#### BEFORE THE KANSAS CORPORATION COMMISSION

In the Matter of the Application of	)
Level 3 Communications, LLC	) Docket No. 99-L3CT-318-C
for Authority to Provide Resold and	ý
Facilities-Based, Switched and Dedicated Local	)
Exchange Telecommunications Services	)
throughout the State of Kansas	STATE CORPORATION COMMISSION
	NOV 0 2 1998
APPLICA	ATION Docket

#### I. <u>INTRODUCTION</u>

Comes now Terrence J. Ferguson, on behalf of Level 3 Communications, LLC ("Level 3" or "Applicant"), a Delaware limited liability company representing its intention to engage in the business of providing resold and facilities-based, switched and dedicated local exchange telecommunications services throughout the State of Kansas, <sup>1</sup>/<sub>2</sub> and making claim that public convenience will by thereby promoted. Concurrent with this application, Level 3 is also filing an application for authority to transact the business of an interexchange service provider within the State of Kansas.

Section 66-13 1 of the Kansas Statutes states that no public utility shall provide local exchange telecommunications without first obtaining a "certificate from the corporation commission

<sup>&</sup>lt;sup>1</sup>/<sub>2</sub> While Applicant seeks certification to operate as a competitive local exchange carrier throughout the State of Kansas, it should be noted that Applicant is not seeking to provide local exchange services in the service areas of any small or rural local exchange carrier in Kansas that qualifies for the exemption outlined in Section 25 1 (f)(1) of the Federal Telecommunications Act of 1996.

that public convenience will be promoted . . . . "2/2/2 Applicant respectfully requests a certificate to

allow it to provide competitive local exchange services. Approval of this application will promote

the public interest and will further the purposes of Kansas Statute § 66-1 3 1. Accordingly, Applicant

respectfully requests that the Commission grant it a certificate to provide the full range of intrastate

local exchange services described above. Level 3, for purposes of verification and in evidence of

fitness to operate, offers the following information in support of the application:

1. Applicant's full, correct name is Level 3 Communications, LLC. Applicant is a

limited liability company organized on December 1, 1997, under the laws of Delaware. As a limited

liability company, Level 3 is owned by its member company, PKS Information Services, Inc. PKS

Information Services, Inc., is the sole member company of Level 3. PKS Information Services, Inc.,

is in turn wholly owned by Level 3 Communications, Inc.

2. The address and telephone number of Applicant's principal place of business are:

Level 3 Communications, LLC

1450 Infinite Drive

Louisville, Colorado 80027

Telephone: (303) 926-3000

Facsimile: (303) 926-3400

Applicant does not have an office within Kansas and has no current plans to establish one

in the near future. Level 3's registered agent in the state of Kansas is:

The Corporation Company, Inc.

5 15 South Kansas Avenue

Topeka, KS 66603

<u>2</u>/ K.S.A. § 66–131 (1996).

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3. Applicant requests authority to provide the services described herein on a statewide

basis.

4. Correspondence or communications pertaining to this Application should be directed

to:

Sue E. Weiske

Fraser Stryker Law Firm

7581 W. 103rdAve.

Westminster, Colorado 8002 1

Telephone: (303) 635-6904

Facsimile: (303) 635-6965

Questions concerning the ongoing operations of Applicant following certification should be

directed to:

Thomas C. Stortz

Senior Vice President and General Counsel

Level 3 Communications, LLC

1450 Infinite Drive

Louisville, Colorado 80027

Telephone: (303) 926-3000

Facsimile: (303) 926-3409

5. <u>Description of Applicant's Operations</u>

> A. A description of Level 3's proposed operations is attached hereto as Exhibit A.

B. During the time that Level 3 is implementing its initial operations in Kansas,

approximately 75 Level 3 employees, agents, or contractors assigned to local service

matters will be located within Kansas.

C. A description of telecommunications equipment to be deployed in Kansas is

attached hereto as Exhibit B.

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D. Level 3 has not been refused certification in any state, nor has it had a permit, license, or certificate revoked by any state. No state has taken any enforcement action against Level 3's local service operations.

# 6. <u>Applicant's Managerial Qualifications</u>

A. Level 3's officers have the necessary technical resources and qualifications necessary to execute its business plan, to provide its proposed telecommunications services, and to operate and maintain Level 3's facilities, over which such services will be deployed. Level 3's management team has more than forty years' experience in telecommunications.

Level 3 will install state-of-the-art telecommunications equipment and construct fiber-optic network infrastructure which will be able to provide trunking facilities to the incumbent local exchange carrier ("ILEC") and/or one or more competitive local carriers ("CLECs"). The fiber-optic network infrastructure will be able to connect Level 3's network to major ILEC central offices and customers in the central business district and outlying areas of business concentrations in each market. Level 3's network will also be able to connect to an ILEC tandem switch and certain IXC points of presence ("POPs"). Level 3 will deploy state-of-the-art transmission and multiplexer equipment in each of the ILEC central offices in which it is collocated. As each customer is obtained, service will be provisioned either on Level 3's own internal fiber-optic network or by leasing unbundled loops to other facilities (e.g., T1 s) from the ILEC to connect the end user to Level 3's network. Level 3 will also provide around-the-clock network monitoring and customer service centers.

Level 3 is authorized to provide facilities-based and resold interexchange and

local exchange service in California, Colorado, the District of Columbia, Florida,

Georgia, Illinois, Kentucky, Maryland, Massachusetts, Michigan, New Hampshire,

New Jersey, New York, Ohio, Pennsylvania, Texas, Virginia, and Washington.

Level 3 is currently in the process of obtaining authority to provide resold and

facilities-based interexchange and local exchange service in several states, including:

Connecticut, Delaware, Idaho, Indiana, Nebraska, Nevada, North Carolina, Oregon,

South Carolina, Tennessee, Utah, and Wyoming.

B. The names, addresses, and telephone numbers of the officers and directors of

Applicant are provided as Exhibit C to this Application. Also included in Exhibit C

are descriptions of the management and telecommunications qualifications and

experience of Applicant's key personnel. The Applicant's representative responsible

for oversight of Level 3's daily operations in Kansas is Andy Sredojevic who may

be contacted at:

769 1 1 03<sup>rd</sup> Ave.

Westminster, Colorado 8002 1

Telephone: (303) 635-9000

7. Applicant's Technical Qualifications

> A. Level 3 is fully aware of the local exchange company Quality of Service

> Standards and reporting requirements as ordered by the Commission in Docket No.

191,206-u.

B. Level 3 does not anticipate any problems meeting or reporting on the

Commission's Quality of Service Standards. As demonstrated in Exhibit C, Level

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- 3 has the management expertise to deploy the necessary resources to meet quality of service standards as established by the Commission.
- C. Level 3 is fully aware of the Commission's Billing Practices Standards as ordered in Docket No. 120,408-U.
- D. Level 3 does not anticipate any problems meeting the Commission's Billing Practices Standards. As demonstrated in Exhibit C, Level 3 has the management expertise to deploy the necessary resources to meet the Billing Practices Standards as established by the Commission.
- E. Level 3 very recently began offering provision of service in certain metropolitan markets in the states of California, Colorado, the District of Columbia and Illinois.
- 8. Applicant's Financial Qualifications: Level 3 is financially qualified to provide local exchange telecommunications services in Kansas. In particular, Level 3 has access to the financing and capital necessary to conduct its telecommunications operations as specified in this application. As a start-up company, Level 3 will rely on the financial resources of Level 3 Communications, Inc., its ultimate parent company, to provide initial capital investment and to fund operating losses during the start-up phase of operations. Level 3 Communications, Inc., has financed Level 3's initial operations and will continue to provide financial support to Level 3 so long as Level 3 requires additional capital and resources to complete its networks and construct facilities.

Level 3 is a start-up operation and therefore does not yet have financial statements. Instead attached hereto as Exhibit D are copies of financial information for Level 3's parent company, Level 3 Communications, Inc. The financial information attached includes:

A. Comparative income statements for the immediately preceding three-year

period.

B. Balance sheets for the immediately preceding three-year period.

A forward-looking narrative discussing any significant activity that may C.

impact either the income statement or balance sheet.

9. Organizational Information

> A. Attached hereto as Exhibit E is a copy of Applicant's Certificate of Formation

and authorization to transact business in the State of Kansas.

B. Attached hereto as Exhibit F is a sample customer bill.

C. Level 3's contact person for customer service is:

Ken Williams

Vice President of Customer Services

Level 3 Communications, LLC

7581 W. 103<sup>rd</sup> Ave.

Westminster, Colorado 8002 1

Telephone: (303) 635-9000

Facsimile: (303) 635-9670

The following toll-free number is available for customer service inquiries:

(877) 4-LEVEL3 ((877) 453-8353)

D. Level 3 has not yet reached an interconnection or resale agreement with any

incumbent local exchange carrier in Kansas.

10. An illustrative tariff of Applicant is attached as Exhibit G. A finalized tariff will be

submitted to the Commission at least 30 days before Applicant provides local exchange services

under the certificate for which it applies herein.

Approval of Level 3's application will serve the public interest by creating greater 11.

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competition in the local exchange marketplace. Applicant anticipates that its proposed service will provide its subscribers with better quality services and enhanced user features and will increase consumer choice through Applicant's reliable service offerings. The public convenience and necessity, therefore, will be served by the issuance of a certificate to Applicant authorizing it to provide the services described in this application.

WHEREFORE, Level 3 Communications, LLC, respectfully requests that the Kansas Corporation Commission issue a Certificate of Convenience and Authority authorizing Level 3 to provide resold and facilities-based, switched and dedicated local exchange

Respectfully submitted,

Terrence J. Ferguson

Senior Vice President and Special Counsel

Level 3 Communications, LLC

Dated: October <u>6</u>, 1998

telecommunications services in the State of Kansas.

# Exhibit A

# **Description of Applicant's Proposed Operations**

Level 3 seeks authority to provide all forms of facilities-based and resold local exchange services, which will allow its customers to originate and terminate local calls to other customers served by Level 3 as well as customers served by all other authorized local exchange carriers. Level 3 will also provide switched access services to interexchange carriers, which will allow Level 3's customers to originate and terminate intrastate and interstate calls to and from customers of all interexchange carriers.

Exchange services will include, but will not be limited to the following: (i) local exchange access services to single-line and multi-line customers (including basic access lines, direct inward-outward PBX trunk service, Centrex services, and ISDN); (ii) local exchange usage services to customers of Level 3's end-user access line services; and (iii) switched and special carrier access services to other common carriers. Level 3 intends to offer both inbound and outbound intraLATA services. This will be accomplished through a combination of its own facilities and through the resale of the facilities of other certificated carriers. Initially, Level 3 plans to offer services through a combination of purchased and leased assets. Applicant's services will be available on a full-time basis — 24 hours a day, seven days a week.

