** shall mean billed non-recurring revenues, both net of any discounts given under existing pricing plans, if applicable, for the Qualifying Services. Revenue from Qualifying Services does not include any revenues from taxes, termination fees, and billing credits or similar adjustments, other than as set forth above. **Qualifying Services** are comprised of:

(a) DS1 and DS3 Services as set forth in Section 7.2.9 preceding, Section 7.2.9 of Verizon's FCC Tariff No. 11 (**FCC 11**), Section 5.3.6 of Verizon's FCC Tariff No. 14 (**FCC 14**), and Section 7.11.1 of Verizon's FCC Tariff No. 16 (**FCC 16**), as the same may be amended from time to time. (x) (x) (N)

(x) Issued under authority of Special Permission No. 09-003 of the Federal Communications Commission.

21. Contract Tariffs (Cont'd)

21.56 Contract Tariff Option 55 (Cont'd) (N)

(B) Eligibility (Cont'd)

(3) Qualifying Services (Cont'd)

(b) FMS as set forth in Section 7.2.13 preceding and Section 7.2.16 of FCC 11. (x)

Only DS1 Qualifying Services that are in Phase I and Phase II MSAs of this tariff are eligible for Billing Credits under this Option 55. All other services purchased by the customer from the Telephone Company or any affiliate of the Telephone Company and not listed in (B)(3)(a) or (B)(3)(b) preceding shall not be counted as Qualifying Services under this Option 55.

(4) The customer must commit at least three thousand three hundred (3,300) cell sites in LATAs 132 and 224 (**Eligible LATAs**) to this Option 55 and Option 53 of FCC 11 (**Base Cell Sites**). Included in the count of Base Cell Sites are those cell sites within the Eligible LATAs at which the customer and the Telephone Company mutually agree to a planned technology migration from DS1 Qualifying Services to Telephone Company provided Ethernet services during the Service Period (**Technology Migration Event**). As used in this Option 55, the Base Cell Sites that are part of such Technology Migration Event are **Eligible Cell Sites**. All Base Cell Sites that are not Eligible Cell Sites are **Non-Eligible Cell Sites**. The customer and the Telephone Company shall mutually agree to a list of the cell sites, by type (i.e., Eligible Cell Sites or Non-Eligible Cell Sites), in LATAs 132 and 224. (x)

(5) The customer may not concurrently subscribe DS1 Qualifying Services terminated at Base Cell Sites covered under this Option 55 to a Commitment Discount Plan (CDP) or National Discount Plan (NDP), contract tariff option, special service arrangement, or Individual Case Basis (ICB) arrangement offered by the Telephone Company and available to the customer either currently or at any time during the Service Period, which CDP or NDP, contract tariff option, special service arrangement, or ICB provides a discount, credit, or other reduction in rates or terms based on achievement of revenue or volume targets/levels by the customer for the Qualifying Services. (N)

(x) Issued under authority of Special Permission No. 09-003 of the Federal Communications Commission.

21. Contract Tariffs (Cont'd)

21.56 Contract Tariff Option 55 (Cont'd) (N)

(C) Serving Area

(1) The serving area of Option 55 is comprised of the Metropolitan Statistical Areas (**MSAs**) that have achieved Phase I or Phase II pricing flexibility within the New York Metropolitan LATA (LATA 132) of this tariff and FCC 11, and within the North Jersey LATA (LATA 224) of this tariff. Wire centers for the Phase II MSAs of LATAs 132 and 224 are listed in Section 14.7 preceding. Wire centers for the Phase II MSAs of LATA 132 are set forth in Section 15.3 of FCC 11. (x)

(2) Any additions of, or changes to, the MSAs set forth in Section 14.7 preceding of this tariff and Section 15.3 of FCC 11 (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 14.7 preceding of this tariff and Section 15.3 of FCC 11) that occur during the Service Period will apply. (x)

(3) No Billing Credits will be provided in the operating territories of FCC 14 and FCC 16. (x)

(D) Service Period

The **Service Period** of this Option 55 shall be for a period of eight (8) years commencing on March 1, 2009 and ending on the day before the eight (8)-year anniversary thereof.

(E) Terms and Conditions

(1) Rates for Qualifying Services shall be billed in accordance with rates, terms, and conditions set forth in this tariff, FCC 11, FCC 14, and FCC 16, as applicable. (N) (x)

(x) Issued under authority of Special Permission No. 09-003 of the Federal Communications Commission.

21. Contract Tariffs (Cont'd)

21.56 Contract Tariff Option 55 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(2) Billing Credits

(a) Billing Credits will be provided when the terms of this Option 55 are satisfied and only in the MSAs specified in (C) preceding. Except as set forth in (E)(7) following, the customer is entitled to receive a monthly billing credit of $257 (**Billing Credit**) to be assessed on each Eligible Cell Site at which there is at least one (1) DS1 Qualifying Service. The customer shall not be entitled to Billing Credits at Non-Eligible Cell Sites under this Option 55.

(b) For each Eligible Cell Site with more than one (1) DS1 Qualifying Service, the customer shall not receive more than the single Billing Credit amount per such cell site per month.

(c) The Billing Credit for each Eligible Cell Site shall be provided to the customer as follows:

(1) The Billing Credit for the first quarter of the Service Period (i.e., the period beginning March 1, 2009 and ending May 31, 2009) shall be calculated and applied within one hundred twenty (120) calendar days of the end of the first quarter.

(2) The Billing Credit will continue to be calculated and applied within one hundred twenty (120) calendar days of the end of each subsequent quarter until such time as the Telephone Company is able to calculate and apply the Billing Credit within one hundred twenty (120) calendar days of the end of each month, at which time calculation and application of the Billing Credit will continue monthly for the remainder of the Service Period. (N)

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21. Contract Tariffs (Cont'd)

21.56 Contract Tariff Option 55 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(3) Cell Site Requirements

(a) At the time of subscription to this Option 55, the Telephone Company will calculate the total MRCs associated with existing DS1 Qualifying Services at Non-Eligible Cell Sites (**Revenue Base**). For purposes of this (E)(3), **MRCs** shall mean billed monthly recurring revenues net of any discounts given under existing pricing plans, if applicable, for the DS1 Qualifying Services and does not include any revenues from taxes, termination fees, billing credits, or similar adjustments.

(b) The customer must maintain, at a minimum, the Revenue Base for each month of the Service Period.

(c) For any month of the Service Period where the customer fails to maintain the Revenue Base, the customer will be charged, and shall pay, an amount equal to the difference between the total MRCs calculated for that month for DS1 Qualifying Services and the Revenue Base (**DS1 MRC Amount**); provided that the number of DS1 Qualifying Services at any Non-Eligible Cell Site removed from this Option 55 and Option 53 of FCC 11 pursuant to the terms and conditions set forth herein shall be subtracted from the number of DS1 Qualifying Services used to calculate the DS1 MRC Amount. (x)

(4) Mergers and Acquisitions of Customer

In the event the customer merges with another company, acquires a company or a portion of the business of another company, or is acquired in whole or in part by another company during the Service Period, the following terms and conditions will apply in addition to any other terms and conditions set forth in this Option 55 and Option 53 of FCC 11. (x)

(a) The customer may not combine or include any DS1 Qualifying Services from the merged, acquiring, or acquired company, or assets of such merged, acquiring, or acquired company for the purposes of this Option 55 and/or Option 53 of FCC 11. (N)(x)

(x) Issued under authority of Special Permission No. 09-003 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.56 Contract Tariff Option 55 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(4) Mergers and Acquisitions of Customer (Cont'd)

(b) The customer's DS1 Qualifying Services shall be determined using its business with the Telephone Company that is billed under the Customer ACNAs provided to the Telephone Company under (B)(1) preceding, without adding the services associated with the ACNAs obtained through merger, transfer, assignment, or acquisition.

(c) The customer's Base Cell Sites and/or Eligible Cell Sites shall not include any cell sites from merged, acquiring, or acquired company. Nor shall this Option 55 or any benefits hereunder apply to any such cell sites.

(d) The Telephone Company reserves the right to terminate this Option 55 and Option 53 of FCC 11 without liability if the customer does not adhere to the provisions of this Section (E)(4); provided, however, that any procedure to correct such non-adherence that the customer and Telephone Company may mutually agree to (**cure process**) shall apply. (x)

(5) Sale of Verizon Operating Telephone Company

If some or all of the assets or stock of a Verizon Operating Telephone Company are acquired by an unaffiliated third party, and the Telephone Company does not provide the DS1 Qualifying Services to the customer after such time, then the following terms and conditions shall apply, in addition to any other terms and conditions set forth in this tariff.

Affected cell sites shall be removed from the list of Base Cell Sites, Eligible Cell Sites, and/or Non-Eligible Cell Sites and shall no longer be part of, or eligible for, Billing Credits under this Option 55. (N)

(x) Issued under authority of Special Permission No. 09-003 of the Federal Communications Commission.

21. Contract Tariffs (Cont'd)

21.56 Contract Tariff Option 55 (Cont'd) (N)

(E) Terms and Conditions (Cont'd)

(6) Disputes, Releases, and Waivers

In applying the Billing Credit, all of the following requirements shall apply:

(a) Any amounts, services, and cell sites that are included in the application of the Billing Credit will not be subject to any future claims or disputes by the customer unless otherwise agreed to by the customer and the Telephone Company.

