

SECTION 2 - RULES AND REGULATIONS

2.1 Application of the Tariff

2.1.1 This Tariff applies to telecommunications Services furnished by the Company between and among points within the State in conjunction with the Company's interstate telecommunications Services originating and terminating in Hawaii. Telecommunications Services are available for origination and termination where technologically and/or economically feasible within the State. The Company operates as a reseller. Unless otherwise indicated in this Tariff, Service is available on a statewide basis.

2.1.2 The Company shall not be deemed to have waived or impaired any right, power, requirement or option reserved by this Tariff (including, without limitation, the right to demand exact compliance with every term and condition herein), by virtue of any custom or practice of the Company at variance with the terms hereof, or any failure, refusal or neglect of Company to exercise any right under this Tariff or to insist upon exact compliance with its terms, or any waiver, forbearance, delay, failure or omission by Company to exercise any right, power or option hereunder.

2.2 Limitations on Service

2.2.1 Service is offered subject to the availability of facilities, equipment, or systems, the Company's ability to fulfill the request for Service and the provisions of this Tariff. Service is not offered where operating conditions do not permit. The Company reserves the right, without incurring liability, to refuse to provide Service, to or from any location where the necessary facilities, equipment, systems, billing agreements, and/or switch software are not available. In case a shortage of facilities exists at any time, either for temporary or protracted periods, the establishment of Switched Services shall take precedence over the establishment of Data Services.

2.2.2 Except for calls from Casual Callers, all Switched Services provided according to this Tariff are intrastate add-on Services available from the Company only if the Customer subscribes to the Company's comparable interstate Service offering or interstate promotional offering. Unless otherwise indicated in this Tariff, intrastate Switched Services are not offered on a stand-alone basis. Unless otherwise stated in this Tariff, the method of provisioning a specific Service is determined by the Company.

2.2.3 Reserved for Future Use

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SECTION 2 - RULES AND REGULATIONS

2.2 Limitations on Service (continued)

2.2.4 Without incurring liability, the Company reserves the right to discontinue Service or to limit the use of Service, when necessitated by conditions beyond the Company's control, or when the Customer or End User is using Service in violation of the law or in violation of the provisions of this Tariff. The Company may regularly review any Customer's toll usage in order to protect itself from fraudulent or excessive usage by high-risk Customers or Customers who are delinquent in their payments. When the Company determines that the usage volume increases the likelihood that a particular Customer will not pay or will be unable to pay for usage, the Company may implement its toll blocking process. Customers will be provided notification of the limit placed upon their toll usage pursuant to the establishment of credit, indebtedness of Service, and toll restrictions provisions of this Tariff. (D)

2.2.5 Conditions under which the Company may, without notice, terminate Service without liability include, but are not limited to:

- (A) Customer's or End User's use of the Service which constitutes a violation of either the provisions of this Tariff or of any laws, government rules, regulations, or policies or if such actions are reasonably appropriate to avoid violation of applicable law; or
- (B) Company from offering such Service; or
- (C) The Company deems termination necessary to protect the Company or third parties against unauthorized, fraudulent, or unlawful use of any Company Services, or to otherwise protect the Company's personnel, agents, or Service; or
- (D) Customer's or End User's misuse of the long distance network; or
- (E) Customer's or End User's use of the long distance network for any fraudulent or unlawful purpose; or
- (F) Emergency, threatened, or actual disruption of Service to other Customers; or
- (G) Unauthorized or fraudulent procurement of Service, including a misrepresentation of fact relevant to the conditions under which the applicant or Customer obtains or continues to receive Service; or
- (H) Abandonment of the Customer's Premises served; or
- (I) Insufficient or fraudulent billing information; or
- (J) Customer's check or draft is returned unpaid for any reason, after one attempt at collection; or
- (K) If at the time the Company issues a debit to the Customer's checking account or savings account, the debit is rejected by the bank for any reason. The Company will make at least one attempt at collection prior to termination of Service.

SECTION 2 - RULES AND REGULATIONS

2.2 Limitations on Service (continued)

2.2.6 Conditions under which the Company may, with notice, terminate Service without liability include, but are not limited to:

- (A) use of invalid or unauthorized telephone numbers, or Credit Card numbers; or,
- (B) failure to pay for or provide assurances of, or security for, the payment of the Company's charges as per Section 2.8.1 or Section 2.8.2 of this Tariff; or
- (C) non-payment of any sum owed the Company by the due date printed on the bill; or
- (D) if there is a reasonable risk that criminal, civil or administrative proceedings or investigations based upon the transmission contents shall be instituted against the Company.

2.2.7 Initial and continuing Service is offered subject to the availability of necessary facilities and/or equipment, including those to be provided by other companies furnishing a portion of the Company's Service(s).

2.2.8 Service is furnished subject to the condition that there will be no abuse or fraudulent use of the Service. Abuse or fraudulent use of Service includes, but is not limited to:

- (A) Service that is used by the Customer or End User to frighten, abuse, torment, or harass another; or
- (B) Service that is used by the Customer or End User in a manner which interferes with the use of Service by one or more other Customers; or
- (C) Service that is used by the Customer or End User to place calls by means of illegal equipment, service, or device; or
- (D) Service that is used by the Customer or End User to transmit a message or to locate a person or otherwise to give or obtain information, without payment of the applicable charge.

2.2.9 The Company's failure to give notice of default, to enforce or insist upon compliance with any of the terms or conditions herein, to grant a waiver of any term or conditions herein, or to grant the Customer an extension of time for performance, will not constitute the permanent waiver of any such term or condition herein. Each of the provisions of this Tariff will remain, at all times, in full force and in effect until modified in writing, signed by the Company and Customer.

2.2.10 The Company may rely on third parties to provide a portion of the Company's Service. The selection of the Third Party Vendors is made by the Company. The Company reserves the right to change Third Party Vendors at any time.

2.2.11 The Company reserves the right, without incurring liability, to refuse to provide Service to or from any location where the necessary facilities and/or equipment are not available.

2.2.12 Recording of telephone conversations provided pursuant to the Company's Service under this Tariff is prohibited except as authorized by applicable federal, state, and local laws.

SECTION 2 - RULES AND REGULATIONS

2.2 Limitations on Service (continued)

2.2.13 All outbound Services requiring Switched Access to reach the long distance network are only available to Customers located in those exchanges which have Equal Access. Unless otherwise indicated in this Tariff, all Toll Free Services described in this Tariff are available on a statewide basis.