Level 3 has not completed its business plans for Kansas; therefore, exact dates and locations of initial service are not yet available. Once Level 3's business plan is completed, Level 3 will inform the Commission of its plans, if the Commission so wishes.

#### Exhibit B

# **Description of Equipment to Be Deployed**

Level 3 will install state-of-the-art telecommunications equipment and construct fiber-optic network infrastructure will be able to provide trunking facilities to the incumbent local exchange carrier ("ILEC") and/or one or more competitive local carriers ("CLECs"). The fiber-optic network infrastructure will be able to connect Level 3's network to major ILEC central officers and customers in the central business district and outlying areas of business concentrations in each market. Level 3's network will also be able to connect to an ILEC tandem switch and certain IXC points of presence ("POPs"). Level 3 will deploy state-of-the-art transmission and multiplexer equipment in each of the ILEC central offices in which it is collocated. As each customer is obtained, service will be provisioned either on Level 3's own internal fiber-optic network or by leasing unbundled loops or other facilities (e.g., Tls) from the ILEC to connect the end user to Level 3's network. Level 3 will also provide around-the-clock monitoring and customer service centers.

Level 3 has not completed its business plans for Kansas; therefore, exact dates and locations of deployment are not yet available. Once Level 3's business plan is completed, Level 3 will inform the Commission of its plans, if the Commission so wishes.

# Exhibit C

# **Managerial and Technical Qualifications**

Level 3's officers and directors and their extensive managerial and technical qualifications are as follows:

James Q. Crowe President, Chief Executive Officer

R. Douglas Bradbury Executive Vice President, Chief Financial Officer,

and Treasurer

Kevin J. O'Hara Executive Vice President

Thomas C. Stortz Senior Vice President, General Counsel, and Secre-

tary

Terrence J. Ferguson Senior Vice President and Special Counsel

Michael R. Frank Senior Vice President

Neil J. Eckstein Vice President, Assistant General Counsel, and

Assistant Secretary

Matthew J. Johnson Vice President and Assistant Secretary

Daniel P. Caruso Senior Vice President Mike Jones Senior Vice President

The managers of Level 3 are:

James Q. Crowe R. Douglas Bradbury Terrence J. Ferguson

Mr. Crowe, Mr. Ferguson, Mr. Frank, and Mr. Johnson may be reached at the following address:

3555 Farnam St.

Omaha, Nebraska 68 13 1 Telephone: (402) 536-3624 Facsimile: (402) 536-3645

Mr. O'Hara, Mr. Caruso, Mr. Bradbury, Mr. Eckstein, Mr. Stortz, and Mr. Jones may be reached at the following address:

1450 Infinite Drive

Louisville, Colorado 80027 Telephone: (303) 926-3000 Facsimile: (303) 926-3400 James Q. Crowe is President and CEO of Level 3 Communications, Inc., formerly known as Kiewit Diversified Croup Inc., a wholly owned subsidiary of Peter Kiewit Sons', Inc. (PKS). Level 3 is a diversified corporation with interests in construction, mining, telecommunications, energy and infrastructure privatization and development.

Mr. Crowe previously held the position of Chairman and Chief Executive Officer of MFS Communications Company, Inc. (MFS) from July 1986 until December 1996. When the company merged with WorldCom, Inc. in 1996, he was then elected Chairman of the Board of WorldCom.

MFS was the parent corporation of a family of companies serving the communications needs of business and government, and was a unit of PKS until September 1995 when it was spun off and became an independent, publicly owned corporation. Prior to founding MFS, Mr. Crowe was Croup Vice President of Morrison Knudsen Corporation.

Mr. Crowe presently serves on the board of directors of Level 3 Communications, Inc., Peter Kiewit Sons' Inc., RCN Corporation, Commonwealth Telephone Enterprises, Inc., and Inacom Communications, Inc.

Mr. Crowe graduated from Rennselaar Polytechnic Institute with a bachelor of science degree in mechanical engineering. He also holds a master of business administration degree from Pepperdine University.

R. Douglas Bradbury has been Executive Vice President and Chief Financial Officer of Level 3 Communications, Inc., since August 1, 1997. Prior to joining Level 3, Mr. Bradbury was the Chief Financial Officer (1992-1996), Executive Vice President (1995-1996), and Senior Vice President (1992-1995) of MFS Communications Company, Inc. He was Senior Vice President-Corporate Affairs for MFS Telecom from 1988 to 1992.

Before joining MFS in 1988, Mr. Bradbury served as Executive Vice President and Chief Operating Officer at American Pioneer Telephone, Inc., a regional long distance carrier based in Orlando, Florida, and as Vice President of Manufacturers Hanover Trust Company in New York and Milan, Italy.

Mr. Caruso is responsible for Level 3's network services organization. This organization designs, engineers, constructs, and operates Level 3's communications network.

Prior to joining Level 3, Mr. Caruso was responsible for WorldCom's Local Service network planning and service delivery organization. This organization was charged with developing new local markets, implementing CLEC networks in WorldCom's local markets, planning for the local switch and fiber networks, developing business support systems to enable scaling of local switched services, and providing local switched service.

Prior to this assignment, Mr. Caruso managed network development groups. These groups were responsible for driving MFS's network expansions into new geographical markets in the northeast and central regions of the United States. Mr. Caruso's responsibilities included overseeing the business plan and "build versus buy" analysis, securing franchise and right-of-way agreements; acquiring start-up competitive access providers, negotiating joint venture agreements, and overseeing network construction.

Before joining MFS in January 1993, Mr. Caruso spent several years at Ameritech. His most recent position at Ameritech was with their corporate development group, where he analyzed Ameritech's entry in cable TV, security alarm services, and other ventures. Mr. Caruso also held several engineering, operations, and financial positions within Ameritech's operating units.

Mr. Caruso holds a master of business administration degree from the University of Chicago and a bachelor of science degree in engineering from the University of Illinois at Champaign-Urbana.

From September 1997 to September 1998, Terrence Ferguson held the position of Senior Vice President, General Counsel, and Secretary of Level 3 Communications, Inc. Currently, Mr. Ferguson holds the position of Senior Vice President and Special Counsel. Mr. Ferguson previously was Senior Vice President from September 1992 to February 1997, General Counsel from January 1992 to February 1997 and Secretary from November 1991 to February 1997 of MFS Communications Company, Inc. ("MFS"), an integrated communications provider of both local and long distance services to business and government customers.

Prior to his work with MFS, Mr. Ferguson was Senior Corporate Attorney for Peter Kiewit Sons', Inc., a leading construction, mining, energy and telecommunications company, from December 198 1 to September 1992. Mr. Ferguson was also a member of the Kutak Rock law firm from September 1976 to January 1981.

Mr. Ferguson received his law degree from Georgetown University Law Center in 1967, and received a bachelor of science degree from Creighton University in 1964.

Mr. Jones is Senior Vice President and Chief Information Officer for Level 3 Communications. Mr. Jones's organization is responsible for the development, support and operations of all of Level 3's information and network management systems.

Prior to joining Level 3, Mr. Jones was Vice President and Chief Information Officer for Corporate Express, Inc., in Broomfield, Colorado. Corporate Express is a \$4 billion international corporation providing essential business products and services to large organizations.

Prior to joining Corporate Express, Mr. Jones was the director of billing systems for Sprint International, and an associate partner with Andersen Consulting.

Mr. Jones has a degree in accounting and computer science from Southwestern Oklahoma State University.

Mr. Frank is currently Senior Vice President of Human Resources for Level 3 Communications. Prior to this assignment he was Senior Vice President of Human Resources for MFS Communications from 1994 to 1997. Additionally he has held senior level human resources positions at the Walt Disney Company, Pepsico, and General Mills over the past 20 years.

Mr. Frank has been active in numerous industry, functional and civic organizations and is an occasional speaker for those organizations. Mr. Frank received his bachelor's degree from Creighton University in Omaha.

Since January 1998, Matthew J. Johnson has been Vice President, Corporate Legal, of Level 3 Communications, Inc. From 1995, Mr. Johnson was Vice President, Legal, of Peter Kiewit Sons', Inc., one of North America's largest and most respected construction organizations. From 1991-1994 Mr. Johnson served as corporate counsel for Peter Kiewit Sons', Inc.

Mr. Johnson received his law degree from the University of Texas in 1980, and received a bachelor of arts degree from the University of Nebraska in 1978.

Thomas C. Stortz joined Level 3 as Senior Vice President and General Counsel effective September 1, 1998. He succeeded Terrence J. Ferguson, who continues with Level 3 as Special Counsel to the company.

Prior to joining Level 3, Mr. Stortz was General Counsel of Peter Kiewit Sons', Inc., (PKS). Stortz joined PKS as an attorney in 198 1 and served as vice president and general counsel for PKS and Kiewit Construction Group, Inc., since 199 1.

He currently sits on the board of directors of PKS and the Nebraska Methodist Hospital Foundation. He has served as a director of RCN Corporation, C-TEC Corporation, Kiewit Diversified Group, Inc., and CCL Industries, Inc.

He earned his law degree at Creighton University School of Law and holds a bachelor of business administration degree from the University of Iowa.

Since January 1998, Mr. Eckstein has been Vice President and Assistant General Counsel of Level 3 Communications, Inc. Mr. Eckstein is also Vice President of Level 3 Communications, LLC. From September 1989 until January 1998, Mr. Eckstein was an associate in the corporate department of Willkie Farr & Gallagher, an international law firm headquartered in New York. While an associate at Willkie Farr & Gallagher, Mr. Eckstein concentrated in the areas of corporate finance, mergers and acquisitions, and general corporate representations, with an emphasis on representing clients in the competitive telecommunications industry.

Mr. Eckstein received his law degree from Fordham University School of Law in 1989, and received a bachelor of arts degree, *cum laude*, with high honors in politics from Brandeis University in 1986.

Kevin J. O'Hara is the Executive Vice President and Chief Operating Officer of Level 3 Communications, Inc., and he is responsible for expanding Level 3's presence in the telecommunications industry. Level 3's emphasis is on establishing an end-to-end facilities-based network optimized for Internet protocol (IP). Level 3's products and services are targeted at the business community.

Prior to joining Level 3, Mr. O'Hara was President and Chief Executive Officer of MFS Global Network Services (GNS). GNS was the MFS service arm responsible for the planning, development, engineering, and operations of all MFS networks and services worldwide. Previously, Mr. O'Hara held the position of President of MFS Development and Vice President of Network Services for MFS Telecom.

Prior to joining MFS at the end of 1989, Mr. O'Hara held management positions with Peter Kiewit Sons', Inc. in Omaha, Nebraska, for nine years. In his last position before joining MFS, Mr. O'Hara served as the area manager for Kiewit Network Technologies, Inc., with responsibility for the physical construction of the MFS networks. Mr. O'Hara earned a bachelor of science degree in electrical engineering from Drexel University, Philadelphia, and a master's degree in business administration from the University of Chicago.