(b) For the purpose of applying the Billing Credit, the Telephone Company shall not include any services provided during any periods before March 1, 2009.

(c) The amount of the Billing Credit shall in no event be subject to any interest payment or penalty.

(7) Termination

(a) Subject to the terms set forth in this Option 55, the customer may terminate this Option 55 at any time during the Service Period. Termination of this Option 55 shall be deemed to be an automatic termination of both this Option 55 and Option 53 of FCC 11. The (x) customer shall forfeit all future Billing Credits under this Option 55 and Option 53 of FCC 11, including any due to the customer for (x) the partial ensuing billing credit period that have not be applied to the customer's account.

(b) In the event the customer terminates a Telephone Company provided Ethernet service at any Eligible Cell Site where there also is DS1 Qualifying Service(s), such cell site shall no longer be eligible for the Billing Credits under this Option 55. The customer shall forfeit all future Billing Credits at that cell site including any billing credits due to the customer for the partial ensuing billing credit period that have not been applied to the customer's account.

(8) Expiration of the Service Period

Upon expiration (or early termination) of the Service Period of this Option 55, the Billing Credits of this Option 55 shall cease. The customer's subscription to the Qualifying Services specified in (B)(3) preceding shall continue in accordance with the rates, terms, and conditions (e.g., termination liability) set forth in the applicable section(s) of this tariff. (N)

(x) Issued under authority of Special Permission No. 09-003 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (N)

(A) Scope

Contract Tariff Option 56 (**Option 56**) provides Quarterly Billing Credits on certain Special Access Services if the customer maintains certain billed unit volumes for the Qualifying Services (as defined in (F) following) during each Plan Year. In this Option 56, all references to amounts represented in dollars followed by the letter "M" shall refer to such number in millions (e.g., $17.25M shall mean $17,250,000).

(B) Specific Terms

Unless otherwise defined in this Option 56, the following terms are used in this Option 56.

(1) **BANs** shall mean the Billing Account Numbers of the customer.

(2) **Billed DS1 Unit** shall mean, with respect to each month during the Service Period, a DS1 Unit for which a DS1 Channel Termination, DS1 Special Access Line, or DS1 Circuit Termination (as defined collectively in (B)(8) following as a DS1 Channel Termination) was billed as a monthly recurring charge(s), using any of the applicable Universal Service Order Codes (**USOCs**) set forth following, to the customer under the Customer ACNAs (as defined in (B)(7) following) in the monthly recurring charge (**MRC**) section of Telephone Company's Access Service bill to the customer for that month.

1CF21	1CF22	1CF23	1CF25	1CF33	1CF35	1CF3W
1CF41	1CF42	1CF43	1CF45	1CF51	1CF52	1CF53
1CF55	1CF61	1CF62	1CF63	1CF65	1CF71	1CF72
1CF73	1CF75	1CF81	1CF82	1CF83	1CF85	1CF91
1CF92	1CF93	1CF95	1CFA1	1CFA2	1CFA3	1CFA5
1CFB1	1CFB2	1CFB3	1CFB5	1CFC1	1CFC2	1CFC3
1CFC5	1CFR8	1CFRJ	1CFS8	1CFSJ	1CFT8	1CFTJ
1CFU8	1CFUJ	1CFV8	1CFVJ	1CKDF	1CKDX	1X7VX
1XCDX	EU4DF	EU4DX	EU7VX	EUU21	EUU22	EUU23
EUU25	EUU33	EUU35	EUU3W	EUU41	EUU42	EUU43
EUU45	EUU51	EUU52	EUU53	EUU55	EUU61	EUU62
EUU63	EUU65	EUU71	EUU72	EUU73	EUU75	EUU81
EUU82	EUU83	EUU85	EUU91	EUU92	EUU93	EUU95
EUUA1	EUUA2	EUUA3	EUUA5	EUUB1	EUUB2	EUUB3
EUUB5	EUUC1	EUUC2	EUUC3	EUUC5	EUUR8	EUURJ
EUUS8	EUUSJ	EUUT8	EUUTJ	EUUU8	EUUUJ	EUUV8
EUUVJ	EUW	TMECS	TNJZX	TNT3X	TNT4X	TNT8X
TWTF6	TYF1X					

(N)

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(3) **Billed Multiplexed DS3 Unit** shall mean, with respect to each month during the Service Period, a Multiplexed DS3 Unit for which one or more MRCs, using any of the applicable USOCs set forth in (G)(2)(b) following, was billed to the customer under the Customer ACNAs (as defined in (B)(7) following) in the MRC section of Telephone Company's Access Service bill to the customer for that month.

(4) **Billed PTP DS3 Unit** shall mean, with respect to each month during the Service Period, a point-to-point (**PTP**) DS3 Unit for which one or more MRCs, using any of the applicable USOCs set forth in (G)(2)(c) following, was billed to the customer under the Customer ACNAs (as defined in (B)(7) following) in the MRC section of Telephone Company's Access Service bill to the customer for that month.

(5) **Billed Qualifying Service Revenue** shall mean each of Billed DS1 Qualifying Service Revenue, Billed Multiplexed DS3 Qualifying Service Revenue, and Billed PTP DS3 Qualifying Service Revenue as further described in (G) following, subject to the exclusions specified in (G)(2)(d) and (G)(3) following.

(6) **Billed Qualifying Service Unit(s)** shall mean Billed DS1 Units, Billed Multiplexed DS3 Units, and/or Billed PTP DS3 Units, subject to the exclusions set forth in (G)(2)(d) and (G)(3) following.

(7) **Customer ACNA(s)** shall mean the customer's Access Customer Name Abbreviations (ACNAs) that are provided to the Telephone Company by the customer in its subscription to this Option 56, Option 54 (x)
of FCC 11, and Option 28 of FCC 14 in accordance with (C)(2) (x)
following, which Customer ACNA(s) are agreed to by the Telephone Company in writing for inclusion in this Option 56, Option 54 of (x)
FCC 11, and Option 28 of FCC 14. (x)

(8) **DS1 Unit** shall mean DS1 capacity (i.e., 1.544 Mbps) Qualifying Services that include at least one (1) of the following: (i) a DS1 Channel Termination as defined in Section 7.1.2(A) preceding of this tariff, (ii) a DS1 Channel Termination as defined in Section 7.1.2(A) of Tariff FCC No. 11 (**FCC 11**), (iii) a DS1 (x)
Special Access Line (SAL) as defined in Section 5.1.1(C) of Tariff FCC No. 14 (**FCC 14**), and (iv) a DS1 Circuit Termination as defined in Section 7.2(A) of Tariff FCC No. 16 (**FCC 16**) (x)
(collectively, DS1 Channel Terminations). Sub-rate DS1s (e.g., 128 kbps, 256 kbps, 384 kbps, 512 kbps, and 768 kbps) are not counted as DS1 Units. (N)

(x) Issued under authority of Special Permission No. 09-007 of the Federal Communications Commission.

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(9) **Flat Rate** shall mean the flat rate monthly recurring charge that applies per Billed Qualifying Service Unit, per service type (i.e., DS1, Multiplexed DS3, and PTP DS3), for a given Plan Year as calculated in accordance with (I)(1) following.

(10) **Groom(s)** shall mean a change in the connecting facility assignment (**CFA**) or termination point of a DS3 Service, and shall include any of the following types of moves, rearrangements, re-terminations, and disconnection and subsequent reconnection, to the DS3 Service: (i) a change in the CFA or termination point within a single Telephone Company wire center; (ii) a change in the CFA or termination point from one Telephone Company wire center to CFA in another Telephone Company wire center (CFA can be a facility provided by the Telephone Company or by a collocator under Section 19 preceding).

(11) **Initial Watermark** shall mean the initial quantity of Billed DS1 Units, the initial quantity of Billed Multiplexed DS3 Units, and the initial quantity of Billed PTP DS3 Units used to administer the terms and conditions of this Option 56 as calculated in accordance with (F) following, such quantities being as revised from time-to-time pursuant to (M) following for a third party merger, acquisition, divestiture, and other changes in control of the customer, and (N) following for a sale or acquisition of property of the Telephone Company.

(12) **Plan Year** shall mean each of the following periods during the Service Period: (1) Plan Year 1 shall commence on June 1, 2009 and end on December 31, 2009; (2) Plan Year 2 shall commence on January 1, 2010 and end on December 31, 2010; (3) Plan Year 3 shall commence on January 1, 2011 and end on December 31, 2011; (4) Plan Year 4 shall commence on January 1, 2012 and end on December 31, 2012; and (5) Plan Year 5 shall begin on January 1, 2013 and end on December 31, 2013. In the event of any extension(s) of the Service Period pursuant to Section (E) following, the term Plan Year may also be used to refer to an applicable calendar year (i.e., January 1 through December 31) subsequent to Plan Year 5. (N)

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(13) **Multiplexed DS3 Unit** shall mean an individual 44.736 Mbps Qualifying Service that both: (i) has a unique circuit identifier that conforms to the Common Language Circuit Identifier (CLCI) facility format administered by Telcordia (e.g., 967 T3Z PITBPADTHPE PITBPADTK18), and (ii) is billed using one or more of the USOCs specified in (G)(2)(b) following.