2.2.14 Reserved for future use

2.2.15 Except for Operator Toll Assistance Services, Service(s) in this Tariff are not available for coin or semi-coin telephone stations unless otherwise indicated for a specific Service offering.

2.2.16 Reserved for future use.

2.2.17 Reserved for future use

2.2.18 The Company reserves the right to add, change, or delete Services at any time.

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2.3 Limitation of Liability

The Company's liability will be limited to that expressly stated in Sections 2.3 of this Tariff in connection with the provision of Service to the Customer.

2.3.1 The liability of the Company for damages arising out of mistakes, omissions, interruptions, delays, errors, defects or other comparable actions occurring in the provision of Service(s) with a usage-sensitive rate structure, will in no event exceed an amount equivalent to the initial period charge to the Customer for the call during which such mistake, omission, interruption, delay, error or defect occurred. The Company shall not be liable for any damages caused by the negligence, gross negligence or willful misconduct of the Customer or Customer's agents, employees, officers, directors, contractors or vendors.

2.3.2 Unless otherwise stated in this Tariff, the liability of the Company for negligence arising out of mistakes, omissions, interruptions, delays, errors, defects or other comparable actions occurring in the provision of recurring Service(s) shall be limited to a service adjustment based on the amount of time such Service is out of service times the applicable monthly recurring charge for Service.

2.3.3 The liability of the Company for gross negligence arising out of mistakes, omissions, interruptions, delays, errors or defects occurring in the provision of Service(s) shall not exceed the higher of the adjustments described in Section 2.3.1 or 2.3.2 of this Tariff, whichever is applicable, or the sum of \$10,000. The liability of the Company for gross negligence shall be limited to and shall in no event exceed \$10,000.

SECTION 2 - RULES AND REGULATIONS

2.3 Limitation of Liability (continued)

- 2.3.4 Reserved for future use.
- 2.3.5 The Company will not be liable to the Customer for damages or statutory penalties or be obligated to make any adjustment, refund or cancellation of charges unless the Customer has notified the Company in writing of any dispute concerning charges, or the basis of any claim for damages, within sixty (60) calendar days after an invoice is rendered by the Company for the call or Service giving rise to such dispute or claim. Any such notice must set forth sufficient facts to provide the Company with a reasonable basis upon which to evaluate the Customer's claim or demand.
- 2.3.6 Interruptions, delays, errors, or defects caused by or contributed to, directly or indirectly, by act or omission of the Customer or its customers, affiliates, agents, contractors, representatives, invitees, licensees, successors, or assignees or which arise from, or are caused by, the use of facilities or equipment of the Customer or related parties, will not result in the imposition of any liability whatsoever upon the Company. The Customer will pay to the Company any reasonable costs, expenses, damages, fees or penalties incurred by the Company as a result thereof. In addition, a portion or all of the Service may be provided over facilities of third parties. The Company will not be liable to the Customer or any other person, firm, or entity in any respect whatsoever arising out of defects caused by such third parties. The Company's liability, if any, with regard to the delayed installation of facilities or commencement of Service will not exceed \$1,000.
- 2.3.7 With respect to Service provided hereunder, the Company hereby expressly disclaims, without limitation, all warranties not stated in this Tariff, whether express, implied or statutory, and in particular disclaims all implied warranties of merchantability and of fitness for a particular purpose.
- 2.3.8 No contractors, agents or employees of connecting, concurring or other participating carriers or companies will be deemed to be contractors, agents or employees of the Company without the Company's written authorization.
- 2.3.9 Under no circumstances whatsoever will the Company's officers, agents, or employees be liable for any damages, including but not limited to direct, indirect, actual, consequential, special, or punitive damages, or lost profits.
- 2.3.10 The Company will not be liable for any failure of performance hereunder due to causes beyond its control including, but not limited to:
- (A) Unavoidable interruption in the working of transmission facilities; or
 - (B) Natural disasters such as storms, fire, flood, or other catastrophes; or
 - (C) Any law, order, regulation, direction, action or request of the United States Government, or any other governmental entity having jurisdiction over the Company or of any department, agency, commission, bureau, corporation or other instrumentality of any one or more of such governmental entity, or of any civil or military authority; or

SECTION 2 - RULES AND REGULATIONS

2.3 Limitation of Liability (continued)

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- (D) National emergencies, insurrections, riots, rebellions, wars, strikes, lockouts, work stoppages, supplier failures, shortages, breaches or delays, or other labor difficulties; or
- (E) The unlawful acts of individuals, including acts of the Company's agents and employees if committed beyond the scope of their employment; or
- (F) Explosions, vandalism, cable cut or other similar occurrences; or
- (G) Preemption of existing Services to restore Service(s) in compliance with the F.C.C.'s rules and regulations; or
- (H) Any failure to provide or maintain Service under this Tariff due to circumstances beyond the Company's control.

2.3.11 The Company will use its best efforts to provide Services consistent with industry standards. The Company will have no liability to the Customer for any loss of revenue or any other direct, special, incidental, consequential, or other damages the Customer may sustain resulting from the failure or inability of the Company to provide Service to its Customers; negligent or defective Services to Customers; equipment, computer, network, or electrical malfunctions of any kind, breakdowns, or outages; or any other cause, whether or not within the control of the Company.

2.3.12 If the Company learns of actual or possible unauthorized, fraudulent, or unlawful use of any Company Services, the Company will make an effort to contact the Customer, but Service may be blocked without notice and without liability to the Company. Service may be suspended by the Company without incurring liability by Blocking all calls or by Blocking calls to or from certain NPA-NXXs, certain countries, cities, or individual telephone stations for any Service offered under this Tariff. Service will be restored as soon as it can be provided without undue risk and only after accounts have been brought current.

2.3.13 The Company does not undertake to transmit messages but furnishes the use of its Services to its Customers for telecommunications. The Company is not liable for the content of the Customer's messages.

2.3.14 The Company may rely on Third Party Vendors for the performance of certain services. Upon Customer request and execution and delivery of appropriate authorizing documents, the Company will act as agent for the Customer in obtaining such other services. Customer's liability for charges hereunder will not be reduced by untimely installation or non-operation of Customer-provided facilities and equipment.