# **EXHIBIT G**

**Illustrative Local Tariff** 

# TARIFF SCHEDULE APPLICABLE TO

ACCESS SERVICES

WITHIN THE STATE OF KANSAS

BY

LEVEL 3 COMMUNICATIONS, LLC

Issued by:

Terrence J. Ferguson
Senior Vice President and General Counsel
Level 3 Communications, LLC
3555 Famam Street
Omaha, Nebraska 68 13 1
(402) 536-3677

ISSUED: November 2, 1998 EFFECTIVE:

# CHECK SHEET

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# LEVEL 3 COMMUNICATIONS, LLC

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INTRASTATE ACCESS SERVICES	ΓRASTATE	ATE ACCESS	SERVICES
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ISSUED: November 2, 1998

#### EXPLANATION OF SYMBOLS

The following symbols shall be used in this tariff for the purposes indicated below.

- (C) To signify changed listing, rule, or condition which may affect rates or charges.
- (D) \_ To signify discontinued material, including listing, rate, rule or condition.
- (I) To signify an increase.
- (L) To signify material relocated from or to another part of tariff schedule with no change in text, rate, rules or conditions.
- (N) To signify new materials including listing, rate, rule or condition.
- (R) To signify reduction.
- (T) To signify change in wording of text but not change in rate, rule or condition.

ISSUED: November 2, 1998

LEVEL 3 COMMUNICATIONS, LLC 3555 Famam Street
Omaha, Nebraska 68131

#### INTRASTATE ACCESS SERVICES

# APPLICATION OF TARIFF

This Tariff contains the regulations and rates applicable to intrastate services provided by Company to business customers for telecommunications between points within the State. Company's services are furnished subject to the availability of facilities and subject to the terms and conditions of this Tariff.

The rates and regulations contained in this Tariff apply only to the services furnished by Company and do not apply, unless otherwise specified, to the lines, facilities, or services provided by a local exchange telephone company or other common carrier for use in accessing the services of Company.

The Customer is entitled to limit the use of Company's services by end users at the Customer's facilities, and may use other common carriers in addition to or in lieu of Company.

ISSUED: November 2, 1998 EFFECTIVE:

#### SECTION 1 - DEFINITION OF TERMS

Certain terms used generally throughout this tariff for Communications Service of this Company are defined below.

Advance Payment: Part or all of a payment required before the start of service.

<u>Authorized User:</u> A person, firm or corporation which is authorized by the Customer or Joint User to be connected to the service of the Customer or Joint User, respectively.

Bit: The smallest unit of information in the binary system of notation.

<u>Commission:</u> Kansas State Corporation Commission.

Company: Level 3 Communications, LLC, the issuer of this tariff.

<u>Customer:</u> The person, **firm** or corporation which purchases service and is responsible for the payment of charges and compliance with the Company's regulations.

<u>Dedicated:</u> A facility or equipment system or subsystem set aside for the sole use of a specific Customer.

<u>End Office</u>: The term "end office" denotes the switching system office or serving wire center where Customer station loops are terminated for purposes of interconnection to each other and/or to trunks.

Joint User: A person, firm or corporation which is designated by the Customer as a user of services furnished to the Customer by the Company and to whom a portion of the charges for the service will be billed under a Joint User arrangement as specified in the Company's tariff.

<u>LATA:</u> A Local Access and Transport Area established pursuant to the Modification of Final Judgement entered by the United States District Court for the District of Columbia in Civil Action No. 82-0192; or any other geographic area designated as a LATA in the National Exchange Carrier Association, Inc. Tariff F.C.C. No. 4.

<u>Major Service Interruption:</u> An interruption of Customer service due to the Company's negligence or due to its noncompliance with the provisions of this tariff.

<u>Premises:</u> The space occupied by a Customer, Authorized User or Joint User in a building or buildings or contiguous property (except railroad rights-of-way, etc.) not separated by a highway.

ISSUED: November 2, 1998 EFFECTIVE:

## SECTION 1 - DEFINITION OF TERMS. (CONT'D)

<u>Recurring Charges:</u> The monthly charges to the Customer for services, facilities and equipment, which continue for the agreed upon duration of the service.

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

<u>Service Order:</u> The written request for Company Services submitted by the Customer in the format devised by the Company. The signing of a Service Order by the Customer and acceptance by the Company initiates the respective obligations of the parties as set forth herein and pursuant to the tariffs of the Company, but the duration of the service is calculated from the Service Commencement Date.

<u>Shared:</u> A facility or equipment system or subsystem that can be used simultaneously by several Customers.

Transmission: The sending of electrical or optical signals over a line to a destination.

User: A Customer, Joint User, or any other person authorized by a Customer to use service provided to the Customer under a Level 3 Communications, L.L.C. tariff.

ISSUED: November 2, 1998

Issued By:

# SECTION 2 - UNDERTAKING OF THE COMPANY

#### 2.1 General

- 2.1.1 The Company does not undertake to transmit messages but offers the use of its facilities for the transmission of communications.
- 2.1.2 Customers and Users may use services and facilities provided under the tariffs of the Company to obtain access to services offered by other companies. The Company is responsible for the services and facilities provided under its tariffs, and for its unregulated services provided pursuant to contract, and it assumes no responsibility for any service (whether regulated or not) provided by any other entity that purchases access to the Company network in order to originate or terminate such entity's own services, or to communicate with such entity's own customers.
- 2.1.3 The Company shall have no responsibility with respect to billings, charges or disputes related to services used by the Customer which are not included in the services herein including, without limitation, any local, regional or long distance services not offered by the Company. The Customer shall be fully responsible for the payment of any bills for such services and for the resolution of any disputes or discrepancies with the service provider.

# 2.2 Description of Service

Level 3 Communications, LLC Service consists of any of the business services offered pursuant to this tariff, either individually or in combination. Each business service is offered independent of the others, unless otherwise noted. Service is offered via the Company's facilities or in combination with transmission facilities provided by other certificated carriers.

## 2.3 Application for Service

Customers desiring to obtain Level 3 Communications, LLC Service must complete the Company's standard service order form(s).

# 2.4 Shortage of Equipment or Facilities

- 2.4.1 The Company reserves the right to limit or to allocate the use of existing facilities, or of additional facilities offered by the Company, when necessary because of lack of facilities, or due to some other cause beyond the Company's control, on a nondiscriminatory basis.
- 2.4.2 The furnishing of service under the tariffs of the Company is subject to the availability on a continuing basis of all the necessary facilities and is limited to the reasonable capacity of the Company's facilities as well as facilities the Company may obtain from other carriers to furnish service from time to time as required at the sole discretion of the Company.

ISSUED: November 2, 1998 EFFECTIVE:

### SECTION 2 - UNDERTAKING OF THE COMPANY (CONT'D)

# 2.5 Terms and Conditions

- 2.5.1 Service shall be provided on the basis of a minimum period of at least one (1) year.
- 2.5.2 Customers may be required to enter into written service orders which shall contain or reference a specific description of the service ordered, the rates to be charged, the duration of the services, and the terms and conditions in the tariffs of the Company. Customer will also be required to execute any other documents as may be reasonably requested by the Company.
- 2.5.3 At the expiration of the initial term specified in each Service Order, or in any extension thereof, service shall continue on a month to month basis at the then current rates unless terminated by either party. Any termination shall not relieve Customer of its obligation to pay any charges incurred under the service order and the tariffs of the Company prior to termination. The rights and obligations which by their nature extend beyond the termination of the term of the service order shall survive such termination.
- 2.5.4 In any action between the parties to enforce any provision of the tariffs of the Company, the prevailing party shall be entitled to recover its legal fees and court costs from the **non-**prevailing party in addition to other relief a court may award.
- 2.5.5 The tariffs of the Company shall be interpreted and governed by the laws of the State of Kansas without regard for its choice of laws provision.

#### 2.6 Liability of the Company

- 2.6.1 The liability of the Company for damages arising out of the furnishing of its Services, including but not limited to mistakes, omissions, interruptions, delays, or errors, or other defects, representations, or use of these services or arising out of the failure to furnish the service, whether caused by acts or omissions, shall be limited to the extension of allowances for interruption as set forth in Section 9.0, following. The extension of such allowances for interruption shall be the sole remedy of the Customer and the sole liability of the Company. The Company will not be liable for any direct, indirect, incidental, special, consequential, exemplary or punitive damages to Customer or User as a result of any Company service, equipment or facilities, or the acts or omissions or negligence of the Company, Company's employees or agents.
- 2.6.2 The Company shall not be liable for any delay or failure of performance or equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood, explosion or other catastrophes; any law, order, regulation, direction, action, or request of the United States Government, or of any other government, including state and local governments having or claiming jurisdiction over the Company, or of any department,

ISSUED: November 2, 1998 EFFECTIVE:

#### SECTION 2 - UNDERTAKING OF THE COMPANY (CONT'D)

agency, commission, bureau, corporation, or other instrumentality of any one or more of these federal, state, or local governments, or of any civil or military authority, national emergencies, insurrections, riots, wars, unavailability of rights-of-way or materials, or strikes, lockouts, work stoppages, or other labor difficulties.

- 2.6.3 The Company shall not be liable for any act or omission of any entity furnishing to the Company or to the Company's Customers or Users facilities or equipment used for or with the services the Company offers.
- 2.6.4 The Company shall not be liable for any damages or losses due to the fault or negligence of the Customer or User or due to the failure or malfunction of Customer or User-provided equipment or facilities.
- 2.6.5 The Company does not guarantee nor make any warranty with respect to installations it provides for use in an explosive atmosphere. The Customer shall indemnify and hold the Company harmless from any and all loss, claims, demands, suits, or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by any other party or person(s), and for any loss, damage, or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal presence, condition, location, or use of any installation so provided.
- 2.6.6 The Company reserves the right to require each Customer to sign an agreement acknowledging acceptance of the provisions of this paragraph as a condition precedent to such installations.
- 2.6.7 The Company is not liable for any defacement of or damage to Customer or User premises resulting from the furnishing of services or equipment on such premises or the installation or removal thereof, unless such defacement or damage is caused by negligence or willful misconduct of the Company's agents or employees.
- 2.6.8 The entire liability for any claim, loss, damage or expense from any cause whatsoever shall in no event exceed sums actually paid the Company by Customer for the specific services giving rise to the claim. No action or proceeding against the Company shall be commenced more than one year after the service is rendered, or as required by Kansas Law.
- 2.6.9 The Company shall not be liable for any damages or losses due to the fault or negligence of the Customer or due to the failure or malfunction of Customer provided equipment or facilities.
- 2.6.10 The Company shall not be liable for any damages resulting from delays in meeting any service dates due to delays resulting from normal construction procedures. Such delays

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### SECTION 2 - UNDERTAKING OF THE COMPANY (CONT'D)

shall include, but not be limited to, delays in obtaining necessary regulatory approvals for construction, delays in obtaining right-of-way approvals and delays in actual construction work.