IEF Service associated with a Multiplexed DS3 Unit (i.e. billed under the unique circuit identifier for that Multiplexed DS3 Unit) will not be counted as a unit separate from that Multiplexed DS3 Unit.

For purposes of administering the terms and conditions of this Option 56, all calculations involving Multiplexed DS3 Unit volumes shall exclude any portion of a circuit that is not used for Special Access. Where this calculation results in a fraction of a Multiplexed DS3 Unit, round to the nearest whole Multiplexed DS3 Unit. Thus, for example, if there were two (2) Shared Use Multiplexed DS3, and where one of the facilities is reduced by forty-five percent (45%) and the other facility is reduced by sixty-five percent (65%) in accordance with Section 5.2.8 preceding, then together they would count as only one (1) Multiplexed DS3 Unit (.45 + .65 = 1.10, rounded to the nearest integer, which in this case is one (1) Multiplexed DS3 Unit).

For purposes of administering the terms and conditions of this Option 56: (i) all DS1 FMS Services are converted to Multiplexed DS3 Units by dividing the total number of DS1 FMS Services by twenty-eight (28), and (ii) all DS3 FMS Services are quantified as either Multiplexed DS3 Units or PTP DS3 Units, depending on the format of the circuit identifier and the corresponding USOCs as described in the definitions of Multiplexed DS3 Unit and PTP DS3 Unit.

A Multiplexed DS3 facility that is provided by more than one (1) Exchange Telephone Company under Section 2.4.7 preceding using a single unique circuit identifier will count as one (1) Multiplexed DS3 Unit. (N)

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(B) Specific Terms (Cont'd)

(14) **PTP DS3 Unit** shall mean an individual 44.736 Mbps Qualifying Service that both: (i) has a unique circuit identifier that conforms to the CLCI serial number format administered by Telcordia (e.g., 95.HFGS.634683..NE) and (ii) is billed using one or more of the USOCs specified in (G)(2)(c) following.

IEF Service associated with a PTP DS3 Unit (i.e. billed under the unique circuit identifier for that PTP DS3 Unit) will not be counted as a unit separate from that PTP DS3 Unit.

For purposes of administering the terms and conditions of this Option 56, all DS3 FMS Services are quantified as either Multiplexed DS3 Units or PTP DS3 Units, depending on the format of the circuit identifier and the corresponding USOCs as described in the definitions of Multiplexed DS3 Unit and PTP DS3 Unit.

A PTP DS3 circuit that is provided by more than one (1) Exchange Telephone Company under Section 2.4.7 preceding using a single unique circuit identifier will count as one (1) PTP DS3 Unit.

(15) **Quarter** shall mean either of the following periods, as applicable: (i) the first Quarter of each Plan Year is the period beginning with the first date of the applicable Plan Year and ending on the last day of the second calendar month after the month in which the first date occurs (i.e., approximately ninety (90) calendar days thereafter), except for the initial Quarter of Plan Year 1 which shall commence on June 1, 2009 and end on June 30, 2009; or (ii) each consecutive three (3) month period thereafter commencing on the first day of the calendar month following the end of the prior Quarter and ending on the last day of the second calendar month after the month in which the first day occurs.

(16) **Quarterly Billing Credit** shall mean the quarterly credit that is calculated per service type (i.e., DS1, Multiplexed DS3, and PTP DS3) as described in (I) following. (N)

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(C) Eligibility

The customer must meet all of the following criteria in order to be eligible to receive the Quarterly Billing Credits as set forth in (I) following and other benefits of this Option 56.

(1) During the twelve (12) month period ending on December 31, 2008, the customer must have achieved a minimum of six hundred fifty million ($650M) in aggregate billed monthly recurring charges for all Qualifying Services purchased by the customer from the Telephone Company.

(2) The customer must subscribe to Option 56 by submitting a written authorization in a manner designated by the Telephone Company during the period that begins May 31, 2009 and ends July 30, 2009. Such subscription must include a list of Customer ACNA(s) as defined in (B)(7) preceding.

(3) The customer must concurrently subscribe to this Option 56, Option 54 of FCC 11, and Option 28 of FCC 14. (x) (x)

(4) As of June 1, 2009, the customer must be concurrently subscribed, and must remain concurrently subscribed during the Service Period, to the Commitment Discount Plan (as set forth in Section 25.1 preceding and Section 25.1 of FCC 11, and the Eight-and Ten-Year DS1 Term and Volume Plan (ETTVP) as set forth in Section 5.6.14 of FCC 14), (collectively, **Existing Plans**). (x) (x)

(D) Terms and Conditions

(1) If the customer has met the eligibility criteria set forth in (C) preceding, then to receive the Quarterly Billing Credit in any Plan Year the customer must remain subscribed to the Existing Plans. If the customer fails to achieve the DS1 Initial Watermark, the Multiplexed DS3 Initial Watermark or the PTP DS3 Initial Watermark in any Plan Year other than Plan Year 1, the Telephone Company may terminate the customer's subscription to this Option 56 as set forth in (O)(2) following. Termination of the customer's subscription to this Option 56 is an automatic Termination of the customer's subscription to Option 54 of FCC 11 and Option 28 of FCC 14. (x) (N)(x)

(x) Issued under authority of Special Permission No. 09-007 of the Federal Communications Commission.

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(D) Terms and Conditions (Cont'd)

(2) If the customer is currently subscribed to a contract tariff option that provides a discount, credit, or other reduction in rates or terms based on achievement of revenue or volume targets/levels by the customer, the customer's subscription to such contract tariff option shall be cancelled coincident with the customer's subscription to this Option 56, Option 54 of FCC 11, and Option 28 of FCC 14, and the Telephone Company will conduct a final true-up of any billing credits the customer was entitled to through the date of cancellation. (x) (x)

(3) Except for the Existing Plans and any FMS Services to which the customer subscribes to as of June 1, 2009, the customer may not concurrently subscribe the Qualifying Services to any Alternative Tariff Arrangement (which shall mean, collectively, any other tariff arrangement, contract tariff option, specialized service or arrangement, or Individual Case Basis (**ICB**) arrangement offered by the Telephone Company under this tariff, FCC 11, or FCC 14 and available to the customer either currently or at any time during the Service Period, which tariff arrangement, contract tariff option, specialized service or arrangement, or ICB provides a discount, credit, or other reduction in rates or terms based on achievement of revenue or volume targets/levels by the customer for any of the Qualifying Services) during the Service Period, unless such Alternate Tariff Arrangement explicitly permits subscription to this Option 56, Option 54 of FCC 11, and Option 28 of FCC 14. Except as set forth in this (D)(3) and (D)(2) preceding, the customer's subscription to any such Alternate Tariff Arrangement as of June 1, 2009 shall be terminated upon subscription to this Option 56, Option 54 of FCC 11, and Option 28 of FCC 14. The Telephone Company shall perform any final review/true-up that it determines to be necessary to reconcile any credits and debits that remain outstanding under such Alternate Tariff Arrangement. (x) (x) (x) (x) (x) (x)

(4) To the extent the customer, as of June 1, 2009 or at any time during the Service Period, is not subscribed to the Existing Plans (i.e., with respect to the applicable Qualifying Services that the Telephone Company offers under the respective Existing Plans), the applicable Qualifying Services shall not be eligible to receive the Flat Rate pricing set forth in (I) following. (N)

(x) Issued under authority of Special Permission No. 09-007 of the Federal Communications Commission.

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(E) Service Period

(1) Subject to terms and conditions set forth in (E)(2) following and all other applicable terms set forth herein, the **Service Period** of this Option 56 shall commence on June 1, 2009 and end on December 31, 2013 (except that the Service Period shall include any extensions that take effect pursuant to (E)(2) following).

(2) At the expiration of Plan Year 5 of the Service Period, and unless otherwise terminated as set forth herein, the customer may elect to extend the Service Period for one (1) year beyond expiration of the initial five (5) Plan Years of the Service Period at the Flat Rates for Plan Year 5. Two (2) of such one (1) year extensions are permitted. The customer must notify the Telephone Company in writing of its election to extend the Service Period at least thirty (30) calendar days prior to the expiration date of Plan Year 5 or the end of first one (1) year extension period, as applicable. (N)

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(F) Establishment of Initial Watermarks and Initial Watermark Adjustments

(1) Upon subscription to this Option 56, the Telephone Company will establish the annual quantities (Initial Watermarks) used to administer the terms and conditions of this Option 56 as follows:

(a) The Telephone Company will develop the DS1 Initial Watermark by summing the total number of DS1 Units (i.e., Channel Terminations) for which the customer was billed by the Telephone Company under this tariff, FCC 11, FCC 14 and FCC 16 (x) for the months of August 2008, September 2008, and October 2008, and multiplying the result by four (4).

(b) The Telephone Company will develop the Multiplexed DS3 Initial Watermark by summing the total number of Multiplexed DS3 Units for which the customer was billed by the Telephone Company under this tariff, FCC 11, FCC 14 and FCC 16 for the months of (x) August 2008, September 2008, and October 2008, and multiplying the result by four (4).

(c) The Telephone Company will develop the PTP DS3 Initial Watermark by summing the total number of PTP DS3 Units for which the customer was billed by the Telephone Company under this tariff, FCC 11, FCC 14 and FCC 16 for the months of August (x) 2008, September 2008, and October 2008, and multiplying the result by four (4).