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SECTION 2 - RULES AND REGULATIONS

2.3 Limitation of Liability (continued)

2.3.15 The Company will not be liable for:

- (A) Any act or omission of any other company or companies furnishing a portion of the Service or furnishing facilities or equipment associated with such Service.
- (B) Damages caused by the fault or negligence or willful misconduct of the Customer or End User.
- (C) Any failure to provide or maintain Service under this Tariff due to circumstances beyond the Company's reasonable control.
- (D) Any direct, indirect, consequential, special, actual, or punitive damages, or for any lost revenues or profits of any kind or nature whatsoever arising out of any furnishing of, or interruption in, Service provided hereunder. Under no circumstances whatsoever will the Company's officers, agents, or employees be liable for such damages or lost revenue or lost profits.
- (E) Any indirect, incidental, special or consequential damages, lost revenue or lost profits of any kind, even if Company is advised of the possibility of such consequences.
- (F) The use or abuse of any Service described herein by any party including, but not limited to, the Customer or End User. Use or abuse includes, but is not limited to, any calls placed by means of PBX-reorigination or any other legal or illegal equipment, service, or device. Compensation for any injury the customer may suffer to the fault of third parties must be sought from such other parties. In the case of TFS, this applies to third parties who dial the Customer's TFS Number by mistake. Compensation for any injury the Customer may suffer due to the fault of third parties must be sought from such other parties.
- (G) Any action, such as Blocking or refusal to accept certain calls, that Company deems necessary in order to prevent unauthorized, fraudulent, or unlawful use of its Service. Compensation for any injury the Customer may suffer due to the fault of parties other than the Company must be sought from such other parties.
- (H) Any claim where the Customer indemnifies the Company pursuant to Section 2.5 of this Tariff.

2.3.16 If someone other than the Customer (e.g., authorized or unauthorized) has use of the Service directly or indirectly through the Customer, then Customer agrees to forever indemnify and hold the Company and any affiliated or unaffiliated Third Party Vendor or operator of facilities employed in provision of the Service harmless from and against any and all claims, demands, suits, actions, losses, damages, assessments or payments which may be asserted by said parties.

2.3.17 The Company's liability with respect to nonworking account codes will be limited to the Company's monthly charge for the account code feature, if any.

SECTION 2 - RULES AND REGULATIONS

2.4 Use of Service

- 2.4.1 The Company's Services are available for use twenty-four hours per day, seven days per week.
- 2.4.2 The Service offered herein may be used for any lawful purpose, including residential, business, governmental, or other use. The Customer is liable for all obligations under this Tariff notwithstanding any sharing or resale of Services and regardless of the Company's knowledge of same. The Company will have no liability to any person or entity other than the Customer and only as set forth herein. The Customer will not use nor permit others to use the Service in a manner that could interfere with Service provided to others or that could harm the facilities of others.
- 2.4.3 Service furnished by the Company will not be used for any unlawful or fraudulent purposes including but not limited to use of electronic devices, invalid numbers, and false credit devices to avoid payment for Service contained in this Tariff either in whole or in part. Service furnished by the Company may not be used to make calls which might reasonably be expected to frighten, abuse, torment, or harass another. The Service may not be used for any purpose for which any payment or other compensation is received by the Customer except when the Customer is an authorized communications common carrier, an authorized resale common carrier, or an enhanced or electronic service provider who has subscribed to the Company's Service. However, this provision does not preclude an agreement between the Customer, Authorized User, or Joint User to share the cost of the Service as long as this arrangement generates no profit for anyone participating in a joint use or authorized use arrangement.
- 2.4.4 Service furnished by the Company may be arranged for joint use or authorized use. The Joint User or Authorized User will be permitted to use such Service in the same manner as the Customer, but subject to the following conditions.
- (A) The Customer must complete and provide to the Company all Service agreements and/or other documentation required by the Company to initiate Service.
 - (B) One Joint User or Authorized User must be designated as the Customer. The designated Customer does not necessarily have to have communications requirements of its own. The Customer must specifically name all Joint Users or Authorized Users in the application for Service. Service Orders which involve the start, rearrangement or discontinuance of joint use or authorized use of Service will be accepted by the Company only from that Customer and will be subject to all requirements of this Tariff.
 - (C) All charges for the Service will be computed as if the Service were to be billed to one Customer. The Joint User or Authorized User which has been designated as the Customer will be billed for all components of the Service and will be responsible for all payments to the Company. If designated Customer fails to pay the Company, each Joint User or Authorized User will be liable to the Company

SECTION 2 - RULES AND REGULATIONS

2.4 Use of Service (continued)

for all charges incurred as a result of its use of the Company's Service. Each joint or Authorized User must submit to the designated Customer a letter guaranteeing payment for the joint or Authorized User's portion of all charges billed by the Company to the designated Customer. This letter must also specify that the joint or Authorized User understands that the Company will receive a copy of the guaranty from the designated Customer. The designated Customer will be responsible for allocating charges to each Joint User or Authorized User.

- (D) Joint use is a Service/billing allocation arrangement and not a resale arrangement. Neither the Customer nor any Joint User nor any third party engaged by either of them in connection with a joint use agreement or arrangement may mark up Service or otherwise profit from the joint use agreement or arrangement.

- 2.4.5 If the Company reasonably concludes that Customer-provided equipment does not pass back appropriate answer supervision to the long distance network, the Company will notify the Customer. If the Customer cannot correct the problem and if Customer-provided equipment continues to provide inappropriate answer supervision to the long distance network, the Company reserves the right to suspend or terminate the Customer's Service. The Company will give the Customer five (5) days' written notice of its intent to terminate Service.

2.5 Obligations of the Customer

2.5.1 The Customer will indemnify, defend, and hold the Company harmless from and against:

- (A) Any claim asserted against the Company (and all attorney fees and expenses incurred by the Company with respect thereto) arising out of or relating to the failure of the Company to provide Service to the Customer.
- (B) Any and all liabilities, costs, damages, and expenses (including attorney's fees), resulting from Customer's (or its employees', agent's or independent contractor's) actions hereunder, including, but not limited to breach of any provision in this Tariff, misrepresentation of Company Services or rates, or unauthorized or illegal acts of the Customer or its End User, its employees, agents, or independent contractors.
- (C) Claims for libel, slander, infringement of patent or copyright, or unauthorized use of any trademark, trade name, or service mark arising out of Customer's or End User's material, data, information, or other content transmitted via Service. With respect to claims of patent infringement made by third persons, the Customer shall defend, indemnify, protect and save harmless the Company from and against all claims arising out of the combining with, or use in connection with, the Service(s) provided under this Tariff, any Circuit, apparatus, system or method provided by the Customer.