- 2.6.11 The Company shall not be liable for any damages whatsoever to property resulting from the installation, maintenance, repair or removal of equipment and associated wiring unless the damage is caused by the Company's willful misconduct or negligence.
- 2.6.12 THE COMPANY MAKES NO WARRANTIES OR **REPRESENTATIONS**, EXPRESS OR IMPLIED EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH IN ITS TARIFFS.
- 2.6.13 The Company shall not be liable for any damages whatsoever associated with service, facilities, or equipment which the Company does not furnish or for any act or omission of Customer or any other entity furnishing services, facilities or equipment used for or in conjunction with Level 3 Communications, LLC.

#### 2.7 Notification of Service-Affecting Activities

To the extent possible, the Company will provide the Customer reasonable notification of service-affecting activities that may occur in normal operation of its business. Such activities may include, but are not limited to, equipment or facilities additions, removals or rearrangements and routine preventative maintenance. Generally, such activities are not specific to an individual Customer but affect many Customers' services. No specific advance notification period is applicable to all service activities. The Company will work cooperatively with the Customer to determine the reasonable notification requirements. With some emergency or unplanned service-affecting conditions, such as an outage resulting from cable damage, notification to the Customer may not be possible.

#### 2.8 Provision of Equipment and Facilities

- 2.8.1 All services along the facilities between the point identified as the Company's origination point and the point identified as the Company's termination point will be furnished by the Company, its agents or contractors.
- 2.8.2 The Company may undertake to use reasonable efforts to make available services to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with, the regulations contained in this tariff.
- 2.8.3 The Company undertakes to use reasonable efforts to maintain only the facilities and equipment that it furnishes to the Customer. The Customer, Joint User, or Authorized

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### SECTION 2 - UNDERTAKING OF THE COMPANY (CONT'D)

User may not, nor may they permit others to, rearrange, disconnect, remove, attempt to repair, or otherwise tamper with any of the facilities or equipment installed by the Company, except upon the written consent of the Company.

- 2.8.4 Equipment the Company provides or installs at the Customer's premises for use in connection with the services the Company offers shall not be used for any purpose other than that for which the Company provided the equipment.
- 2.8.5 The Customer shall be responsible for the payment of service charges as set forth herein for visits by the Company's agents or employees to the premises of the Customer, Joint User, or Authorized User when the service difficulty or trouble report results from the use of equipment or facilities the Customer, Joint User, or Authorized User provided.
- 2.8.6 The Company shall not be responsible for the installation, operation, or maintenance of any Customer provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this tariff, the responsibility of the Company shall be limited to the furnishing of facilities offered under this tariff and to the maintenance and operation of such facilities; subject to this responsibility the Company shall not be responsible for:
  - 2.8.6.1 The transmission of signals by Customer provided equipment or for the quality of, or defects in, such transmission; or
  - 2.8.6.2 The reception of signals by Customer provided equipment. The Customer, Authorized User, or Joint User is responsible for ensuring that Customer provided equipment connected to Company equipment and facilities is compatible with such Company equipment and facilities. The magnitude and character of the voltages and currents impressed on Company provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring shall be such as not to cause damage to the Company provided equipment and wiring or injury to the Company's employees or to other persons. Customer will submit to Company a complete manufacturer's specification sheet for each item of equipment that is not provided by the Company and which shall be attached to the Company's facilities. The Company shall approve the use of such item(s) of equipment unless such item is technically incompatible with Company's facilities. Any additional protective, equipment required to prevent such damage or injury shall be provided by the Company at the Customer's expense.
- 2.8.7 Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing Level 3 Communications, LLC services and the channels, facilities, or equipment of others shall be provided at the Customer's expense.

ISSUED: November 2, 1998

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### SECTION 2 - UNDERTAKING OF THE COMPANY (CONT'D)

2.8.8 Level 3 Communications, LLC may be connected to the services or facilities of other communications carriers only when authorized by, and in accordance with, the terms and conditions 'of the tariffs of the other communications carrier which are applicable to such connections.

### 2.9 Nonroutine Installation

At the Customer's request, installation and/or maintenance may be performed outside the Company's regular business hours and/or in hazardous locations. In such cases, charges based on cost of the actual labor, material, or other costs incurred by or charged to the Company will apply. If installation is started during regular business hours but, at the Customer's request, extends beyond regular business hours into time periods including, but not limited to, weekends, holidays, and/or night hours, additional charges may apply.

### 2.10 Ownership of Facilities

Title to all facilities provided in accordance with the tariffs of the Company remains with the Company, its agents or contractors. The Customer shall not have, nor shall it assert, any right, title or interest in all the fiber optic or other facilities and associated equipment provided by the Company hereunder.

#### 2.11 Optional Rates and Information Provided to the Public

The Company will promptly advise Customers who may be affected of new, revised or optional rates applicable to their service. Pertinent information regarding the Company's services, rates and charges shall be provided directly to Customers, or shall be available for inspection at the Company's local business address. If required by the Kansas State Corporation Commission, the Company will cause to have published a notice of its intention *to* charge its rates, tolls, charges, rules and regulations in one or more newspapers in circulation in the affected area.

#### 2.12 Continuity of Service

In the event of prior knowledge of an interruption of service for a period exceeding one day, the Customers will, if feasible, be notified in writing, by mail, at least one week in advance.

#### 2.13 Governmental Authorizations

The provision of services is subject to and contingent upon the Company obtaining and retaining such approvals, consents, governmental authorizations, licenses and permits, as may be required or be deemed necessary by the Company. The Company shall use reasonable efforts to obtain and keep in effect all such approvals, consents, authorizations, licenses and permits that may be

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LEVEL 3 **COMMUNI**CATIONS, LLC 3555 Farnam Street

Omaha, Nebraska 68 13 1

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#### INTRASTATE ACCESS SERVICES

### SECTION 2 - UNDERTAKING OF THE COMPANY (CONT'D)

required to be obtained by it. The Company shall be entitled to take, and shall have no liability whatsoever for, any action necessary to bring the Services into conformance with any rules, regulations, orders, decisions, or directives imposed by the Federal Communications Commission or other applicable agency, and the Customer shall fully cooperate in and take such action as may be requested by the Company to comply with any such rules, regulations, orders, decisions, or directives.

ISSUED: November 2, 1998 EFFECTIVE:

#### SECTION 3 - OBLIGATIONS OF THE CUSTOMER

### 3.1 General

The Customer shall be responsible for:

- 3.1.1 the payment of all applicable charges pursuant to the tariffs of the Company;
- 3.1.2 damage to or loss of the Company's facilities or equipment caused by the acts or omissions of the Customer or of any User; or by the noncompliance by the Customer or any User with these regulations; or by fire or theft or other casualty on the Customer's or any User's Premises, unless caused by the negligence or willful misconduct of the employees or agents of the Company;
- 3.1.3 providing at no charge, as specified from time to time by the Company, any needed personnel, equipment space and power to operate the Company facilities and equipment installed on the premises of the Customer or any User; and the level of heating and air conditioning necessary to maintain the proper operating environment on such premises;
- 3.1.4 any and all costs associated with obtaining and maintaining of the rights-of-way from the point of entry at the Customer's location to the termination point where service is finally delivered to the Customer, including, but not limited to, the costs of installing conduit or of altering the structure to permit installation of Company provided facilities. The Customer's use of such rights-of-way shall in all respects be subject to the terms, conditions and restrictions of such rights-of-way and of agreements between the Company and such third parties relating thereto, including without limitation, the duration applicable to and the condemnation of such rights-of-way, and shall not be in violation of any applicable governmental ordinance, law, rule, regulation or restriction. Where applicable, the Customer agrees that it shall assist the Company in the procurement and maintenance of such right-of-way. The Company may require the Customer to demonstrate its compliance with this section prior to accepting an order for service;
- 3.1.5 providing a safe place to work and complying with all laws and regulations regarding the working conditions on the premises at which the Company's employees and agents shall be installing or maintaining the Company's facilities and equipment. The Customer may be required to install and maintain the Company's facilities and equipment within a hazardous area if, in the Company's opinion, injury or damage to the Company's employees or property might result from installation or maintenance by the Company;
- 3.1.6 the Customer shall be responsible for identifying, monitoring, removing and disposing of any hazardous material (e.g. friable asbestos) prior to any construction or installation work:

ISSUED: November 2, 1998 EFFECTIVE:

### SECTION 3 - OBLIGATIONS OF THE CUSTOMER (CONT'D)

- 3.1.7 complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses and permits as may be required with respect to, the location of the Company's facilities and equipment in any Customer or User premises or the rights-of-way for which Customer is responsible under section 3.1.4; and granting or obtaining permission for the Company's agents or employees to enter the premises of the Customer or any User at any time for the purpose of installing, inspecting, maintaining, repairing, or upon termination of service as stated herein, removing the facilities or equipment of the Company;
- 3.1.8 not creating or allowing to be placed any liens or other encumbrances on the Company's equipment or facilities; and
- 3.1.9 making the Company's facilities and equipment available periodically for maintenance purposes at a time agreeable to both the Company and the Customer. No allowance will be made for the period during which service is interrupted for such purposes.

### 3.2 Prohibited Uses

- 3.2.1 The services the Company offers shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained **all** governmental approvals, authorizations, licenses, consents and permits required to be obtained by the Customer with respect thereto.
- 3.2.2 The Company may require applicants for service who intend to use the Company's offerings for resale and/or for shared use to file a letter with the Company confirming that their use of the Company's offerings complies with relevant laws and Commission regulations, policies, orders, and decisions.
- 3.2.3 The Company may, without obtaining any further consent from the Customer, assign any rights, privileges, or obligations under this tariff. The Customer shall not, without prior written consent of the Company, assign, transfer, or in any other manner dispose of, any of its rights, privileges, or obligations under this tariff, and any attempt to make such an assignment, transfer, disposition without such consent shall be null and void.
- 3.2.4 The Company may require a Customer to immediately shut down its transmission of signals if said transmission is causing interference to others.
- 3.2.5 A Customer may not use the services so as to interfere with or impair service over any facilities and associated equipment, or so as to impair the privacy of any communications over such facilities and associated equipment.

ISSUED: November 2, 1998 EFFECTIVE:

### SECTION 3 - OBLIGATIONS OF THE CUSTOMER (CONT'D)

- 3.2.6 Customer use of any resold service obtained from other service providers shall also be subject to any applicable restrictions imposed by the underlying providers.
- 3.2.7 A Customer, Joint User, or Authorized User shall not represent that its services are provided by the Company, or otherwise indicate to its customers that its provision of services is jointly with the Company, without the written consent of the Company. The relationship between the Company and Customer shall not be that of partners or agents for one or the other, and shall not be deemed to constitute a partnership or agency agreement.

### 3.3 Claims

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

- 3.3.1 any loss, destruction or damage to property of the Company or any third party, or the death or injury to persons, including, but not limited to, employees or invitees of either party, to the extent caused by or resulting from the negligent or intentional act or omission of the Customer or User or their employees, agents, representatives or invitees;
- 3.3.2 any claim, loss, damage, expense or liability for infringement of any copyright, patent, trade secret, or any proprietary or intellectual property right of any third party, arising from any act or omission by the Customer or User, including, without limitation, use of the Company's services and facilities in a manner not contemplated by the agreement between Customer and the Company; or
- 3.3.3 any claim of any nature whatsoever brought by a User with respect to any matter for which the Company would not be directly liable to the Customer under the terms of the applicable Company tariff.

ISSUED: November 2, 1998 EFFECTIVE:

### SECTION 4 - PAYMENT ARRANGEMENTS

### 4.1 Payment for Service

The Customer is responsible for the payment of ail charges for facilities and services furnished by the Company to the Customer and to all Users authorized by the Customer, regardless of whether those services are used by the Customer itself or are resold or shared with other persons.

#### 4.2 Billing and Collection of Charges

- 4.2.1 Nonrecurring charges are due and payable within 30 days after the date an invoice is mailed to the Customer by the Company.
- 4.2.2 The Company shall present invoices for Recurring Charges monthly to the Customer, in advance of the month in which service is provided, and Recurring Charges shall be due and payable within 30 days after the invoice is mailed.
- 4.2.3 Charges based on measured usage will be included on the next invoice rendered following the end of the month in which the usage occurs, and will be due and payable within 30 days after the invoice is mailed.
- 4.2.4 When service does not begin on the first day of the month, or end on the last day of the month, the charge for the fraction of the month in which service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have 30 days.
- 4.2.5 Billing of the Customer by the Company will begin on the Service Commencement Date, which is the first day following the date on which the Company notifies the Customer that the service or facility is available for use, except that the Service Commencement Date may be postponed by mutual agreement of the parties, or if the service or facility does not conform to standards set forth in the tariffs of the Company or the Service Order. Billing accrues through and includes the day that the service, circuit, arrangement or component is discontinued.
- 4.2.6 With respect to Business Customers only, if any portion of the payment is received by the Company after the date due, or if any portion of the payment is received by the Company in funds which are not immediately available, then a late payment penalty shall be due to the Company. The late payment penalty shall be the portion of the payment not received by the date due, net of taxes, not compounded, multiplied by a monthly late factor of 1.5%.
- 4.2.7 For any check returned to the Company due to **insufficient** funds, uncollected funds, or closed account, a \$25.00 fee will be assessed per check returned.

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**EFFECTIVE:** 

### SECTION 4 - PAYMENT ARRANGEMENTS (CONT'D)

### 4.3 Advance Payments

- 4.3.1 To safeguard its interests, the Company may require a Business Customer to make an advance payment before services and facilities are furnished. The advance payment will not exceed an amount equal to the nonrecurring charge(s) and the first month's estimated recurring charges for the service or facility. In addition, where special construction is involved, the advance payment may also include an amount equal to the estimated nonrecurring charges for the special construction and recurring charges (if any) for a period to be set between the Company and the Customer. The advance payment will be credited to the Customer's initial bill and may be required in addition to a deposit.
- 4.3.2 A customer whose service has been discontinued for nonpayment of bills will be required to pay the unpaid balance due carrier and may be required to pay reconnect charges.

### 4.4 Deposits

- 4.4.1 The Company may, in order to safeguard its interests, require an applicant to make a suitable deposit to be held by the Company as a guarantee of the payment of charges.
- 4.4.2 A deposit will be required under the following conditions:
  - 4.4.2.1 Applicant does not have verifiable credit with any Level 3 Communications, LLC affiliate anywhere within the region in the same of similar business; or
  - 4.4.2.2 Applicant has had previous verifiable Service with any Level 3 Communications, LLC affiliate anywhere within the region but has an outstanding and unpaid bill for Service; or has not established satisfactory credit. Satisfactory credit for an Service customer is defined as twelve consecutive months of service without a suspension of service for nonpayment or with no more than one notification of intent to suspend service for nonpayment.
  - 4.4.2.3 Applicant for nonresidential service will be given credit for previous nonresidential service only if the applicant is same business entity to which such service was previously provided.
- 4.4.3 An initial deposit or an additional deposit will be required of an existing customer when high risk is indicated and existing security is insufficient. Such requirement will be imposed when a payment history includes a suspension of service for nonpayment during the previous twelve month period.
- 4.4.4 The Company reserves the right to provide for installment payment of the deposit if the circumstances warrant.

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### SECTION 4 - PAYMENT ARRANGEMENTS (CONT'D)

- 4.4.5 Any deposit required of an existing Customer is due and payable within ten days after the requirement is imposed. This requirement shall be in writing and the payment date shall be on or after the due and payable date for the current bill. If said deposit or installment thereof, as appropriate, is not paid within the aforementioned time frame, the Company may suspend service of the Customer without further notice. The following are exceptions to this provision:
  - 4.4.5.1 In the event service is suspended for a Customer for nonpayment, an initial or additional deposit shall be required prior to the restoration of service if existing security is insufficient.
  - 4.4.5.2 In the event prior indebtedness or prior unsatisfactory credit has been determined subsequent to the initial establishment of service due to misrepresentation of the facts by the Customer, a deposit shall be due and payable within **five** days upon verbal notification and written confirmation or within ten days when notification can only be provided in writing. The ten day period shall be measured from the mailed date of the written notice. If said deposit is not paid within the aforementioned time frame, the Company may suspend service to the Customer without further notice.
- 4.4.6 The amount of the deposit shall be the estimated charges for the Service which will accrue for a 2-month period. All applicants and existing Customers shall be treated uniformly for the determination and application of deposits.
- 4.4.7 When it is determined that a deposit is required under the conditions specified above, the applicant or Customer may, in lieu of or in addition to making the deposit, arrange for an acceptable third party to guarantee payment of his charges by executing on his behalf a Guarantee of Payment Agreement with the Company. An acceptable third party guarantor for Service is a current non residential customer with at least two years continuous service, whose payment history for the most recent twelve month period is satisfactory.
- 4.4.8 The fact that a deposit has been made in no way relieves the Customer from complying with the Company's regulations as to advance payments, or the prompt payment of bills on presentation.
- 4.4.9 The deposit will bear simple interest computed from the date of its receipt by the Company to the date the deposit is refunded, or service is terminated, or annually upon request of the Customer. In the event that a deposit is retained during time periods having different rates of interest, the interest accrued on the deposit will be calculated using the interest rate applicable to each time period.
- 4.4.10 When the Customer is a candidate for political **office** or is a person or organization acting on behalf of a candidate for political office the deposit requirement will be adjusted

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### SECTION 4 - PAYMENT ARRANGEMENTS (CONT'D)

monthly to reflect twice the current month's actual billing. Under these circumstances, a security, i.e., surety bond or bank letter of credit equal to the Company's deposit requirement will be the only acceptable substitutes for a cash deposit.

- 4.4.11 The applicable interest rate for January 1, 1997 through December 3 1, 1998 is 4%.
- 4.4.12 When service is terminated, the amount of the initial or additional deposit, with any interest due, will be credited to the Customer's account and any credit balance which may remain will be refunded. After an existing customer has established satisfactory credit, the amount of the deposit, with any interest due, will be either credited to the account or at the option of the Customer, refunded. Satisfactory credit for a Customer is defined as twelve consecutive months of Service without suspension for nonpayment and with no more than one notification of intent to suspend service for nonpayment.

#### 4.5 Discontinuance of Service

- 4.5.1 Upon nonpayment of any amounts owing to the Company, the Company may, by giving ten days prior written notice to the Customer, discontinue or suspend service without incurring any liability.
- 4.5.2 Upon violation of any of the other material terms or conditions for furnishing service the Company may, by giving 30 days prior notice in writing to the Customer, discontinue or suspend service without incurring any liability if such violation continues during that period.
- 4.5.3 Upon condemnation of any material portion of the facilities used by the Company to provide service to a Customer, or if a condition immediately dangerous or hazardous to life, physical safety or property exists, or if a casualty renders all or any material portion of such facilities inoperable beyond feasible repair, the Company, by notice to the Customer, may discontinue or suspend service without incurring any liability.
- 4.5.4 Upon the Customer's insolvency, assignment for the benefit of creditors, tiling for bankruptcy or reorganization, or failing to discharge an involuntary petition within the time permitted by law, the Company may immediately require a deposit without incurring any liability.
- 4.5.5 Upon any governmental prohibition or required alteration of the services to be provided or any violation of an applicable law or regulation, the Company may immediately discontinue service without incurring any liability.

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**EFFECTIVE:** 

### SECTION 4 - PAYMENT ARRANGEMENTS (CONT'D)

- 4.5.6 Upon the Company's discontinuance of service to the Customer under paragraphs 4.5.1 or 4.5.2 above, the Company, in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of the tariffs of the Company, may declare all future monthly and other charges which would have been payable by the Customer during, the remainder of the minimum term for which such services would have otherwise been provided to the Customer to be immediately due and payable (discounted to present value at six percent (6%)).
- 4.5.7 Any Customer or Applicant for Service requesting the opportunity to dispute any action or determination of company under the Commission's Customer Service Rules shall be given an opportunity for a supervisory review by the Company immediately following Customer's request for such review. Service will not be disconnected pending completion of the review.

#### 4.6 Cancellation of Application for Service

- 4.6.1 Applications for service are noncancellable unless the Company otherwise agrees. Where the Company permits the Customer to cancel an application for service prior to the start of service or prior to any special construction, no charges will be imposed except for those specified below.
- 4.6.2 Where, prior to cancellation by the Customer, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs the Company incurred, less net salvage, shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of services ordered, including installation charges, and all charges others levy against the Company that would have been chargeable to the Customer had service begun (all discounted to present value at six percent (6%)).
- 4.6.3 Where the Company incurs any expense in connection with special construction, or where special arrangements of facilities or equipment have begun, before the Company receives a cancellation notice, a charge equal to the costs incurred, less net salvage, applies. In such cases, the charge will be based on such elements as the cost of the equipment, facilities, and material, the cost of installation, engineering, labor, and supervision, general and administrative expense, other disbursements, depreciation, maintenance, taxes, provision for return on investment, and any other costs associated with the special construction or arrangements.
- 4.6.4 The special charges described in paragraphs 4.6.1 through 4.6.3, above, will be calculated and applied on a case-by-case basis.

ISSUED: November 2, 1998

EFFECTIVE:

### SECTION 4 - PAYMENT ARRANGEMENTS (CONT'D)

### 4.7 Changes in Service Requested

If the Customer makes or requests material changes in circuit engineering, equipment specifications, service parameters, premises locations, or otherwise materially modifies any provision of the application for service, the Customer's installation fee shall be adjusted accordingly.

### 4 . Taxe8

The Customer is responsible for the payment of Federal excise taxes, gross receipts, access, state and local sales and use taxes and all taxes, fees, surcharges (however designated) and other exactions imposed on the Company or its services by governmental jurisdictions, other than taxes imposed generally on corporations. Any taxes imposed by a local jurisdiction (e.g. county and municipal taxes) will only be recovered from those customers residing in the affected jurisdictions. All such taxes, fees, and charges shall be separately designated on the Company's invoices, and are not included in the tariffed rates. It should be the responsibility of the Customer to pay any such taxes that subsequently become applicable retroactively.

### 4.9 Disputed Bills

The Customer may dispute a bill only by written notice to the Company. Unless such notice is received in a timely fashion, the bill statement shall be deemed to be correct and payable in full by Customer. Any Customer who has a dispute shall be advised by the Company that the Customer may file a formal or informal complaint with the Commission.

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### SECTION 5 - USE OF CUSTOMER'S SERVICE BY OTHERS

### 5.1 Resale and Sharing

Any service provided under the Company tariffs may be resold to or shared with other persons at the option of Customer, except as provided in 5.3, following. Customer remains solely responsible **for all** use of services ordered by it or billed to its telephone number(s) pursuant to the tariffs of the Company, for determining who is authorized to use its services, and for notifying the Company of any unauthorized use. Business rates apply to all service that is resold or shared.

### 5.2 Joint Use Arrangements

Joint use arrangements will be permitted for all services available for resale and sharing pursuant to the Company tariffs. From each joint use arrangement, one member will be designated as the Customer responsible for the manner in which the joint use of the service will be allocated. Level 3 Communications, LLC will accept orders to start, rearrange, relocate, or discontinue service only from the Customer. Without affecting the Customer's ultimate responsibility for payment of all charges for the service, each Joint User shall be responsible for the payment of the charges billed to it.

### 5.3 Transfers and Assignments

- 5.3.1 Neither the Company nor the Customer may assign or transfer its rights or duties in connection with the services and facilities provided by the Company without the written consent of the other party and any appropriate authorizations, if necessary, except that the Company may assign its rights and duties (a) to any subsidiary, parent company or affiliate of the Company, (b) pursuant to any sale or transfer of substantially all the assets of the Company; or (c) pursuant to any financing, merger or reorganization of the Company.
- 5.3.2 If a Customer cancels a Service Order or terminates services before the completion of the term for any reason whatsoever other than a Major Service Interruption, Customer agrees to pay to the Company the following sums, within 21 days of the effective date of the cancellation or termination and be payable under the terms set forth in Section 4.0, preceding: all costs, fees and expenses reasonably incurred in connection with:
  - 5.3.2.1 All Nonrecurring charges as specified in the Company's tariffs, plus
  - 5.3.2.2 Any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by the Company on behalf of Customer, plus
  - 5.3.2.3 All Recurring Charges specified in the applicable Company tariff for the balance of the then current term.

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### INTRASTATE ACCESS SERVICES

## SECTION 6 - CANCELLATION OF SERVICE

Reserved for future use.

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### SECTION 7 - NOTICES AND COMMUNICATIONS

- 7.1 The Customer shall designate on the Service Order an address to which the Company shall mail or deliver all notices and other communications, except that Customer may also designate a separate address to which the Company's bills for service shall be mailed.
- 7.2 The Company shall designate on the Service Order an address to which the Customer shall mail or deliver all notices and other communications, except that the Company may designate a separate address on each bill for service to which the Customer shall mail payment on that bill.
- 7.3 All notices or other communications required to be given pursuant to the tariffs of the Company will be in writing. Notices and other communications of either party, and all bills mailed by the Company, shall be presumed to have been delivered to the other party on the third business day following placement of the notice, communication or bill with the U.S. Mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.
- 7.4 The Company or the Customer shall advise the other party of any changes to the addresses designated for notices, other communications or billing, by following the procedures for giving notice set forth herein.

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#### SECTION 8 - CUSTOMER EQUIPMENT AND CHANNELS

#### 8.1 General

A User may transmit or receive information or signals via the facilities of the Company. The Company's services are designed primarily for the transmission of voice-grade telephonic signals, except as otherwise stated in the tariffs of the Company. A User may transmit any form of signal that is compatible with the Company's equipment, but except as otherwise specifically stated in its tariffs, the Company does not guarantee that its services will be suitable for purposes other than voice-grade telephonic communication.

#### 8.2 Station Equipment

- 8.2.1 Terminal equipment on the User's Premises and the electric power consumed by such equipment shall be provided by and maintained at the expense of the User. The User is responsible for the provision of wiring or cable to connect its terminal equipment to the Company's Point of Connection.
- 8.2.2 The Customer is responsible for ensuring that Customer-provided equipment connected to the Company equipment and facilities is compatible with such equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring shall be such as not to cause damage to Company-provided equipment and wiring or injury to the Company's employees or to other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the Customer's expense.
- 8.2.3 Customer provided station equipment may be attached to services provided under the tariffs of the Company subject to Part 68 of the FCC Rules and to any applicable provisions of the tariffs of the Company and is the sole responsibility of the Customer.
- 8.2.4 The Company is not responsible for malfunctions of Customer-owned telephone sets or other Customer-provided equipment, or for misdirected calls, disconnects or other service problems caused by the use of Customer-owned equipment.

### 8.3 Interconnection of Facilities

- 8.3.1 Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing Communications Services and the channels, facilities, or equipment of others shall be provided at the Customer's expense.
- 8.3.2 Communications Services may be connected to the services or facilities of other communications carriers only when authorized by, and in accordance with, the terms and

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#### SECTION 8 - CUSTOMER EQUIPMENT AND CHANNELS (CONT'D)

conditions of the tariffs of the other communications carriers which are applicable to such connections.

8.3.3 Facilities furnished under the tariffs of the Company may be connected to customer provided terminal equipment in accordance with the provisions of the tariffs of the Company. All such terminal equipment shall be registered by the Federal Communications Commission pursuant to Part 68 of Title 47, Code of Federal Regulations; and all User provided wiring shall be installed and maintained in compliance with those regulations.

### 8.4 Tests and Adjustments

Upon suitable notice, the Company may make such tests, adjustments, and inspections as may be necessary to maintain the Company's facilities in satisfactory operating condition. No interruption allowance will be credited to the Customer for the period during which the Company makes such tests, adjustments, or inspections.

### 8.5. Inspections

- 8.5.1 Upon suitable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the User is complying with the requirements set forth in Section 2.8 for the installation, operation, and maintenance of Customer-provided facilities, equipment, and wiring in the connection of Customer-provided facilities and equipment to Company-owned facilities and equipment.
- 8.5.2 If the protective requirements for Customer-provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment, and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten days of receiving this notice, the Customer must take this corrective action and notify the Company of the action taken. If the Customer fails to do this, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities, equipment and personnel from harm.

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### SECTION 9 - ALLOWANCES FOR INTERRUPTIONS IN SERVICE

### 9.1 General

- 9.1.1 Interruptions in service, which are not due to the negligence of, or noncompliance with the provisions of the tariffs of the Company by, the Customer or of an authorized or Joint User, or the operation or malfunction of the facilities, power or equipment provided by the Customer, will be credited to the Customer as set forth below for the part of the service that the interruption affects.
- 9.1.2 A credit allowance will be made when an interruption occurs because of a failure of any component furnished by the Company under its tariffs. An interruption period begins when the Customer reports a service, facility or circuit is interrupted and releases it for testing and repair. An interruption period ends when the service, facility or circuit is operative. If the Customer reports a service, facility or circuit to be inoperative but declines to release it for testing and repair, it is considered to be impaired, but not interrupted.
- 9.1.3 For calculating credit allowances, every month is considered to have 30 days. A credit allowance is applied on a pro rata basis against the rates specified hereunder and is dependent upon the length of the interruption. Only those facilities on the interrupted portion of the circuit will receive a credit.
- 9.1.4 A credit allowance will be given for interruptions of 30 minutes or more. Credit allowances shall be calculated as follows:

#### 9.2 Interruptions of 16 Hours or Less

9.2.1	Length of Service Interruption	Credit
	-Less than I hour	None
	-1 hour up to but not including 8 hours	1/4 of day
	-8 hours up to but not including 12 hours	1/2 of day
	- 12 hours up to but not including 16 hours	3/4 of day
	- 16 hours up to but not including 24 hours	one dav

9.2 Two or more service interruptions of the same type to the same line/equipment of two (2) hours or more during any one twenty-four (24) hour period shall be considered as one interruption. In no event shall such interruption credits for any one line/equipment exceed one (1) day's fixed recurring charges for such line/equipment in any twenty-four (24) hour period.

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#### SECTION 9 - ALLOWANCES FOR INTERRUPTIONS IN SERVICE (CONT'D)

- 9.3 <u>Interruptions Over 24 Hours.</u> Interruptions over 24 hours will be credited 1/24 day for each 1-hour period or fraction thereof up to a maximum of 8 hours. Interruptions in excess of 8 hours will be credited as one day. No more than one full day's credit will be allowed for any period of 24 hours
- 9.4 No credit allowance will be made for:
  - 9.4.1 interruptions due to the negligence of, or noncompliance with the provisions of the tariffs of the Company by, the Customer, User, or other common carrier providing service connected to the service of the Company;
  - 9.4.2 interruptions due to the negligence of any person other than the Company, including but not limited to the Customer or other common carriers connected to the Company's facilities;
  - 9.4.3 interruptions of service due to the failure or malfunction of facilities, power or equipment provided by the Customer, Authorized User, Joint User, or other common carrier providing service connected to the services or facilities of the Company;
  - 9.4.4 interruptions of service during any period in which the Company is not given full and free access to its facilities and equipment for the purpose of investigating and correcting interruptions;
  - 9.4.5 interruptions of service during a period *in* which the Customer continues to use the service on an impaired basis;
  - 9.4.6 interruptions of service during any period when the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements;
  - 9.4.7 interruption of service due to circumstances or causes beyond the control of the Company; and
  - 9.4.8 interruptions of service that occur or continue due to the Customer's failure to authorize replacement of any element of special construction.

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### SECTION 10 - APPLICATION OF RATES

### 10.1 Distance-Based Charges

- 10.1.1 Distance between two points is measured as airline distance between two Points of Service.
- 10.1.2 The airline distance between any two Points of Service is determined as follows:
  - A. Obtain the vertical and horizontal coordinates for each Point of Service location.
  - B. Compute the difference between the vertical coordinates of the two Points of Service; and compute the difference between the two horizontal coordinates.
  - C. Square each difference between the vertical coordinates and the horizontal coordinates.
  - D. Add the square of the vertical coordinates difference and the square of the horizontal coordinates difference.
  - E. Divide the sum of the squares by 10. Round to the next higher whole number if any fraction is obtained. For example:  $(\underline{V2 V1})^2 + (\underline{H2 H1})^2$
  - F. Take the square root of the result.

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### SECTION 11 - SPECIAL CONSTRUCTION AND SPECIAL ARRANGEMENTS

### 11.1 Special Construction

Subject to the agreement of the Company and to all of the regulations contained in the tariffs of the Company, special construction and special arrangements may be undertaken on a reasonable **efforts** basis at the request of the Customer. Special arrangements include any service or facility relating to a regulated telecommunications not otherwise specified under tariff, or for the provision of service on an expedited basis or in some other manner different from the normal tariff conditions. Special construction is that construction undertaken:

- 11.1.1 where facilities are not presently available, and there is no other requirement for the facilities so constructed:
- 11.1.2 of a type other than that which the Company would normally utilize in the furnishing of its services:
- 11.1.3 over a route other than that which the Company would normally utilize in the furnishing of its services;
- 11.1.4 in a quantity greater than that which the Company would normally construct;
- 11.1.5 on an expedited basis;
- 11.1.6 on a temporary basis until permanent facilities are available;
- 11.1.7 involving abnormal costs; or
- 11.1.8 in advance of its normal construction.

### Basis for Charges

Where the Company furnishes a facility or service on a special construction basis, or any service for which a rate or charge is not specified in the Company's tariffs, charges will be based on the costs incurred by the Company and may include, (1) nonrecurring type charges; (2) recurring type charges, (3) termination liabilities; or (4) combinations thereof. The agreement for special construction will ordinarily include a minimum service commitment based upon the estimated service life of the facilities provided.

### 11.3 Basis for Cost Computation

The costs referred to in Section 11.2 preceding may include one or more of the following items to the extent they are applicable:

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### SECTION 11 - SPECIAL CONSTRUCTION AND SPECIAL ARRANGEMENTS (CONT'D)

- 11.3.1 installed costs of the facilities to be provided including estimated costs for the rearrangements of existing facilities. Installed costs include the cost of:
  - 11.3.1.1 equipment and materials provided or used,
  - 11.3.1.2 engineering, labor and supervision,
  - 11.3.1.3 transportation,
  - 11.3.1.4 rights of way, and
  - 11.3.1.5 any other item chargeable to the capital account;
- 11.3.2 annual charges including the following:
  - 11.3.2.1 cost of maintenance;
  - depreciation on the estimated installed cost of any facilities provided, based on the anticipated useful service life of the facilities with an appropriate allowance for the estimated net salvage;
  - administration, taxes and uncollectible revenue on the basis of reasonable average costs for these items;
  - any other identifiable costs related to the facilities provided; and
  - an amount for return and contingencies.

### 11.4 Termination Liability

To the extent that there is no other requirement for use by the Company, the Customer may have a termination liability for facilities specially constructed at the request of the customer, if and only if such liability is clearly stated in a written agreement between the Company and the Customer.

- 11.4.1 The maximum termination liability is equal to the total cost of the special facility as determined under 11.3, preceding, adjusted to reflect the redetermined estimate net salvage, including any reuse of the facilities provided.
- 11.4.2 The maximum termination liability as determined in paragraph (1) shall be divided by the original term of service contracted for by the Customer (rounded up to the next whole number of months) to determine the monthly liability. The Customer's termination liability shall be equal to this monthly amount multiplied by the remaining unexpired

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### SECTION 11 - SPECIAL CONSTRUCTION AND SPECIAL ARRANGEMENTS (CONT'D)

term of service (rounded up to the next whole number of months), discounted to present value at six percent (6%), plus applicable taxes.

#### 11.5 Term

The minimum term for any Level 3 Communications, LLC service shall not be less than one (1) year, unless otherwise agreed to by the Company. The Customer and Company may agree *to* longer minimum terms for particular services.

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### INTRASTATE ACCESS SERVICES

### SECTION 12 - TEMPORARY PROMOTIONAL PROGRAMS

The Company may establish temporary promotional programs to introduce present or potential customers to a service not previously received by Customers. During specific promotional periods, an offer may be made to reduce nonrecurring charges on a nondiscriminatory basis, up to the full amount, for optional products and services. Unless, specifically approved elsewhere, this offer will not apply to single basic exchange access lines. Written notice of such findings will be provided to the staff of the Commission for approval prior to the date upon which the offer is to commence.

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### SECTION 13 - PRODUCT DESCRIPTION AND RATES

### 13.1 DID Trunk Services

- 13.1.1 DID Trunk Service provides a customer with a single, voice-grade telephonic communications channel which can be used to receive incoming calls one call at a time.
- 13.1.2 DID Trunk Service transmits the dialed digits for all incoming calls allowing the customer's incoming calls to be routed corresponding to each individual DID number. Charges for DID number blocks are listed below.
- 13.1.3 Non-recurring and Recurring charges per DID's apply as follows:

Rate Group	Non-Recurring Charge	Recurring Charge
All Zones	\$10.00	\$10.00 for blocks of 100

#### 13.2 Direct Inward Dial (DID) Service

- 13.2.1 DID service can be purchased in conjunction with Company-provided private lines. DID service transmits the dialed digits for all incoming calls allowing the Customer's PBX to route incoming calls directly to individual stations corresponding to each individual DID number. Charges for DID capability and DID number blocks apply in addition to charges specified for private lines contained herein.
- 13.2.2 So the Company may efficiently manage its number resource, the Company, at its sole discretion reserves the right to limit the quantity of DID number blocks a Customer may obtain. Requests for 30 or more DID number blocks must be provided to the Company in writing no less than five (5) months prior to activation. In addition, the Company reserves the right to review vacant DID stations or stations not in use to determine their utilization. Should the Company determine, based on its own discretion, that there is inefficient number utilization, the Company may reassign the DID numbers.
- 13.2.3 The Customer has no property right to the telephone number or any other call number destination associated with DID service furnished by the Company, and no right to the continuance of service through any particular end office. The Company reserves the right to change such numbers, or the end office designation associated with such number, or both, assigned to the Customer, where the Company deems it necessary to do so in the conduct of its business.

	Non-Recurring	Monthly Recurring
Individual DID Numbers	\$10.00	\$1 .OO per DID Number

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#### INTRASTATE ACCESS SERVICES

### SECTION 14 - DEDICATED ACCESS SERVICES

Dedicated Access Services consist of the services offered pursuant to this section, either individually or in combination. Each service is offered independently of the others. Service is offered via the Company's facilities for the transmission of one-way and two-way communications, unless otherwise noted.

### 14.1 Services Offered

14.1.1 The following dedicated access services are offered in this tariff:

DS3 Service (44.7 Mbps) DS 1 Service (1.5 Mbps) DSO Service (up to 64 kbps)

14.1.2 Other services may be provided by the Company on an Individual Case Basis (ICB).

### 14.2 Type I and Type II Services

- 14.2.1 DS3 Service and DS 1 Service may be provided as either Type I or Type II Services, depending upon the availability of facilities. Type I Service rates apply when both endpoints of the channel are served by the Company's network. Type II Service rates apply when one endpoint of the transmission channel is served by another local exchange carrier's network (Type II Services are provided via a combination of the Company's facilities and another local exchange carrier's facilities).
- 14.2.2 DS3 and DS 1 channels where both endpoints are served by another local exchange carrier's network will be provided at the sole discretion of the Company, on an Individual Case Basis (ICB), applied in a nondiscriminatory manner.

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#### INTRASTATE ACCESS SERVICES

#### SECTION 14 - DEDICATED ACCESS SERVICES (CONT'D)

### 14.3 DS3 SERVICE (44.736 Mbps)

14.3.1 DS3 Service is composed of digital channels provided at 44.736 Mbps for the transmission of one-way and two-way communications. Interconnections to such channels and equipment interfacing to such channels shall meet the following technical characteristics:

Line Rate: 44.736 Mbps +/- 20 ppm

Line Code: Bipolar with three-zero substitution

Test Load: 75 ohms resistive +/- 5 percent

Power Levels: For an all-ones transmitted pattern, the power in a 2 KHz band

about 22.368 KHz shall be -1.8 to +5.7 dBm and the power in a 2 KHz band about 44.736 MHZ shall be at least 20 dB below

that in a 2 Khz band about 22.368 KHz. 1

#### NOTES:

- 1. The power levels specified by CCITT Recommendation G.703 are identical except that the power is to be measured in 3 KHz bands.
- 14.3.2 Digital channels at 44.736 Mbps will be provided in one of the following configurations, as specified by the customer:
- 14.3.3 <u>Clear Channel DS3</u>: A DS3 signal that is transmitted intact and transparently as provided at the customer interface. No performance monitoring is performed since all 44.736 Mbps are considered customer data or voice.
- 14.3.4 Ml3 Framed DS3: A DS3 that is channelized into 28 **DS1** (1.544 Mbps) signals and include a predefined standard multiplexing scheme as defined in ANSI **T1.107a**. The Ml3 DS3 contains parity bits which can be monitored to offer an approximate measure of performance. 43.232 Mbps is customer data (or voice), the remainder being used for framing, synchronization, parity, etc.
- 14.3.5 C-bit Parity Framed DS3: A DS3 that can be used for **subrated** or nonsubrated DS3 signals. This allows DS3 signal monitoring for end-to-end performance measurement on an in-service basis, transmitted on the maintenance data communications channel. The C-

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### SECTION 14 - DEDICATED ACCESS SERVICES (CONT'D)

bit parity format is defined in ANSI T1.107a. 43.232 Mbps is customer data (or voice), the remainder being used for framing, synchronization, parity, etc.

#### 14.4 DS1 Service (1.544 Mbps)

14.4.1 DS 1 Service is composed of digital channels provided at 1.544 Mbps for the transmission of one-way and two-way communications. Interconnections to such channels and equipment interfacing to such channels shall meet the following technical characteristics:

Line Rate:  $1.544 \text{ Mbps} \pm 130 \text{ ppm}$ 

Line Code: AMI: bipolar with at least 12.5% average ones density and no more than

15 consecutive zeros;

- or -

B8ZS: no minimum density of ones and no consecutive zeros limit.

Test Load: 100 ohms resistance.

Pulse Shape: The pulse amplitude shall be between 2.4 and 3.6 volts.

Power Levels: For an all-ones transmitted pattern, the power in a 2 KHz band about 772

KHz shall be 12.4-18.0 **dBm** and the power in a 2 KHz band about 1544 KHz shall be at least 29 **dB** below that in a 2 KHz band about 771 KHz.

Pulse

Imbalance: There shall be less than 0.5 dB difference between the total power of the

positive pulses and the negative pulses.

#### NOTES:

- 1. The CCITT specification is + 50 ppm.
- 2. Recommended for new equipment: The power in a 2 KHz band about 772 KHz shall be 12.6-17.9 dBm. CCITT requirements: The power in a 3 KHz band about 772 KHz is 12.0-19.0 dBm.
- 3. CCITT requirements: The power in a 3 KHz band about 1544 Khz shall be at least 25 dB below that in a 3 KHz band about 772 KHz.

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#### INTRASTATE ACCESS SERVICES

### SECTION 14 - DEDICATED ACCESS SERVICES (CONT'D)

- 14.4.2 Digital channels at 1.544 Mbps will be provided in one of the following configurations, as specified by the customer:
- 14.4.3 <u>Unframed DS1</u>: A DS1 signal that does not follow standard framing formats of 192 bits for data and a 193 Rd bit for framing. An unframed DS1 cannot be synchronized to the network and is not performance monitored.
- 14.4.4 <u>D4/SF DS 1</u>: A framed **DS1** consisting of 12 frames (23 16 bits) of 192 bits preceded by one framing bit (F bit). This service can be coded as **AMI** or **B8ZS**.
- 14.4.5 <u>ESF DS1</u>: Extends superframe structure from 12 to 24 frames (4632 bits) and redefines the 8 kbps pattern into 2 kbps for mainframe and robbed-bit signaling synchronization, 2 kbps for CRC-6 and 4 kbps for terminal-to-terminal data link. This service can be coded as **AMI** or **B8ZS**.

#### 14.5 **DS1** Hub Service

DS1 Hub Service allows a customer to aggregate up to 28 DS1 channels that terminate in the same location into a single DS3.

### 14.6 DSO Service

- 14.6.1 DSO Services are Digital Channels furnished by the Company at transmission speeds of 2.4 kbps, 4.8 kbps, 9.6 kbps, 19.2 kbps, 64 kbps, or in multiples of 64 kbps up to 1.544 Mbps. Such channels will be configured by the Company to transmit digital data at specified data rates or analog signals converted to digital signals, as described below. Interconnections to such channels and equipment interfacing to such channels shall meet the technical characteristics described below in connection with each service configuration. The NCI Codes referenced below are defined in Bell Communications Research (Bellcore) publication TR-NPL-000335.
- 14.6.2 Each DSO channel will be provided in one of the following configurations, as specified by the Customer.

### 14.6.2.1 Effective 2-Wire Service

Provides a digital transmission channel capable of normally carrying, among other information, the digitized representation of human speech. At the Company's point of interconnection with the User, the service will

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#### INTRASTATE ACCESS SERVICES

## SECTION 14 - DEDICATED ACCESS SERVICES (CONT'D)

have the technical characteristics of a standard 2-wire analog telephone circuit. Specific configurations are as follows:

### 14.6.2.2 2-Wire Transmission Only

2 wire, 600 ohm, open loop (continuously connected) with industry standard demarcation (NCI Code: 02NO2). C4 conditioned circuit connecting two locations, typically used for voice-grade data services.

#### 14.6.2.3 Digital Services

Provides a digital transmission channel capable of normally carrying synchronous digital data signals. The following service configurations are available:

### 14.6.2.4 <u>64 Kbps Data Service</u>

A 4-wire 135 ohm handoff. Other possible handoffs are RS232/DB25, RS422/DB25, or V.35. Provides point-to-point, 64 Kbps clear channel for a full-duplex synchronous data circuit. No error correction or in-band control codes are supported. (Possible NCI Code: 04DU5-64).

#### 14.6.2.5 DS1 Hub Service

DS 1 Hub Service allows a customer to aggregate up to 24 DSO channels that terminate in the same location into a single DS 1 and the distribution of End Link circuits.

#### 14.7 Rates for Dedicated Access Services

### 14.7.1 General

Nonrecurring and monthly recurring rates apply for each Digital Transmission Service furnished by the Company. Monthly recurring rates vary according to the time period for

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#### INTRASTATE ACCESS SERVICES

### SECTION 14 - DEDICATED ACCESS SERVICES (CONT'D)

which the Customer commits to take the service. Unless otherwise noted, these standard rate elements are used in calculating the monthly recurring rate for each service:

- 14.7.1.1 <u>Interoffice Channel Mileage-Fixed:</u> This rate element applies per digital channel whenever there is mileage associated with the channel; a digital channel has mileage associated with it when the endpoints of the channel are located in geographic areas normally served out of separate Customer premises or the Customer premise and the Level 3 Gateway. This rate element applies per circuit.
- 14.7.1.2 <u>Interoffice Channel Mileage-Per Mile</u>: This rate element applies whenever there is mileage associated with the digital channel. The unit rate is multiplied by the number of miles (Interoffice Mileage) between the two Customer premises or the Customer premise and the Level 3 Gateway. Fractions of a mile are rounded up to the next whole mile before rates are applied.

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### INTRASTATE ACCESS SERVICES

## SECTION 14 - DEDICATED ACCESS SERVICES (CONT'D)

### 14.7.2 DS3 Service (44.736 Mbps)

### 14.7.2.1 Type I DS3 Service

This service consists of a DS3 (44.736 Mbps) capacity digital channel available on a 24 hour per day, 7 day per week basis between two points. There is a 1-year minimum service period for each Basic DS3.

Monthly Recurring Rate	1 Year
Interoffice Channel Mileage (Fixed)	\$1,200
Interoffice Channel Mileage (Per Mile)	\$30
NRC Installation Rate	\$1,000

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### INTRASTATE ACCESS SERVICES

## SECTION 14 - DEDICATED ACCESS SERVICES (CONT'D)

14.7.2.2 Type II DS3 Service

	1
Monthly Recurring Rate	1 Year
Interoffice Channel Mileage	\$2,025
(Fixed)	
Interoffice Channel Mileage	\$41
(Per Mile)	
NRC Installation Rate	\$1,000

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## SECTION 14 - DEDICATED ACCESS SERVICES (CONT'D)

14.7.2.3 Volume Discounts

	Ra	Rate Per DS3 Channel		
Volume Discounts for DS3s Volume	1 Year	2 Year	3 Year	
\$2,500.00	0%	5%	10%	
\$5,000.00	2%	7%	12%	
\$10,000.00	3%	8%	13%	
\$15,000.00	4%	9%	14%	
\$20,000.00	4%	9%	14%	
\$35,000.00	5%	10%	15%	
\$50,000.00	6%	11%	16%	
\$75,000.00	8%	13%	18%	
\$100,000.00	9%	14%	19%	
\$150,000.00	10%	15%	20%	
\$200,000.00	11%	16%	21%	
\$250,000.00	12%	17%	22%	

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### INTRASTATE ACCESS SERVICES

## SECTION 14 - DEDICATED ACCESS SERVICES (CONT'D)

### 14.7.3 <u>DS 1 Service (1.544 Mbps)</u>

14.7.3.1 Type I DS1 Service

Monthly Recurring Rate	1 Year
Interoffice Channel Mileage (Fixed)	\$200
Interoffice Channel Mileage (Per Mile)	\$13.55
NRC Installation Rate	\$525

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### INTRASTATE ACCESS SERVICES

## SECTION 14 - DEDICATED ACCESS SERVICES (CONT'D)

## 14.7.3.2 Type II DS 1 Service

Monthly Recurring Rate	1 Year
Interoffice Channel Mileage (Fixed)	\$200
Interoffice Channel Mileage (Per Mile)	\$13.55
NRC Installation Rate	\$525

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#### INTRASTATE ACCESS SERVICES

### **SECTION 14 - DEDICATED ACCESS SERVICES (CONT'D)**

### 14.7.4 DS3 Hub Service

This service consists of up to 28 DS 1(1.544 Mbps) digital channels, which are aggregated at a Level 3 Hub onto a standard DS3 circuit with Interoffice Mileage and End Link Access Charges at the terminating end. There is a minimum 1-year service period for each DS3 Hub Service.

Service Configuration	Non-Recurring	Recurring
DS3 Channel between a Client Location and a Level 3 Gateway	Standard DS3	Rate Schedule
DS3 Hub Port @ Level 3 Gateway	N/A	\$500
End Link Access Charge	Standard DS1/D	S0 Rate Schedule

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## **SECTION 14 - DEDICATED ACCESS SERVICES (CONT'D)**

### 14.7.5 Channelized DS3 Service

This service consists of 28 DS 1 (1.544 Mb ps) digital channels which connect two client locations each utilizing Channelized DS3 Service. The connection will be rated as a standard DS3 circuit at both ends. There is a minimum 1 -year service period for each High Capacity DS 1 Service.

Service	Non-	Monthly Recurring
Configuration	Recurring	
		1 Yr.
Twenty Eight (28) DS 1 s between two	Standard DS3 Rate Schedule	
Customer Locations		
Digital Channels @ Both Customer Locations	No incremental	No incremental
	charge	charge

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### INTRASTATE ACCESS SERVICES

# SECTION 14 - DEDICATED ACCESS SERVICES (CONT'D)

14.7.6 DSO Service

14.7.6.1 Basic Type I DSO Service

		Monthly Recurring	
DSO Service	Non- Recurring	Fixed Charges	DSO Mileage
64 kbps	\$300	\$150	.65/mile

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### INTRASTATE ACCESS SERVICES

### SECTION 14 - DEDICATED ACCESS SERVICES (GONT'D)

### 14.7.7 DS1 Hub Service

This service consists of up to 24 DSO digital channels, which are aggregated at a Level 3 Gateway onto a standard DS1 circuit with Interoffice Mileage at the terminating end. There is a minimum 1 year service period for each Hubbed DS 1 Service.

Standard Rate Elements	Non- Recurring	Monthly Recurring
DS1 Channel between Customer location and a Level 3 Gateway	Applying appropriate DS 1  Nonrecurring Charge	Standard DS 1 Rate Schedule
DS1 Hub @ Level 3 Gateway	N/A	\$500
DSO End Link	Apply appropriate DSO  Nonrecurring Charge	Standard DSO Rate Schedule

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### INTRASTATE ACCESS SERVICES

### **SECTION 14 - DEDICATED ACCESS SERVICES (CONT'D)**

### 14.7.7.1 Channelized DS 1 Service

Service Component	Non- Recurring	Monthly Recurring		
		1 YR.	2 YR.	3 YR.
Mileage Charge	Standard DS1 Rate Schedule	Standard DS1 Schedule	Standard DS1 Schedule	Standard DS1 Schedule
64 Kbps x N (N > 1)	Standard DS0 Rate Schedule	No Incremental Charges	No Incremental Charges	No Incremental Charges

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#### INTRASTATE ACCESS SERVICES

### **SECTION 14 - DEDICATED ACCESS SERVICES (CONT'D)**

### 14.7.8 Non-Standard Offerings

Individual Case Basis (ICB) Arrangements 14.7.8.1

> \_ For special situations, rates for Dedicated Access Services will be determined on an Individual Case Basis (ICB) and specified by contract between the Company and the Customer. Notices of such contracts, if required, will be submitted to the Kansas S.C.C. pursuant to Commission Rules.

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Terrence J. Ferguson, Senior Vice President and General Counsel Issued By:

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