(2) The Initial Watermark(s) may be adjusted as further described in (M) and (N) following. (N)

(x) Issued under authority of Special Permission No. 09-007 of the Federal Communications Commission.

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(G) Qualifying Services

(1) Qualifying Services will be comprised of the following:

(a) Special Access 1.544 Mbps Services as set forth in Section 7.2.9 preceding of this tariff, Section 7.2.9 of FCC 11, Section 5.3.6 (x) of FCC 14, and Section 7.11.1 of FCC 16, in each case as the same (x) may be amended from time to time (collectively, **DS1 Services**); and

(b) Special Access 44.736 Mbps Services as set forth in Section 7.2.9 preceding of this tariff, Section 7.2.9 of FCC 11, Section 5.3.6 (x) of FCC 14, and Section 7.11.1 of FCC 16, in each case as the same (x) may be amended from time to time (collectively, **DS3 Services**); and

(c) Special Access 1.544 Mbps and 44.736 Mbps Facilities Management Services, as described in Section 7.2.13 preceding of this tariff and Section 7.2.16 of FCC 11, in each case as the same may be (x) amended from time to time (collectively, **FMS Services**).

(d) Special Access IntelliLight Entrance Facilities Service with a 44.736 Mbps electrical interface, as described in section 7.2.15 preceding, Section 26.1.4 of FCC 11, Section 20.4 of FCC 14, (x) Section 20.4 of FCC 16, in each case as the same may be amended (x) from time to time (collectively, **IEF Services**).

Any services other than the services explicitly listed in this (G)(1) (including any Telephone Company provided SONET entrance facility service) are not included herein as a Qualifying Service. Additionally, Qualifying Services do not include any Switched Access Services.

For purposes of this Option 56: (i) all Qualifying Service volumes and revenues are quantified according to three categories (DS1 Units, Multiplexed DS3 Units, and PTP DS3 Units) as described further in (G)(2) following; and (b) subject to (G)(2)(d) and (G)(4) following, the USOCs set forth in (G)(2) following reflect the entire list of USOCs included in the definition of Qualifying Services and counted as contributory toward Billed Qualifying Service Revenue. (N)

(x) Issued under authority of Special Permission No. 09-007 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(G) Qualifying Services (Cont'd)

(2) Revenues Included in Calculation of Billed Qualifying Service Revenue

Subject to the exceptions and requirements set forth in this Section (G), Billed Qualifying Service Revenue includes monthly recurring charges billed to the customer under the Customer ACNAs for Billed Qualifying Service Units in the operating territories of this tariff, FCC 11, FCC 14 and FCC 16. **Billed DS1 Qualifying Service Revenue** is described in (G)(2)(a) following, subject to (G)(2)(d) and (G)(3) following. **Billed Multiplexed DS3 Qualifying Service Revenue** is described in (G)(2)(b) following, subject to (G)(2)(d) and (G)(3) following. **Billed PTP DS3 Qualifying Service Revenue** is described in (G)(2)(c) following, subject to (G)(2)(d) and (G)(3) following. (x)

(a) Billed DS1 Units

With respect to Billed DS1 Units, Billed Qualifying Service Revenue includes only MRCs billed under rate elements using one or more of the following USOCs:

1A4YS	1A5ZS	1CF21	1CF22	1CF23	1CF25	1CF33
1CF35	1CF3W	1CF41	1CF42	1CF43	1CF45	1CF51
1CF52	1CF53	1CF55	1CF61	1CF62	1CF63	1CF65
1CF71	1CF72	1CF73	1CF75	1CF81	1CF82	1CF83
1CF85	1CF91	1CF92	1CF93	1CF95	1CFA1	1CFA2
1CFA3	1CFA5	1CFB1	1CFB2	1CFB3	1CFB5	1CFC1
1CFC2	1CFC3	1CFC5	1CFR8	1CFRJ	1CFS8	1CFSJ
1CFT8	1CFTJ	1CFU8	1CFUJ	1CFV8	1CFVJ	1CKDF
1CKDX	1J53S	1J54S	1L5LS	1L5XX	1LFMX	1LFSX
1OX1X	1OX2X	1OX3X	1OX5X	1OXTX	1T58S	1X7VX
1XCDX	1Y3AC	1YWPS	A1VA1	A1VXZ	AVY	C2X9A
C6H6X	C6H7X	CCO	CTG	DVA	EU4DF	EU4DX
EU7VX	EUU21	EUU22	EUU23	EUU25	EUU33	EUU35
EUU3W	EUU41	EUU42	EUU43	EUU45	EUU51	EUU52
EUU53	EUU55	EUU61	EUU62	EUU63	EUU65	EUU71
EUU72	EUU73	EUU75	EUU81	EUU82	EUU83	EUU85
EUU91	EUU92	EUU93	EUU95	EUUA1	EUUA2	EUUA3
EUUA5	EUUB1	EUUB2	EUUB3	EUUB5	EUUC1	EUUC2
EUUC3	EUUC5	EUUR8	EUURJ	EUUS8	EUUSJ	EUUT8
EUUTJ	EUUU8	EUUUJ	EUUV8	EUUVJ	EUW	HGV1X
HGVTX	MQ1	MQK	MXN12	MXN13	MXN15	MXN17
PR9PX	PR9SX	QMU	TJ4DX	TJ4DY	TJ4DZ	TMECS
TNJZX	TNT3X	TNT4X	TNT8X	TQ2KM	TRG	TSP
TWTF6	TYF1X	TZGHX	VPQSP			

(N)

(x) Issued under authority of Special Permission No. 09-007 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(G) Qualifying Services (Cont'd)

(2) Revenues Included in Calculation of Billed Qualifying Service Revenue (Cont'd)

(b) Billed Multiplexed DS3 Units

With respect to Billed Multiplexed DS3 Units, Billed Qualifying Service Revenue includes only MRCs billed under rate elements using one or more of the following USOCs:

1A4ZS	1A59S	1A5LX	1A5YS	1A87S	1A88S	1A89S
1C4A3	1C4A5	1C4A7	1C4B3	1C4B5	1C4B7	1C4C3
1C4C5	1C4C7	1C4D3	1C4D5	1C4D7	1C4E3	1C4E5
1C4E7	1C4F3	1C4F5	1C4F7	1C4G3	1C4G5	1C4G7
1C4H3	1C4H5	1C4H7	1C4J3	1C4J5	1C4J7	1C4K3
1C4K5	1C4K7	1CFD1	1CFD3	1CFD5	1CFD7	1CFE1
1CFE3	1CFE5	1CFE7	1CFF1	1CFF3	1CFF5	1CFF7
1CFG1	1CFG3	1CFG5	1CFG7	1CFH1	1CFH3	1CFH5
1CFH7	1CFJ1	1CFJ3	1CFJ5	1CFJ7	1CFK1	1CFK3
1CFK5	1CFK7	1CFL1	1CFL3	1CFL5	1CFL7	1CFM1
1CFM3	1CFM5	1CFM7	1CFN1	1CFN3	1CFN5	1CFN7
1CKMF	1CKNX	1CKPF	1CKSX	1L5LS	1L5RS	1L5XX
1LFSX	1U5PS	1Y3AD	1YA8S	1YAMS	1YWQS	A1VXG
ABVBA	B2CDP	B2CDV	B2CEP	B2CEV	B2CFP	BXCQX
C2X8A	CCO	DVA	EQUA3	EQUA5	EQUA7	EQUB3
EQUB5	EQUB7	EQUC3	EQUC5	EQUC7	EQUD3	EQUD5
EQUD7	EQUE3	EQUE5	EQUE7	EQUF3	EQUF5	EQUF7
EQUG3	EQUG5	EQUG7	EQUH3	EQUH5	EQUH7	EQUJ3
EQUJ5	EQUJ7	EQUK3	EQUK5	EQUK7	EU4MF	EU4NX
EU4PF	EU4SX	EUUD1	EUUD3	EUUD5	EUUD7	EUUE1
EUUE3	EUUE5	EUUE7	EUUF1	EUUF3	EUUF5	EUUF7
EUUG1	EUUG3	EUUG5	EUUG7	EUUH1	EUUH3	EUUH5
EUUH7	EUUJ1	EUUJ3	EUUJ5	EUUJ7	EUUK1	EUUK3
EUUK5	EUUK7	EUUL1	EUUL3	EUUL5	EUUL7	EUUM1
EUUM3	EUUM5	EUUM7	EUUN1	EUUN3	EUUN5	EUUN7
FQYU1	FQYU2	FQYU3	FQYU4	FQYU5	FQYU6	GMGX3
HKTJS	HKTJX	HKTLS	MKM	MQ3	MQ6	MXNF3
MXNF5	MXNFX	MXNM3	MXNM5	MXNMX	MXNRX	N2M
P8T33	P8T35	PR9SX	SLHA1	SLHA3	SLHA5	SLHA7
SLHB1	SLHB3	SLHB5	SLHB7	SLHC1	SLHC3	SLHC5
SLHC7	SLHD1	SLHD3	SLHD5	SLHD7	SLHE1	SLHE3
SLHE5	SLHE7	T8XJ5	TJ4EX	TJ4EY	TJ4EZ	TJ59X
TKTPX	TNW3X	TNW5X	TNWZX	TQ2LM	TRG	TSP
TUTPX	TWBNX	TWBPX	TWTF7	TYF3S	TYF3X	TYF8S
TYF8X	TYFLS	TYFLX	TYFMS	TYFMX	TYFNX	TYFOX
TYFPX	TYFQX	TYFRX	TYFSX	TYFTX	TYFUX	TYFVS
TYFVX	TYFWS	TYFWX				