SECTION 2 - RULES AND REGULATIONS

2.5 Obligations of the Customer (continued)

2.5.1 (continued)

- (D) Violation by Customer or End User of any other literary, intellectual, artistic, dramatic, or musical right.
- (E) Violations by Customer or End User of the right to privacy.
- (F) Any other claims whatsoever relating to, or arising from, message content or the transmission thereof.
- (G) All other claims arising out of any act or omission of the Customer or End User in connection with Service provided by the Company.
- (H) Any loss, claim, demand, suit, or other action, or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party or persons, for any personal injury to, or death of, any person or persons, 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 provision of Service, whatever the cause and whether negligent or otherwise.
- (I) Reserved for Future Use (C)
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- (J) Claims of patent infringement arising from combining or connecting Channels with equipment and systems of the Customer or Authorized Users.
- (K) Defacement of, or damage to, the Customer's Premises resulting from the furnishing, installation, and/or removal of Channel facilities or the attachment of instruments, equipment and associated wiring on or from the Customer's Premises.
- (L) Claims arising out of the use of Services or Company-Provided equipment in an unsafe manner (such as use in an explosive atmosphere) or the negligent or willful act of any person other than the Company.
- (M) Any suits, claims, losses or damages, including punitive damages, attorney fees and court costs by third persons arising out of the construction, installation, operation, maintenance, or removal of the Customer's Circuits, facilities, or equipment connected to Services. This includes without limitation, Workmen's Compensation claims, actions for infringement of copyright and/or unauthorized use of program material, libel and slander actions based on the content of communications transmitted over the Customer's Circuits, facilities or equipment, and proceeding to recover taxes, fines, or penalties for failure of the Customer to obtain or maintain in effect any necessary certificates, permits, licenses, or other authority to acquire or operate Service(s).

SECTION 2 - RULES AND REGULATIONS

2.5 Obligations of the Customer (continued)

- 2.5.2 If a Customer directly or indirectly authorizes third parties to use the Service, the Customer will indemnify and hold the Company harmless against any and all claims asserted by said party, demands, suits, actions, losses, damages, assessments or payments which may be asserted or demanded by said parties or by others as a result of said parties' actions or omissions.
- 2.5.3 The Company's failure to provide or maintain Service under this Tariff will be excused by the Customer for all circumstances beyond the Company's reasonable control.
- 2.5.4 The Customer will indemnify and save the Company harmless from any and all liability not expressly assumed by the Company in Section 2.3 of this Tariff and arising in connection with the provision of Service to the Customer, and will protect and defend the Company from any suits or claims alleging such liability, and will pay all expenses (including attorneys' fees) and satisfy all judgments which may be incurred by or rendered against the Company in connection therewith.
- 2.5.5 The Customer is responsible for payment for all calls originated at the Customer's number(s), terminated on the Customer's TFS Number, accepted at the Customer's number, or any Operator Toll Assistance billing option, or incurred at the specific request of the Customer. The Customer is responsible for paying for all Services the Company provides to or from the Customer's number(s), regardless of whether the Customer's facilities were fraudulently used or used without Customer's knowledge in full or in part. These responsibilities are not changed due to any use, misuse or abuse of the Customer's Service or Customer-provided equipment by third parties, the Customer's employees or the public. (D)
- 2.5.6 The termination or disconnection of Service(s) by the Company pursuant to Sections 2.2.5, 2.2.6, and 2.20 of this Tariff or if the Customer cancels Service pursuant to Section 2.19 of this Tariff, does not relieve the Customer of any obligations to pay the Company for charges due and owing for Service(s) furnished up to the time of termination or disconnection. The remedies set forth herein will not be exclusive, and the Company will at all times be entitled to all rights available to it under either law or equity.
- 2.5.7 The Customer is responsible for taking all necessary legal steps for interconnecting Customer-provided terminal equipment with the long distance network. The Customer will ensure that the signals emitted into the long distance network do not damage Company-Provided equipment, injure personnel, or degrade Service to other Customers or other users of the long distance network. The Customer is responsible for securing all licenses, permits, rights-of-way, and other arrangements necessary for such interconnection. In addition, the Customer will comply with applicable LEC signal power limitations.
- 2.5.8 The Customer will be responsible for the payment of all charges for Services provided under this Tariff and for the payment of all excise, sales, use, gross receipts or other taxes that may be levied by a federal, state, or local governing body or bodies applicable to the Service(s) furnished under this Tariff unless specified otherwise herein. Also see Section 2.17 of this Tariff for additional information regarding the Customer's obligations concerning taxes.

SECTION 2 - RULES AND REGULATIONS

2.5 Obligations of the Customer (continued)

- 2.5.9 The Customer will be liable for reimbursing the Company for damages to facilities or Company-Provided equipment caused by the negligence or willful acts of the Customer's officers, employees, agents, contractors, or authorized or unauthorized End User(s).
- 2.5.10 If Service is terminated pursuant to Section 2.2.5, Section 2.2.6 or Section 2.20 of this Tariff or if the Customer cancels Service pursuant to Section 2.19 of this Tariff, the Customer will be liable for any cancellation charges set forth in this Tariff.
- 2.5.11 Reserved for future use
- 2.5.12 Reserved for future use
- 2.5.13 If as a result of inaccurate information provided by the Customer, Circuits need to be moved, replaced, or redesigned, the Customer is responsible for the payment of all such charges. In the event the Company incurs costs and expenses caused by the Customer or reasonably incurred by the Company for the benefit of the Customer, the Customer is responsible for the payment of all such charges.
- 2.5.14 If an entity other than the Company (e.g., another carrier or supplier) imposes charges on the Company in connection with service provided to a specific Customer and those charges are not specifically listed in this Tariff, those charges will be billed to the Customer on a pass-through basis. The Customer is responsible for payment of such charges.
- 2.5.15 The Customer is responsible for the payment of all charges for Service(s) provided under this Tariff and for the payment of all assessments, duties, fees, surcharges, taxes, or similar liabilities whether charged to or against the Company or the Customer. This includes but is not limited to amounts the Company is required by governmental, quasi-governmental, or other entities to collect and/or to pay to designated entities. The Company may adjust its rates and charges or impose additional rates and charges on its Customer in order to recover these amounts. Unless specified otherwise herein, if an entity other than the Company (e.g., another carrier or supplier) imposes charges on the Company in connection with a Customer's Service, that entity's charges may be passed through to the Customer. The Customer is responsible for the payment of all such charges.
- 2.5.16 A Customer shall not use any service mark or trademark of the Company or refer to the Company in connection with any product, equipment, promotion, or publication of the Customer without prior written approval of the Company.

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SECTION 2 - RULES AND REGULATIONS

2.5 Obligations of the Customer (continued)

- 2.5.17 In the event suit is brought or an attorney is retained by the Company to enforce the terms of this Tariff, the Customer shall reimburse the Company, in addition to any other remedy, for attorneys' fees, court costs, costs of investigation, and other related expenses incurred in connection therewith.
- 2.5.18 In the case of nonworking account codes, the Customer is responsible for payment of usage charges for long distance calls originated at the Customer's number(s).
- 2.5.19 If Service is suspended, the Customer will be responsible for the payment of all MRCs until Service is disconnected.

2.6 Obligations of a Reseller

- 2.6.1 The terms and conditions of this Tariff, including but not limited to the obligations contained in Section 2.5 and in Sections 2.6.2 through 2.6.7 hereof, apply to Customers that are Resellers. Failure to comply with any term, rule, or regulation of this Tariff may result in the Company immediately and irrevocably terminating Service(s) without incurring any liability. Notification of termination of Service(s) may be in writing or in another expeditious manner selected by the Company.
- 2.6.2 In the event of non-payment by a Reseller's subscriber, the Company may be requested by the Reseller to block such subscriber's service because of non-payment of charges. Before the Company blocks Service to a Reseller's subscriber, the Reseller must certify that proper notice has been given to the subscriber. Proper notice must meet state and federal rules for Blocking Service due to non-payment. The Reseller is responsible for all costs incurred to disconnect or block the location from Service(s).
- 2.6.3 Resellers will be responsible for paying all taxes, surcharges, and fees based upon the taxing jurisdiction's rules and regulations.
- 2.6.4 In addition to the other provisions in this Tariff, Resellers will be responsible for all interaction and interface with their own subscribers or customers. The provision of Service will not create a partnership or joint venture between the Company and the Reseller nor result in a joint offering to third parties.
- 2.6.5 If the Customer resells Services, the Reseller is responsible for providing all billing, collection, and customer service functions for all of its locations, including resolving any unauthorized presubscription disputes.
- 2.6.6 In addition to the other provisions in this Tariff, Resellers must have the appropriate authority in all areas where the Reseller provides service and provide such documentation to the Company when requested. Resellers of the Company's Services are responsible for maintaining all necessary state and F.C.C. tariffs for operating as a Reseller and for complying with all rules and regulations as set forth by the Commission. Further, the Reseller also assumes full responsibility for complying with the Communications Act of 1934, as amended; the Telecommunications Act of 1996; and the rules, regulations, and decisions of the F.C.C.

SECTION 2 - RULES AND REGULATIONS

2.6 Obligations of a Reseller (continued)

2.6.7 If a Reseller switches a subscriber's long distance provider without obtaining permission from the subscriber, the Company may charge the Reseller for the unauthorized presubscription change charges plus all additional charges imposed and costs incurred. The Reseller is financially liable for all lines at all locations until such time as the lines and/or locations are presubscribed to a different long distance service provider. In instances where the Reseller has presubscribed lines and/or location to its Service without proper authorization, the Reseller must:

- (A) Inform the subscriber of the unauthorized change in long distance service providers; and
- (B) Ensure that the subscriber's service is returned to the long distance service provider of choice; and
- (C) Pay all applicable charges.

2.7 Obtaining Services

2.7.1 General

To obtain Service, the Company requires the Customer to provide the Company with whatever authorization the Company deems appropriate. For example, the Company may require the Customer to execute a letter of agency, service agreement, RespOrg agreement, contract, etc. depending on the Service(s) selected by the Customer. Service may be initiated based on written or oral agreement between the Company and the Customer. The Company reserves the right to require an Applicant to sign an application for the Service desired, on a form provided by the Company, as a condition for establishing Service. Applications for Service will be accepted by the Company provided that the Service is available, and the Company has no reason to believe the Customer will not comply with the provisions of this Tariff. The Company will also accept an oral application from a Customer for additions to or changes in existing Service. Upon the Company's acceptance of this authorization, all applicable provisions in the Company's Tariff, as amended from time-to-time, become the agreement for Service between the Company and the Customer. The Company reserves the right, at any time, to require any Customer to present proof of identification to the Company as the Company may then deem acceptable. Acceptance or use of Service offered by the Company shall be deemed an application for such Service and an agreement by the Customer to subscribe to, use, and pay for such Service in accordance with the applicable Tariffs of the Company. The Applicant must also establish credit satisfactory to the Company as provided in Section 2.7.2 of this Tariff.

SECTION 2 - RULES AND REGULATIONS

2.7 Obtaining Services (continued)

2.7.2 Establishment of Credit; Indebtedness; Toll Restriction

(A) Applicant

The Company reserves the right to require all Applicants to establish credit worthiness to the reasonable satisfaction of the Company. Upon receipt of the signed letter of agency or other authorization the Company deems appropriate, the Applicant will be deemed to have authorized the Company to obtain such routine credit information and verification as the Company requires.

(B) Customer

If the conditions of Service or the basis on which credit was originally established have materially changed, an existing Customer may be required to establish additional credit. The Company reserves the right to examine the credit record and check the references of any Customer at any time. The Company may establish credit limits for new and existing Customers. Where a credit limit is established for a Customer, the Customer will be notified of the Customer's initial credit limit amount and any subsequent credit limit changes.. Where a Customer becomes delinquent in payments, a new credit limit may be established that is lower than the Customer's initial credit limit. In the event a Customer's established credit limit is exceeded, or in the event a Customer becomes delinquent in the Customer's payments, the Company may implement its toll blocking process. Pursuant to that process, the Company may place a restriction on or discontinue Customer's use of intrastate long distance services, 1+, 0+, and all 900/976/700/500 calls until the Customer makes payment arrangements satisfactory to the Company. Access to local calling, operator assisted calls, emergency services (9-1-1), calls placed via a toll free number (800, 877, 888 or other area code assignments as appropriate) will not be affected. In the event that toll access is restricted or blocked pursuant to the foregoing, Customers attempting to access restricted services will be automatically routed to either a recorded announcement or a service representative for information regarding restoration of service.

(C) Indebtedness; Concurrent Indebtedness; Prior Indebtedness

The Company reserves the right to refuse Service to any Applicant who is indebted to the Company for Service(s) previously furnished until satisfactory payment arrangements have been made for all such indebtedness. The Company further reserves the right to refuse Service to any Applicant who is currently indebted to the Company for Service(s) on another Company account, until satisfactory payment arrangements have been made for all such indebtedness. Where a Customer subscribes to more than one active telephone account, and the Company suspends or terminates Service to one or more of the Customer's accounts for nonpayment, the Company may, at its option, initiate action for

SECTION 2 - RULES AND REGULATIONS

2.7 Obtaining Services (continued)

2.7.2 Establishment of Credit; Indebtedness; Toll Restriction (continued)

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(C) (continued)

collection, including the action to suspend or terminate some or all of the other active Customer accounts, with notice as prescribed under Section 2.20 of this Tariff. The Company may also refuse Service to any Applicant attempting to establish Service for a former Customer who is indebted for previous Service(s), regardless of whether or not the previous Customer was furnished Service at the same location, until satisfactory payment arrangements have been made for payment of all such prior indebtedness. If Service is established and it is subsequently determined that any of the foregoing conditions of indebtedness exists, the Company may suspend or terminate such Service until satisfactory arrangements have been made for the payment of the prior indebtedness.

(C) Indebtedness; Concurrent Indebtedness; Prior Indebtedness

The Company reserves the right to discontinue granting any further credit to Customer in the event of Customer's repeated delinquency in payment for Services, fraudulent use, suspension or disconnection of Service, the Customer files for protection under the United States Bankruptcy Code, or any other material breach, where not prohibited by federal law, rule or regulation. In such event, the Company may, at its sole discretion, require the Customer to prepay for all future Services as thereafter directed by the Company.

2.8 Customer Deposits / Advance Payments

2.8.1 Customer Deposits

(A) General

Any Applicant whose credit is not acceptable to the Company as provided in Section 2.7.2 of this Tariff may be required to make a deposit to be held by Company as a guarantee of payment for Service provided under this Tariff. In addition, an existing Customer may be required to make a deposit or to increase a deposit presently held by the Company if the conditions of Service or the basis on which credit was originally established have materially changed.

(B) Amount of Deposit

The amount of any deposit will not exceed the estimated charges for three months' Service. The Company will determine the amount of the deposit.

(C) Interest on Deposits

If applicable, the Company will pay interest on deposits according to the rules and regulations of the Commission.

SECTION 2 - RULES AND REGULATIONS

2.8 Customer Deposits / Advance Payments (continued)

2.8.1 Customer Deposits (continued)

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(D) Return of Deposit

A deposit will be returned:

-When an application for Service has been canceled prior to the establishment of Service;
or

-At the end of one year of satisfactory payments for Service; or

-Upon discontinuance of Service.

Notwithstanding the foregoing, prior to the return, deposits will be applied to any outstanding charges to the Customer for Service, and only the excess, if any, will be returned.

2.8.2 Advance Payments

Customers and Applicants who, in the Company's judgment, present an undue risk of non-payment may be required at any time to provide the Company such other assurances of, or security for, the payment of the Company's charges for its Services as the Company may deem necessary, including, without limitation, advance payments for Service, third party guarantees of payment, pledges or other grants of security interests in the Customers' assets, and similar arrangements. The Company reserves the right to require an advanced payment from Customers and Applicants who, in the Company's judgment, present an undue risk of nonpayment. Such advanced payment may be required instead of or in addition to a security deposit. The Company shall be authorized to apply such advanced payments against any Service charges incurred by the Customer. The advanced payment shall be equal to or less than estimated installation charges plus two months estimated billing. Advance payment requirements may be increased or decreased by the Company as it deems necessary in the light of changing conditions. The Company may alternatively require such Customers and Applicants to authorize credit card billing for advance payments as described in Section 2.9 of this Tariff. In determining whether a Customer presents an undue risk of nonpayment, the Company shall consider the following factors:

- (A) the Customer's or Applicant's payment history (if any) with the Company and its affiliates;
- (B) Customer's ability to demonstrate adequate ability to pay for the Service;
- (C) credit and related information provided by Customer, lawfully obtained from third parties or publicly available;
- (D) information relating to Customer's management, owners, and affiliates (if any); and

SECTION 2 - RULES AND REGULATIONS

2.8 Customer Deposits / Advance Payments (continued)

2.8.2 Advance Payments (continued)

- (E) the Applicant's or Customer's actual long distance usage.

The Company does not pay interest on advance payments.

2.9 Rendering Bill

2.9.1 General

- (A) The Company uses cycle billing. The billing period is one (1) month. Except for fraud, charges may be assessed for unbilled traffic up to two (2) years in arrears.

- (B) The Company uses LEC billing. The Company may also utilize direct billing by the Company or an authorized billing agent. The availability of the billing option is controlled by the Company not the Customer.

- (C) If a Customer presents an undue risk of nonpayment at any time, the Company may require the Customer to pay its bills in cash or the equivalent of cash. In the event the Company incurs fees or expenses, including attorney's fees, in collecting, or attempting to collect, any charges owed the Company, the Customer will be liable to the Company for the payment of all such fees and expenses reasonably incurred.

- (D) Reserved for future use

- (E) Credit Card billing and automatic withdrawal from the Customer's checking or savings account may be available. However, if a Customer presents an undue risk of nonpayment at any time, the Company may require the Customer to pay its bill in cash or the equivalent of cash. With credit card billing, charges for Services provided by the Company are billed on the Customer's designated and approved credit card. Should the Customer cancel or change their designated credit card for billing, the Customer shall promptly inform the Company and designate new information for billing. Charges for Service are billed monthly in accordance with terms and conditions between the Customer and the Customer's designated credit card company. Call detail will not be included in the credit card bill; call detail will be provided by the Company in a separate mailing.

- (F) Monthly recurring charges for Service components are billed in advance of Service and reflect the rates in effect as of the date of the invoice (e.g., bills generated in January will cover the month of February). Monthly recurring charges continue to accrue during any suspension of Service until Service is disconnected. A Customer's first invoice may contain charges from previous periods for Service provided from the date of installation through the current invoice period. An Applicant for Service may be required to pay in advance of the establishment of Service the applicable nonrecurring charges together with the fixed charges applicable for the first month.

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SECTION 2 - RULES AND REGULATIONS

2.9 Rendering Bill (continued)

2.9.1 General

- (G) For the purpose of computing partial-month charges, a month is considered to consist of thirty days.
- (H) Any Applicant for Service that was furnished Service under a former contract with the Company shall pay or make satisfactory arrangements for paying any bill outstanding and unpaid for such Service, before any additional Service will be furnished.
- (I) In the event that the Company's ability to commence or to continue to provide Service in a timely manner is delayed or interrupted because of the non-performance by the Customer of any obligation set forth in this Tariff, the Customer shall pay to the Company amounts equal to the monthly recurring charges which would have been paid had the Company been able to commence or to continue to provide Service.
- (J) The Company may offer employee plans, discount plans, or a reduced rate per minute for directors, officers, retirees or employees of the Company or of an Affiliated company that subscribe to one of the Company's Service offerings.
- (K) Depending on where and under what name the Company provides Service, the Company's applicable business name will precede the tariffed service name on the Customer's bill.

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2.9.2 Direct Billing By Company And/Or Authorized Billing Agent

(A) LEC Billing

- .1 The Company utilizes LEC billing. With LEC billing, the Customer's charges for the Company's Services are billed on a separate page from the Customer's bill for local service or local toll service. Call detail is available with the bill. If LEC billing is utilized, the rules and regulations applying to rendering and payment of bill and late charges are the same as covered in the applicable LEC tariff.
- .2A Customer subscribing to outbound Service(s) that are LEC-billed may have multiple WTNs reported on the same BTN. A Customer subscribing to TFS may have multiple TFS Numbers associated with the same BTN.

SECTION 2 - RULES AND REGULATIONS

2.9 Rendering Bill (continued)

(B) Other Billing Arrangements

- .1 Bills are sent to the Customer's current billing address no later than thirty (30) days following the close of billing. For usage sensitive Switched Services, call detail is available with the bill. Payment in full is due by the due date disclosed on the bill. Charges are payable only in United States currency. Payment may be made by check, money order, or cashier's check which should be made payable as named on the bill and sent to the address as listed on the bill. If the bill is not paid within thirty (30) days from the invoice date, the Company may impose a late charge on the delinquent amount. A late charge applies to any past due balance. The Company may charge a late charge of \$5.00 or 1.5% per month, whichever is greater. The one-time charge shall apply on the undisputed amount or on the disputed amount if a dispute is resolved in favor of the Company. When another telecommunications carrier provides the billing function on behalf of the Company, the other carrier's late payment charge applies.
- .2 Customers that are direct-billed must provide the Company updated information within fifteen (15) days of a change in billing address and/or contact information. If the Customer fails to timely provide such updated information, the Company reserves the right to terminate Service on five (5) days verbal or written notice to last know address/contact, and the Customer shall be responsible for any and all early termination fees.

(C) Credit Card Billing

With Credit Card billing, the charges for Services provided by the Company are billed on the Customer's designated and approved Credit Card. Charges are billed monthly in accordance with the terms and conditions between the Customer and the Customer's designated Credit Card company. Call detail will not be included in the Credit Card bill. Call detail will be provided by the Company in a separate mailing.

(D) Automatic Withdrawal From Checking or Savings Account

If the Customer utilizes automatic withdrawal, the charges for Services provided by the Company are automatically debited to the Customer's designated checking account or savings account. Bill detail will be provided by the Company in a separate mailing.

2.9.3 Special Bill Detail For Customers With MAC/MMC

For Customers that commit to a MAC or an MMC, the Customer's master bill will contain:

- (A) the Customer's MAC or MMC revenue commitment;

SECTION 2 - RULES AND REGULATIONS

2.9 Rendering Bill (continued)

- (B) number of accounts used towards the MAC/MMC;
- (C) the length of the term plan, if applicable, and the term plan agreement end date;
- (D) year-to-date cumulative dollar revenue applicable to the MAC; and
- (E) current period cumulative dollar revenue applicable to the MAC/MMC.

2.10 Disputed Charges

- 2.10.1 The Company will not be required to consider any Customer claim for damages or statutory penalties, or adjustments, refunds, credits or cancellation of charges, unless the Customer has notified the Company, in writing, of any dispute concerning charges, or the basis of any claim for damages, within sixty (60) calendar days after an invoice is rendered or a debit is effected by the Company for the call giving rise to such dispute or claim.
- 2.10.2 Any such notice must set forth sufficient facts to provide the Company with a reasonable basis upon which to evaluate the Customer's claim or demand. Such notice must be sent to the Company's Customer Service Department as per Section 2.11 of this Tariff. If the Customer is not satisfied with the Company's resolution of a billing inquiry, the Customer may make application to the Commission for review and disposition of the matter.
- 2.10.3 Failure of the Customer to participate in the Company's effort to resolve a dispute or claim will constitute a waiver of the Customer's rights to a continuance of Service.

2.11 Customer Service Department

Customer correspondence must be addressed to the attention of the Customer Service Department and sent to the appropriate office. The Customer may also contact the Company's Customer Service Department by calling a toll free number. The Company's Customer Service address and toll free number are printed on the Customer's bill.

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For Customers using Credit Card billing or automatic withdrawal from the checking or savings account, the Company's Customer Service address and toll free number are provided with the Customer's bill detail.

2.12 Changes to Rates and Charges

In accordance with Commission rules, the Company may adjust its current rates and charges for Services by filing revised Tariff pages with the Commission. When usage rates are being changed, the change will become effective with the next billing period after the effective date of the rate change.

SECTION 2 - RULES AND REGULATIONS

2.13 Timing of Calls

2.13.1 Unless otherwise indicated in this Tariff, on Station-to-Station calls and on Direct-Dialed calls chargeable time begins when the called station answers and the connection is established between the calling station and the called station, miscellaneous common carrier, mobile radio system, or PBX system. Answer detection is determined based on standard industry answer detection methods, including hardware and software answer detection. However, when Services are directly connected to a Customer-provided communications systems at the Customer's or End User's premises, chargeable time begins when a call terminates in, or passes through, the first Customer equipment on that Customer-provided communications system. It is the Customer's responsibility to furnish appropriate answer supervision to the point of interface with the Company's Service so that chargeable time may begin.

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2.13.2 Unless otherwise indicated in this Tariff, chargeable time ends when the calling station hangs up thereby releasing the network connection. If the called station hangs up but the calling station does not, chargeable time ends when the network connection is released either by the automatic timing equipment in the telecommunications network or by the operator.

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2.14 Rate Periods

2.14.1 General

Different rates may be applicable to a call at different times of the day and on certain days of the week, as specified in the appropriate rate schedule for that call. The rate periods shown below apply. All times shown are local time at the calling station in the case of an outbound call and at the called station in case of an inbound toll free call.

2.14.2 Reserved for future use

2.15 Determining Rate In Effect

For outbound Services that are time-of-day sensitive, the time-of-day at the central office or POP associated with the calling station determines the rate in effect. For Toll Free Services that are time-of-day sensitive, the time-of-day at the central office or POP associated with the called station determines the rate in effect. If a unit of time is split between two (2) or more rate periods, each rate period applies to the portion of the call that occurred during that rate period rounded to the nearest billing increment. If a call is completed by an operator, the time at the beginning of each initial or additional rate period determines the applicable rate period. When a message spans more than one rate period, total charges for each rate period are calculated and the results for each rate period are totaled to obtain the total message charge. The Company may offer employee plans, discount plans, or reduced rates per minute for subscriptions to Company Service offerings described in Section 3 of this Tariff to directors, officers, retirees or employees of the Company or of an Affiliated company that subscribe to one of the Company's Service offerings described in Section 3 of this Tariff.

SECTION 2 - RULES AND REGULATIONS

2.16 Application of Charges

2.16.1 Rounding

Each usage sensitive Switched Service has its own specific initial period and additional period (collectively referred to as billing increments) as specified in Section 3 of this Tariff. For all Services, fractions of a billing increment are rounded up to the next higher increment for billing purposes. The usage charges for each completed call during a billing month will be computed. If the charge for the call includes a fraction of a cent of \$.005 or more, the fraction of such charge is rounded up to the next higher whole cent. Otherwise, the charge is rounded down to the next lower whole cent. Rounding for charges for Service(s) is on a call-by-call basis.

2.16.2 BTN Account Changes

(A) Discounts

A change in Service or enrollment in a promotional offering that impacts the Customer's usage discount is effective on the first day of the next billing cycle after the change order is processed.

2.16.3 Monthly Recurring, Optional Feature or One-Time Charge

(A) If Service is provided for less than a billing cycle, all associated intrastate monthly recurring charges will be prorated for the time Service was provided to the Customer.

(B) For Customers subscribing to intrastate Service as an add-on to the Company's interstate service, the applicable interstate monthly recurring, optional feature or one-time charges are specified in the Company's interstate Voice Product Reference and Pricing Guide which may be found at <http://www.att.com/servicepublications> and are paid in lieu of intrastate monthly recurring, optional feature or one time charges.

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2.17 Taxes, Surcharges, and Fees

2.17.1 General

In addition to the charges specifically pertaining to Services, certain federal, state, and local surcharges, taxes, and fees apply to Services. The Company may impose a surcharge on its Customers to recover amounts it is required by governmental or quasi-governmental authorities to collect from or pay to others in support of statutory or regulatory programs. For Switched Services, these taxes, surcharges, and fees are calculated based upon the point of origination of the call, the point of termination of the call, the length of each call, and the taxing jurisdiction's rules and regulations. All federal, state, and local taxes, surcharges, and fees (i.e., sales tax, gross receipts tax, municipal utilities tax, etc.) are listed on the Customer's invoices, and unless otherwise specified herein, are not included in the rates listed in this Tariff.

SECTION 2 - RULES AND REGULATIONS

2.17 Taxes, Surcharges, and Fees (continued)

2.17.2 Tax Exemption Certificate

- (A) In order to be granted tax exempt status, a Customer claiming tax exempt status must provide the Company with copies of all tax exemption certificates and documents required by the Company at the time Service is ordered. New Customers are required to provide the requested documentation at the time Service is ordered.
- (B) Failure to provide the required documentation at the time Service is ordered will result in all taxes as noted herein being levied by the Company on the Customer's Service, and the Customer will be responsible for the payment of all such charges.
 - .1 At the Company's option, the Company may accord the Customer tax exempt status upon receipt of the required documentation after Service is ordered. However, the Customer will be billed for all applicable taxes and will be responsible for the payment of same until such time as the Company has ceased billing the applicable taxes.
 - .2 The Company is not liable for refunding the amount of the taxes paid by the Customer. The Customer is responsible for seeking refunds for such taxes from the appropriate taxing authority.
- (C) Failure to pay the appropriate taxes prior to tax exempt status being accorded by the Company will result in termination of Service.

2.17.3 Telecommunications Relay Services Surcharge

Pursuant to Act 50, Hawaii Session Laws 2003, promulgated on May 7, 2003, the Company will impose a surcharge on Residential Customers and Business Customers to recover its contribution to the Telecommunications Relay Service fund.

The Company's contribution factor is that contributor factor approved by the Commission and is applied to the Customer's total bill for the provision of intrastate long distance telecommunications service.

The charge for the Telecommunications Relay Services Surcharge will appear on the Customer's bill as a line item as follows:

HI Telecom Relay Services

2.18 Interruption of Service

- 2.18.1 Without incurring liability, the Company may interrupt the provision of Services at any time in order for tests and inspections to be performed to assure compliance with Tariff regulations and the proper installation and operation of Customer's equipment and facilities and may continue such interruption until any items of non-compliance or improper equipment operation so identified are rectified.

SECTION 2 - RULES AND REGULATIONS

2.18 Interruption of Service (continued)

2.18.2 To prevent possible unauthorized, fraudulent, or unlawful use of Service, the Company may initiate Blocking of all calls or Blocking calls to or from certain NPA-NXXs, cities, or individual telephone stations for any Service offered under this Tariff. