

1A. Switched Access Services

Except as otherwise set forth in this section, the rates and charges for Intrastate Switched Access Services provided by the Telephone Company are set forth in this Section. For descriptions of services, terms and conditions, refer to The FairPoint Telephone Companies Tariff F.C.C. No. 2. Services are subject to availability.

1A.1 Identification and Rating of VoIP-PSTN Traffic

- A. Scope - VoIP-PSTN Traffic is the traffic exchanged in time division multiplexing ("TDM") format that originates and/or terminates in Internet protocol ("IP") format. Traffic originates and/or terminates in IP format if it originates from and/or terminates to an end user customer of a service that requires Internet protocol compatible customer premises equipment.

This section governs the identification of VoIP-PSTN Traffic that is subject to the access compensation rules adopted by the Federal Communications Commission in its Report and Order in WC Docket Nos. 10-90 et. al., FCC No. 11-161 (November 18, 2011) and in its Second Order on Reconsideration, FCC No. 12-47 (April 25, 2012). Specifically, this section establishes the method of separating such traffic (referred to in this tariff as "Relevant VoIP-PSTN Traffic") from the Customer's traditional intrastate access traffic, so that such Relevant VoIP-PSTN Traffic can be billed in accordance with the FCC Orders.

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- B. Rating of VoIP-PSTN Traffic

The Company will bill Relevant VoIP-PSTN traffic identified in accordance with this tariff Section as follows:

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- Between December 29, 2011 and July 12, 2012, the applicable rate elements used in providing access for Relevant VoIP PSTN Traffic that originates on the Company's network for termination to the Customer's end users (originating traffic) will be billed in accordance with the Company's interstate switched access tariff, The FairPoint Telephone Companies Tariff F.C.C. No. 2.

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1A. Switched Access Services (Cont'd)

1A.1 Identification and Rating of VoIP-PSTN Traffic (Cont'd)

- C. Calculation and Application of Percent-VoIP-Usage Factor - The Company will determine the number of Relevant VoIP-PSTN Traffic minutes of use ("MOU") to which interstate rates will be applied under subsection B., above, by applying a Percent VoIP Usage ("PVU") factor to the total terminating intrastate access MOU (however determined – either based on call detail information or PIU) sent to a Company end user by the Customer (terminating traffic). Beginning July 1, 2014, the Company will apply the PVU to both terminating and originating intrastate access MOU exchanged between the Company and the Customer. The PVU will be derived and applied as follows: (C)

 - 1. The Customer will calculate and furnish to the Company a factor (the "PVU-A") representing the percentage of the total terminating intrastate and interstate access MOU sent to a Company end user by the Customer that originates in IP format This PVU-A shall be based on information such as the number of the Customer's retail VoIP subscriptions in the state (e.g., as reported on FCC Form 477), traffic studies, actual call detail, or other relevant and verifiable information. Beginning July 1, 2014, the Customer's PVU-A shall be based on access MOU the Customer exchanges with the Company in State that is (i) sent to the Company that originated in IP format or (ii) is received from the Company and terminated in IP format. (C)
 - 2. Company will, likewise, calculate a factor (the "PVU-B") representing the percentage of the Company's total access MOU in the State that the Company terminates in IP format. This PVU-B shall be based on information such as the number of the Company's retail VoIP subscriptions in the state (e.g., as reported on FCC Form 477), traffic studies, actual call detail, or other relevant and verifiable information. Beginning July 1, 2014, the PVU-B shall be based on access MOU in the Sate that originates or terminates in IP format. (C)
 - 3. The Company will use the PVU-A and PVU-B factors to calculate an effective PVU factor that represents the percentage of total terminating access MOU received from the Customer that is terminated in IP format by the Company and/or originated in IP format by the Customer. Beginning July 1, 2014, the PVU factor will represent the total intrastate access MOU exchanged between the Company and the Customer that originates or terminates in IP format at either the Company end or the Customer end. The PVU factor will be calculated as the sum of: (A) the PVU-A factor and (B) the PVU-B factor times (1.0 minus the PVU-A factor). (C)

1A. Switched Access Services (Cont'd)

1A.1 Identification and Rating of VoIP-PSTN Traffic (Cont'd)

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

5. The Company will apply the effective PVU factor to the total terminating intrastate access MOU exchanged with the Customer to determine the number of Relevant VoIP-PSTN Traffic MOUs. (C)

Example 1: The PVU-B is 10% and the PVU-A is 40%. The effective PVU factor is equal to $40\% + (10\% \times 60\%) = 46\%$. The Company will bill 46% of the Customer's terminating intrastate access MOU in accordance with the Company's applicable interstate switched access tariff. (C)

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

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

In all of the examples above, the Company will apply the PVU to both originating and terminating intrastate access MOU beginning July 1, 2014. (N)
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5. If the Customer does not furnish the Company with a PVU-A pursuant to the preceding paragraph 1, the Company will utilize an effective PVU equal to the PVU-B.

- D. Initial PVU Factor - If the PVU factor is not available and/or cannot be implemented in the Company's billing systems by December 29, 2011, once the factor is available and can be implemented the Company will adjust the Customer's bills to reflect the PVU retroactively to December 29, 2011. In calculating the initial PVU, the Company will take the Customer-specified PVU-A into account retroactively to December 29, 2011, provided that the Customer provides the factor to the Company no later than June 30, 2012; otherwise, it will set the initial PVU equal to the PVU-B, as specified in subsection C.5., above.