IEF USOCs mapped to Billed Multiplexed DS3 Units will be included in the Billed Qualifying Service Revenue for those Units. (N)

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(G) Qualifying Services (Cont'd)

(2) Revenues Included in Calculation of Billed Qualifying Service Revenue (Cont'd)

(c) Billed PTP DS3 Units

With respect to Billed PTP DS3 Units, Billed Qualifying Service Revenue includes only MRCs billed under rate elements using one or more of the following USOCs:

1A4ZS	1A5LX	1A87S	1A88S	1A89S	1C4A3	1C4A5
1C4A7	1C4B3	1C4B5	1C4B7	1C4C3	1C4C5	1C4C7
1C4D3	1C4D5	1C4D7	1C4E3	1C4E5	1C4E7	1C4F3
1C4F5	1C4F7	1C4G3	1C4G5	1C4G7	1C4H3	1C4H5
1C4H7	1C4J3	1C4J5	1C4J7	1C4K3	1C4K5	1C4K7
1CFD1	1CFD3	1CFD5	1CFD7	1CFE1	1CFE3	1CFE5
1CFE7	1CFF1	1CFF3	1CFF5	1CFF7	1CFG1	1CFG3
1CFG5	1CFG7	1CFH1	1CFH3	1CFH5	1CFH7	1CFJ1
1CFJ3	1CFJ5	1CFJ7	1CFK1	1CFK3	1CFK5	1CFK7
1CFL1	1CFL3	1CFL5	1CFL7	1CFM1	1CFM3	1CFM5
1CFM7	1CFN1	1CFN3	1CFN5	1CFN7	1CKMF	1CKNX
1CKPF	1CKSX	1L5LS	1L5RS	1L5XX	1LFSX	1U5PS
1Y3AD	1YA8S	1YAMS	1YWQS	A1VXG	ABVBA	B2CDP
B2CDV	B2CEP	B2CEV	B2CFP	BXCQX	C2X8A	CCO
DVA	EQUA3	EQUA5	EQUA7	EQUB3	EQUB5	EQUB7
EQUC3	EQUC5	EQUC7	EQUD3	EQUD5	EQUD7	EQUE3
EQUE5	EQUE7	EQUF3	EQUF5	EQUF7	EQUG3	EQUG5
EQUG7	EQUH3	EQUH5	EQUH7	EQUJ3	EQUJ5	EQUJ7
EQUK3	EQUK5	EQUK7	EU4MF	EU4NX	EU4PF	EU4SX
EUUD1	EUUD3	EUUD5	EUUD7	EUUE1	EUUE3	EUUE5
EUUE7	EUUF1	EUUF3	EUUF5	EUUF7	EUUG1	EUUG3
EUUG5	EUUG7	EUUH1	EUUH3	EUUH5	EUUH7	EUUJ1
EUUJ3	EUUJ5	EUUJ7	EUUK1	EUUK3	EUUK5	EUUK7
EUUL1	EUUL3	EUUL5	EUUL7	EUUM1	EUUM3	EUUM5
EUUM7	EUUN1	EUUN3	EUUN5	EUUN7	FQYU1	FQYU2
FQYU3	FQYU4	FQYU5	FQYU6	GMGX3	HKTJS	HKTJX
HKTLS	N2M	P8T33	P8T35	PR9SX	SLHA1	SLHA3
SLHA5	SLHA7	SLHB1	SLHB3	SLHB5	SLHB7	SLHC1
SLHC3	SLHC5	SLHC7	SLHD1	SLHD3	SLHD5	SLHD7
SLHE1	SLHE3	SLHE5	SLHE7	T8XJ5	TJ4EX	TJ4EY
TJ4EZ	TJ59X	TKTPX	TNW3X	TNW5X	TNWZX	TQ2LM
TRG	TSP	TUTPX	TWBNX	TWBPX	TWTF7	TYF3S
TYF3X	TYF8S	TYF8X	TYFLS	TYFLX	TYFMS	TYFMX
TYFNX	TYFOX	TYFPX	TYFQX	TYFRX	TYFSX	TYFTX
TYFUX	TYFVS	TYFVX	TYFWS	TYFWX		

IEF USOCs mapped to Billed PTP DS3 Units will be included in the Billed Qualifying Service Revenue for those Units. (N)

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(G) Qualifying Services (Cont'd)

(2) Revenues Included in Calculation of Billed Qualifying Service Revenue (Cont'd)

(d) If any of the USOCs listed in (G)(2)(a) through (G)(2)(c) preceding bill both MRCs and other charges (e.g., NRCs), then only the MRC amounts (i.e., only those amounts appearing in the MRC section of the customer's bill from the Telephone Company) of such USOCs shall be counted towards the calculation of Billed Qualifying Service Revenue.

(3) Examples of Revenues Not Included in Calculation of Billed Qualifying Service Revenue

Billed Qualifying Service Revenue does not include (the following list being illustrative only) any of the following:

(a) any non-recurring charges (**NRCs**), surcharges, taxes, late payment charges, credits (including any credits provided herein), fractional debit/credit amounts, adjustments, minimum period charges, termination liabilities, or any other billings other than billed amounts that are applied on a recurring monthly basis for the applicable Quarter or Plan Year of the Service Period;

(b) taxes, or other charges imposed by a federal, state, local, or other governmental entity (e.g., Federal Universal Service Fund);

(c) service or administrative fees or charges imposed by the Telephone Company (e.g. interest penalty, late payment penalty);

(d) any amount that appears in the Other Charges and Credits section of the Telephone Company's bill to the customer (e.g., prorated charges);

(e) any other charges that are not applied on a monthly recurring basis and/or do not appear in the MRC section (typically labeled "Monthly Access Charges") of the Telephone Company's bill to the customer;

(f) any amount for which payment is being withheld by the customer;

(g) any amount billed under a particular bill for services provided outside of the service period that is ordinarily covered by such bill;

(h) shortfall or overage charges associated with Existing Plan scheduled reviews/true-ups (e.g., for failure to satisfy commitment levels pursuant to a CDP); (N)

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(G) Qualifying Services (Cont'd)

(3) Examples of Revenues Not Included in Calculation of Billed Qualifying Service Revenue (Cont'd)

(i) billed amounts associated with any service (or any portion of a service) that is not a Qualifying Service;

(j) any Quarterly Billing Credits or other Credits that the customer receives in connection with (I), (J) or (Q) following.

(4) USOC Updates

If, during the Service Period, the Telephone Company revises Section 7 preceding of this tariff, Section 30 and/or Section 31 (x) of FCC 11, Section 5 of FCC 14, or Section 7 of FCC 16 to (i) (x) replace or substitute a USOC for a rate element of a Qualifying Service as set forth in (G)(2) preceding; or (ii) add a USOC for a rate element of a Qualifying Service as used herein that was inadvertently omitted from this tariff, then (effective as of the date on which such revision becomes effective) such new USOC shall be included in the definition of the applicable Qualifying Service(s) and such new USOC, provided it otherwise qualifies to be contributory under (G)(2) and (G)(3) preceding and all other terms set forth herein, will be counted as contributory towards Billed Qualifying Service Revenue.

(H) Serving Area

Notwithstanding any other provision set forth herein, any Quarterly Billing Credits or other credits will be provided only in the MSAs that have achieved Phase I or Phase II pricing flexibility under Section 14.7 preceding, Section 15.3 of FCC 11, and Section 19.1 of (x) FCC 14. Wire centers for the Phase II MSAs are listed in Section 14.7 preceding, Section 15.3 of FCC 11, and Section 19.1 of FCC 14. (x) Any additions of, or changes to, the MSAs (including changes to wire centers or Level 1/Level 2 pricing status as described in Section 14.7 preceding, Section 15.3 of FCC 11, and Section 19.1 of FCC 14) (x) that occur during the Service Period will apply. No Quarterly Billing Credits or other credits will be provided in the operating territories of FCC 16. (N) (x)

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(I) Calculation and Payment of Quarterly Billing Credits

The customer may receive Quarterly Billing Credits for DS1 Qualifying Service, PTP DS3 Qualifying Service and Multiplexed DS3 Qualifying Service based on the difference between the applicable Billed Qualifying Service Revenues and the applicable revenues derived from Flat Rate pricing described in (I)(1) following.

(1) Rate Calculation Methodology for Flat Rate Pricing

The Flat Rate pricing for Qualifying Services under this Option 56 shall be achieved by applying a discount to the average revenue per Billed DS1 Unit, per Billed Multiplexed DS3 Unit, and per Billed PTP DS3 Unit using the calculation [average revenue per Billed Qualifying Service Unit x (1 - discount)] as follows:

(a) DS1 Flat Rate Pricing

(Step 1) Calculate the average revenue per DS1 Unit (**DS1 ARPU**) by summing (i) the total MRC associated with the customer's Qualifying DS1 Services for which the customer was billed by the Telephone Company under this tariff, FCC 11, FCC 14 and FCC 16 for the months of August 2008, September 2008, and October 2008; and dividing by (ii) the total number of the DS1 Units for such DS1 Qualifying Services during the same period of time. (x)

The DS1 ARPU calculated in this Step 1 is used to determine the Flat Rate per DS1 Unit for each Plan Year of the Service Period.

(Step 2) To determine the Flat Rate per Billed DS1 Unit, multiply (i) the DS1 ARPU determined in Step 1; by (ii) 1 minus the discount for the applicable Plan Year from Table 1 below.

Table 1

Plan Year	Discount
1	10.4264%
2	15.0041%
3	19.5311%
4	24.0126%
5	28.2510%

(N)

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(I) Calculation and Payment of Quarterly Billing Credits (Cont'd)

(1) Rate Calculation Methodology for Flat Rate Pricing (Cont'd)

(a) DS1 Flat Rate Pricing (Cont'd)

Illustrative Example:

(i) Assume the total Billed DS1 Qualifying Service Revenue is $9,075,000 ($2,750,000 for August 2008 + $3,025,000 for September 2008 + $3,300,000 for October 2008).

(ii) Assume the total Billed Qualifying DS1 Units is 33,000 (10,000 for August 2008 + 11,000 for September 2008 + 12,000 for October 2008).

(iii) The DS1 ARPU for Plan Year 1 is $275.00 ($9,075,000 / 33,000).

(iv) The Flat Rate per Billed DS1 Unit for Plan Year 1 is $246.33 [$275 x (1 - .104264)].

(b) PTP DS3 Flat Rate Pricing

The Flat Rate per PTP DS3 Unit will be calculated as follows:

(Step 1) Calculate the total revenue for Non-IEF PTP DS3 Qualifying Services (including any PTP FMS DS3 Services) for which the customer was billed by the Telephone Company under this tariff, FCC 11, FCC 14 (x) and FCC 16 for the months of August 2008, September (x) 2008, and October 2008 by summing the total billed MRC associated with each of such services during this time period (**PTP Non-IEF Revenue**).

(Step 2) Calculate the total revenue for Non-IEF Multiplexed DS3 Qualifying Services (including any Multiplexed FMS DS3 Services) for which the customer was billed by the Telephone Company under this tariff, FCC 11, FCC 14 (x) and FCC 16 for the months of August 2008, September (x) 2008, and October 2008 by summing the total billed MRC associated with each of such services during this time period (**Multiplexed Non-IEF Revenue**).

(Step 3) Determine the total revenue for Non-IEF DS3 Qualifying Services (excluding any IEF DS3 Services) by summing (i) the PTP Non-IEF Revenue in Step 1; and (ii) the Multiplexed Non-IEF Revenue in Step 2 (**Non-IEF DS3 Revenue**). (N)

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(I) Calculation and Payment of Quarterly Billing Credits (Cont'd)

(1) Rate Calculation Methodology for Flat Rate Pricing (Cont'd)

(b) PTP DS3 Flat Rate Pricing (Cont'd)

(Step 4) Determine the percentage of Non-IEF DS3 Revenue that is associated with Non-IEF PTP DS3 Services by dividing (i) the PTP Non-IEF Revenue determined in Step 1; by (ii) the Non-IEF DS3 Revenue determined in Step 3 (**% of Non-IEF DS3 Revenue that is PTP Non-IEF Revenue**).

(Step 5) Calculate the total revenue for IEF DS3 Qualifying Service units by summing the total MRC associated with the customer's Qualifying IEF Services using DS3 interfaces for which the customer was billed by the Telephone Company under this tariff, FCC 11, FCC 14 (x)
and FCC 16 for the months of August 2008, September (x)
2008, and October 2008 (**IEF DS3 Revenue**).

(Step 6) Determine the portion of IEF DS3 Revenue that is associated with IEF PTP DS3 Services by multiplying (i) the IEF DS3 Revenue calculated in Step 5; by (ii) the % of Non-IEF DS3 Revenue that is PTP Non-IEF Revenue calculated in Step 4 (**PTP IEF Revenue**).

(Step 7) Determine the total PTP DS3 revenue by summing (i) the PTP IEF Revenue calculated in Step 6; and (ii) the PTP Non-IEF Revenue calculated in Step 1 (**PTP DS3 Revenue**).

(Step 8) Calculate the total number of PTP DS3 Qualifying Service units (including any PTP DS3 FMS Services) for which the customer was billed by the Telephone Company under this tariff, FCC 11, FCC 14 and FCC 16 for the (x)
months of August 2008, September 2008, and October 2008 (**PTP DS3 Units**).

(Step 9) Calculate the average revenue per PTP DS3 unit (**PTP DS3 ARPU**) by dividing (i) the PTP DS3 Revenue determined in Step 7 by the PTP DS3 Units determined in Step 8 (**PTP DS3 ARPU**). (N)

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(I) Calculation and Payment of Quarterly Billing Credits (Cont'd)

(1) Rate Calculation Methodology for Flat Rate Pricing (Cont'd)

(b) PTP DS3 Flat Rate Pricing (Cont'd)

(Step 9) (Cont'd)

The PTP DS3 ARPU calculated in this Step 9 is used to determine the Flat Rate per Billed PTP DS3 Unit for each Plan Year of the Service Period.

(Step 10) To determine the Flat Rate per Billed PTP DS3 Unit, multiply (i) the PTP DS3 ARPU calculated in Step 9; by (ii) one (1) minus the discount for the applicable Plan Year from Table 2 below [PTP DS3 ARPU x (1 - discount)].

Table 2

Plan Year	Discount
1	23.3169%
2	24.9144%
3	26.5144%
4	28.2266%
5	30.2200%

(N)

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(I) Calculation and Payment of Quarterly Billing Credits (Cont'd)

(1) Rate Calculation Methodology for Flat Rate Pricing (Cont'd)

(b) PTP DS3 Flat Rate Pricing (Cont'd)

Illustrative Example:

(i) Assume the PTP Non-IEF Revenue is $4,888,921 ($1,551,860 for August 2008 + $1,628,990 for September 2008 + $1,708,071 for October 2008); and

(ii) Assume the Multiplexed Non-IEF Revenue is $4,856,579 ($1,548,140 for August 2008 + $1,616,010 for September 2008 + $1,692,429 for October 2008); and

(iii) Assume the IEF DS3 Revenue is $168,350 ($55,000 for August 2008 + $56,000 for September 2008 + $57,350 for October 2008); and

(iv) Assume the PTP DS3 Units are 1,575 (500 for August 2008 + 525 for September 2008 + 550 for October 2008).

Step 1 The PTP Non-IEF Revenue is $4,888,921.

Step 2 The Multiplexed Non-IEF Revenue is $4,856,579.

Step 3 The Non-IEF DS3 Revenue is $9,745,500 ($4,888,921 + $4,856,579).

Step 4 The % of Non-IEF DS3 Revenue that is PTP Non-IEF Revenue is 50.17% ($4,888,921 / $9,745,500).

Step 5 The IEF DS3 Revenue is $168,350.

Step 6 The PTP IEF Revenue $84,461 ($168,350 x 50.17%).

Step 7 The PTP DS3 Revenue is $4,973,382 ($4,888,921 + $84,461).

Step 8 The PTP DS3 Units are 1,575.

Step 9 The PTP DS3 ARPU is $3,157.70 ($4,973,382 / 1,575).

Step 10 For Plan Year 1, the Flat Rate per Billed PTP DS3 Unit is $2,421.42 [$3,157.70 x (1 - .233169)]. The Flat Rate per Billed PTP DS3 Unit in Plan Years 2-5 is calculated using the applicable discount from Table 2 preceding. (N)

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(I) Calculation and Payment of Quarterly Billing Credits (Cont'd)

(1) Rate Calculation Methodology for Flat Rate Pricing Cont'd)

(c) Multiplexed DS3 Flat Rate Pricing

The Flat Rate per Multiplexed DS3 Unit will be calculated as follows:

(Step 1) Calculate the total revenue for Multiplexed Non-IEF DS3 Qualifying Services (including any Multiplexed FMS DS3 Services) for which the customer was billed by the Telephone Company under this tariff, FCC 11, FCC 14 and (x) FCC 16 for the months of August 2008, September 2008, (x) and October 2008 by summing the total MRC associated with each of such services during this time period (**Multiplexed Non-IEF Revenue**).

(Step 2) Calculate the total revenue for PTP Non-IEF DS3 Qualifying Services (including any PTP FMS DS3 Services) for which the customer was billed by the Telephone Company under this tariff, FCC 11, FCC 14 and FCC 16 for (x) the months of August 2008, September 2008, and October 2008 by summing the total MRC associated with each of such services during this time period (**PTP Non-IEF Revenue**).

(Step 3) Determine the total revenue for Non-IEF DS3 Qualifying Services by summing (i) the Multiplexed Non-IEF Revenue in Step 1; and (ii) the PTP Non-IEF Revenue in Step 2 (**Non-IEF DS3 Revenue**).

(Step 4) Determine the percentage of Non-IEF DS3 Revenue that is associated with Non-IEF Multiplexed DS3 Services by dividing (i) the Multiplexed Non-IEF Revenue determined in Step 1; by (ii) the Non-IEF DS3 Revenue determined in Step 3 (**% of Non-IEF DS3 Revenue that is Multiplexed Non-IEF Revenue**).

(Step 5) Calculate the total revenue for IEF DS3 Qualifying Services by summing the total MRC associated with the customer's Qualifying IEF Services using DS3 interfaces for which the customer was billed by the Telephone Company under this tariff, FCC 11, FCC 14 and FCC 16 for (x) the months of August 2008, September 2008, and October 2008 (**IEF DS3 Revenue**). (N)

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(I) Calculation and Payment of Quarterly Billing Credits (Cont'd)

(1) Rate Calculation Methodology for Flat Rate Pricing (Cont'd)

(c) Multiplexed DS3 Flat Rate Pricing (Cont'd)

(Step 6) Determine the portion of the IEF DS3 Revenue that is associated with IEF Multiplexed DS3 Services by first multiplying (i) the DS3 IEF Revenue calculated in Step 5; by (ii) the % of Non-IEF DS3 Revenue that is Multiplexed Non-IEF Revenue determined in Step 4 (**Multiplexed IEF DS3 Revenue**).

(Step 7) Calculate the total revenue for FMS DS1 Qualifying Services by summing the total MRC associated with the customer's FMS DS1 Qualifying Services for which the customer was billed by the Telephone Company under this tariff, FCC 11, FCC 14 and FCC 16 for the months of August 2008, September 2008, and October 2008 (**FMS DS1 Revenue**). (x)

(Step 8) Calculate the total multiplexed DS3 revenue by summing the Multiplexed Non-IEF Revenue determined in Step 1; (ii) the Multiplexed IEF DS3 Revenue determined in Step 6; and (iii) the FMS DS1 Revenue determined in Step 7 (**Multiplexed DS3 Revenue**).

(Step 9) Calculate the total number of Multiplexed DS3 Units for which the customer was billed by the Telephone Company under this tariff, FCC 11, FCC 14 and FCC 16 for the months of August 2008, September 2008, and October 2008 (**Multiplexed DS3 Units**). (x)

(Step 10) Calculate the total number of FMS DS1 Units by summing the total number of the customer's FMS DS1 Units for which the customer was billed by the Telephone Company under this tariff, FCC 11, FCC 14 and FCC 16 for the months of August 2008, September 2008, and October 2008 (**FMS DS1 Units**). (x) (N)

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(I) Calculation and Payment of Quarterly Billing Credits (Cont'd)

(1) Rate Calculation Methodology for Flat Rate Pricing (Cont'd)

(c) Multiplexed DS3 Flat Rate Pricing (Cont'd)

(Step 11) Convert the FMS DS1 Units determined in Step 10 to equivalent Multiplexed DS3 Units by dividing the result of Step 10 by twenty-eight (28) (**DS1s Converted to Multiplexed DS3 Units**).

(Step 12) Calculate the total number of Multiplexed DS3 Units by summing (i) the Multiplexed DS3 Units determined in Step 9; and (ii) the DS1s Converted to Multiplexed DS3 Units in Step 11 (**Total Multiplexed DS3 Units**).

(Step 13) Calculate the average revenue per Multiplexed DS3 Unit (**Multiplexed DS3 ARPU**) by dividing the Multiplexed DS3 Revenue determined in Step 8 by the Total Multiplexed DS3 Units determined in Step 12.

The Multiplexed DS3 ARPU calculated in this Step 13 is used to determine the Flat Rate per Billed Multiplexed DS3 Unit for each Plan Year of the Service Period.

(Step 14) To determine the Flat Rate per Billed Multiplexed DS3 Unit, multiply (i) the Multiplexed DS3 ARPU calculated in Step 13 by; (ii) one (1) minus the discount for the applicable Plan Year from the Table 3 below [Multiplexed DS3 ARPU x (1 - discount)]

Table 3

Plan Year	Discount
1	12.9005%
2	14.1864%
3	15.4526%
4	16.7016%
5	17.9302%

(N)

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(I) Calculation and Payment of Quarterly Billing Credits (Cont'd)

(1) Rate Calculation Methodology for Flat Rate Pricing (Cont'd)

(c) Multiplexed DS3 Flat Rate Pricing (Cont'd)

Illustrative Example:

(i) Assume the Multiplexed Non-IEF Revenue is $4,856,579 ($1,548,140 for August 2008 + $1,616,010 for September 2008 + $1,692,429 for October 2008); and

(ii) Assume the PTP Non-IEF Revenue is $4,888,921 ($1,551,860 for August 2008 + $1,628,990 for September 2008 + $1,708,071 for October 2008); and

(iii) Assume the IEF DS3 Revenue is $168,350 ($55,000 for August 2008 + $56,000 for September 2008 + $57,350 for October 2008); and

(iv) Assume the FMS DS1 Revenues are: $4,969,500 ($1,500,500 for August 2008 + $1,660,000 for September 2008 + $1,809,000 for October 2008); and

(v) Assume the FMS DS1 Services are 18,900 (5,600 for August 2008 + 6,300 for September 2008 + 7,000 for October 2008); and

(vi) Assume the Multiplexed DS3 Units are 4,800 (1,500 for August 2008 + 1,600 for September 2008 + 1,700 for October 2008).

Step 1 The Multiplexed Non-IEF Revenue is $4,856,579.

Step 2 The PTP Non-IEF Revenue is $4,888,921.

Step 3 The Non-IEF DS3 Revenue is $9,745,500 ($4,888,921 + $4,856,579).

Step 4 The % of Non-IEF DS3 Revenue that is Multiplexed Non-IEF Revenue is 49.83% ($4,856,579 / $9,745,500).

Step 5 The IEF DS3 Revenue is $168,350.

Step 6 The Multiplexed IEF DS3 Revenue is $83,889 ($168,350 x 49.83%).

Step 7 The FMS DS1 Revenue is $4,969,500. (N)

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(I) Calculation and Payment of Quarterly Billing Credits (Cont'd)

(1) Rate Calculation Methodology for Flat Rate Pricing (Cont'd)

(c) Multiplexed DS3 Flat Rate Pricing (Cont'd)

Illustrative Example (Cont'd):

Step 8 The Multiplexed DS3 Revenue is $9,909,968 ($4,856,579 + $83,889 + $4,969,500).

Step 9 The total number of Multiplexed DS3 Units is 4,800.

Step 10 The total number of FMS DS1 Services is 18,900.

Step 11 The DS1s Converted to Multiplexed DS3 Units is 675 (18,900 / 28).

Step 12 The total number of Multiplexed DS3 Units is 5,475 (4,800 + 675).

Step 13 The Multiplexed DS3 ARPU is $1,810.04 ($9,909,968 / 5,475).

Step 14 For Plan Year 1, the Flat Rate per Billed Multiplexed DS3 Unit is $1,576.54 [$1,810.04 x (1 - .129005)]. The Flat Rate per Multiplexed DS3 Unit in Plan Years 2-5 is calculated using the applicable discount from Table 3 preceding. (N)

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(I) Calculation and Payment of Quarterly Billing Credits (Cont'd)

(2) Calculation of Quarterly Billing Credit

To calculate the Quarterly Billing Credit:

Step 1 Determine the total number of Billed DS1 Units, Billed Multiplexed DS3 Units, and Billed PTP DS3 Units for the Quarter in accordance with (I)(1) preceding.

Step 2 Determine the Billed Qualifying Service Revenue for the Quarter for each Qualifying Service type (i.e., based on Billed DS1 Units, Billed Multiplexed DS3 Units, and Billed PTP DS3 Units) in accordance with (I)(1) preceding.

Step 3 Calculate the Flat Rate for each Qualifying Service type (DS1, Multiplexed DS3, and PTP DS3) in accordance with (I)(1) preceding.

Step 4 Calculate the Quarterly Billing Credit for each Qualifying Service type (DS1, Multiplexed DS3, and PTP DS3) by multiplying (i) the total number of the applicable Billed Qualifying Service Units determined in Step 1; by (ii) the applicable Flat Rate calculated in Step 3; and subtracting the result from (iii) the total of the applicable Billed Qualifying Service Revenue for the Quarter determined in Step 2.

Illustrative Example (using only Billed DS1 Units for illustrative purposes):

(i) Assume the customer's monthly Billed DS1 Units in the first Quarter of Plan Year 2 are 303,000.

(ii) Assume the total Billed Qualifying Service Revenue for DS1 Units in the first Quarter of Plan Year 2 is $83,325,000.

(iii) Assume the Flat Rate for DS1s calculated in accordance with (I)(1)(a) preceding is $246.33. (N)

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(I) Calculation and Payment of Quarterly Billing Credits (Cont'd)

(2) Calculation of Quarterly Billing Credit (Cont'd)

Illustrative Example (Cont'd):

Based on the above assumptions:

Step 1 The total Billed DS1 Units for the first Quarter of Plan Year 2 are 303,000.

Step 2 The Billed Qualifying Service Revenue for DS1 Units is $83,325,000.

Step 3 The Flat Rate is $246.33.

Step 4 The Quarterly Billing Credit for Quarter 1 of Plan Year 2 is $8,687,010 [$83,325,000 - (303,000 x $246.33)].

(3) Payment of the Quarterly Billing Credits

The Telephone Company will provide the Quarterly Billing Credits on the customer's bills within one hundred twenty (120) calendar days after the end of the applicable Quarter.

(J) One-Time Revenue Performance Credit

If, as of June 1, 2009, the customer satisfies the eligibility criteria set forth in (C)(1) through (C)(3) preceding, then the customer shall be eligible for a One-Time Revenue Performance Credit in the amount of twenty million dollars ($20M). If the customer satisfies such eligibility criteria, then the Telephone Company shall apply such credits to the customer's applicable account(s) within ninety (90) calendar days after June 1, 2009. The Revenue Performance Credit is available only on a one-time basis for the period specified above, and no further Revenue Performance Credit shall be available to the customer in conjunction with its subscription to this Option 56, Option 54 of (x)
FCC 11, and Option 28 of FCC 14. The single One-Time Revenue (x)
Performance Credit is provided for the customer's collective subscription to this Option 56, Option 54 of FCC 11, and Option 28 (x)
of FCC 14 (i.e., the total One-Time Revenue Performance Credit is (x)
$20M per customer). (N)

(x) Issued under authority of Special Permission No. 09-007 of the Federal Communications Commission.

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(K) Limitation on Grooms

(1) Maximum Annual Grooms

During each Plan Year, if the customer orders more than four hundred (400) Grooms of DS3 Services per Plan Year (**Maximum Annual Grooms**), then the Telephone Company may terminate the customer's subscription to this Option 56, Option 54 of FCC 11, (x) and Option 28 of FCC 14. (x) The Maximum Annual Grooms for Plan Year 1 shall apply on a pro-rated basis for the seven (7) month period of Plan Year 1 beginning June 1, 2009 and ending December 31, 2009 [(400 x (7 / 12) = 233]. The Telephone Company shall provide the customer with notice of any such termination within sixty (60) calendar days of the end of the subject Plan Year, and such termination shall be deemed effective as of the end of such Plan Year. Termination of this Option 56 shall be an automatic termination of Option 54 of FCC 11 and Option 28 of FCC 14. (x)

(2) Customer ACNAs Subject to Limitation on Grooms

The Maximum Annual Grooms limitation set forth in (K)(1) preceding shall apply to all Customer ACNAs. When determining the Maximum Annual Grooms limitation, the Telephone Company shall count all Grooms ordered during the Plan Year in all of the operating territories of this tariff, FCC 11, FCC 14 and FCC 16 (x) for such Customer ACNAs. (N)

(x) Issued under authority of Special Permission No. 09-007 of the Federal Communications Commission.

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(K) Limitation on Grooms (Cont'd)

(3) Exceptions to the Maximum Annual Grooms

The following types of Grooms shall not be included in the Maximum Annual Grooms and shall be performed by the Telephone Company in accordance with its normal business practices:

(a) Any Groom initiated by the Telephone Company and not requested by the customer;

(b) Any Grooms where a DS3 Service rides a Telephone Company optical service provided to the customer, which optical service terminates at or, originates from, a Customer Point-of-Presence (POP);

(c) Any other Grooms that the customer and the Telephone Company mutually agree in writing to not include in the count of Maximum Annual Grooms, including Grooms associated with the elimination or decommissioning of a Customer POP.

(4) Other than as set forth herein, all Grooms shall remain subject to the terms set forth in this tariff, FCC 11, FCC 14 and FCC 16, as applicable. (x) Upon termination of the customer's subscription to this Option 56 as set forth in this Section (K), the Telephone Company shall not owe any credits under this Option 56, Option 54 (x) of FCC 11 and Option 28 of FCC 14 for any period after the (x) termination date described in (K)(1) preceding. Termination of this Option 56 shall be an automatic termination of Option 54 of (x) FCC 11 and Option 28 of FCC 14. (N)(x)

(x) Issued under authority of Special Permission No. 09-007 of the Federal Communications Commission.

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(L) Suspension of True-ups and Extension of Existing Plans During Service Period

During the Service Period, the customer's Existing Plans as defined in (C)(4) preceding, shall be subject to the following provisions (both as to Qualifying Services as well as all other services covered by such Existing Plans):

(1) Suspension of True-ups

The scheduled review/true-up requirements for the customer's Existing Plans, and FMS Plans, if applicable, including any shortfall payments or penalties that would otherwise result for failure to maintain volume commitments, shall be suspended during the Service Period. Upon termination of the customer's subscription to this Option 56, Option 54 of FCC 11, or Option 28 (x) of FCC 14 for any reason, the review/true-up requirements shall (x) be re-activated for the Existing Plans and new commitments shall be established in accordance with the regulations for the type of Existing Plan or FMS Plan involved. For Existing Plans, Time-In-Service-Credits (**TISC**), when applicable, will be granted based on credit already earned as of June 1, 2009 plus any additional credit earned during the customer's subscription to this Option 56, Option 54 of FCC 11, or Option 28 of FCC 14, which (x) collectively shall not be greater than the TISC available under the terms of the applicable Existing Plan.

(2) Extension of Existing Plans

Subject to any early termination of the customer's subscription to this Option 56, Option 54 of FCC 11, or Option 28 of FCC 14, (x) the Existing Plans are deemed extended as necessary to be coterminous with the Service Period. Upon expiration of the Service Period, the Existing Plans will be subject to the regulations for the type of Existing Plan involved that ordinarily apply upon expiration of the respective Existing Plans (including establishment of new commitments). TISC will be granted based on credit already earned as of June 1, 2009 plus any additional credit earned during the customer's subscription to this Option 56, Option 54 of FCC 11, or Option 28 of FCC 14, (x) which collectively shall not be greater than the TISC available under the terms of the applicable Existing Plan. (N)

(x) Issued under authority of Special Permission No. 09-007 of the Federal Communications Commission.

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Vice President Federal Regulatory
1300 I Street, NW, Washington, D.C. 20005

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21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(L) Suspension of True-ups and Extension of Existing Plans During Service Period (Cont'd)

(3) Other Tariff Provisions

All other terms and conditions applicable to the Existing Plans (including discounts and minimum period requirements) remain unchanged by this Section (L).

(M) Mergers, Acquisitions, Divestitures, and Other Changes in Control of Customer

(1) Sale or Other Transfer of Ownership From the Customer to an Unaffiliated Third Party

If the customer sells to an unaffiliated third party, or otherwise transfers to an unaffiliated third party its ownership of (collectively, a **Third Party Sale**), one or more Customer ACNA(s), or a line of business, division, affiliate, or license to operate in a particular geographic area (e.g., a Commercial Mobile Radio Service (CMRS) license) (collectively, **Sold Properties**), then the terms and conditions set forth in this Section (M) shall apply to account for the effect of such Third Party Sale on this Option 56:

(a) No later than sixty (60) calendar days prior to closure of the Third Party Sale, the customer shall notify the Telephone Company of such Third Party Sale via a written notice that includes the following information:

(1) the date on which the Third Party Sale is expected to close; and

(2) the affected Customer ACNA(s); and

(3) the affected state(s) or other relevant geographic area(s); and

(4) Information sufficient to begin the identification process of the volumes and circuit identifiers of all DS1 Units, Multiplexed DS3 Units, and PTP DS3 Units associated with the Sold Properties that the customer will no longer obtain from the Telephone Company as a result of the Third Party Sale (**Sold Qualifying Units**). After sending this notification, the customer will work cooperatively with the Telephone Company (and the third-party carrier, if necessary) to complete the exchange of information that may be reasonably required to determine an adjustment to the applicable Initial Watermark(s). (N)

21. Contract Tariffs (Cont'd)

21.57 Contract Tariff Option 56 (Cont'd) (N)

(M) Mergers, Acquisitions, Divestitures, and Other Changes in Control of Customer (Cont'd)

(1) Sale or Other Transfer of Ownership From the Customer to an Unaffiliated Third Party (Cont'd)

(b) If the customer provides notice as described in (M)(1)(a) preceding, then effective upon closure of the Third Party Sale if such closure occurs on the first day of a calendar month (or effective upon the first day of the calendar month following closure of the Third Party Sale if such closure occurs on a day other than the first day of a calendar month): (i) all Sold Qualifying Units shall not be counted as Billed Qualifying Service Units, shall not be eligible for the Quarterly Billing Credits, and shall cease to be covered by this Option 56 for all other purposes, and (ii) the Initial Watermarks shall be adjusted as set forth in (M)(1)(c) following.

(c) Initial Watermark Adjustment

Where required under (M)(1)(b) preceding, the Telephone Company shall adjust the Initial Watermarks set forth in (F) preceding as follows:

(1) For the Plan Year in which the Third Party Sale occurred:

(Step 1) Determine the volumes of Billed Qualifying Service Units per service type (i.e., DS1, Multiplexed DS3, and PTP DS3) generated by the Sold Properties for the three (3) full calendar months prior to the date of the closing of the Third Party Sale.

(Step 2) Divide the quarterly volumes determined in Step 1 by three (3) to arrive at an average monthly volume.

(Step 3) Multiply the amount determined in Step 2 by the number of full months remaining in the Plan Year (i.e., the Plan Year in which the Third Party Sale occurred) as of the closing date of the Third Party Sale.

(Step 4) Subtract the amount resulting from Step 3 above from the Initial Watermark to arrive at an adjusted Initial Watermark for the Plan Year in which the Third Party Sale occurred. (N)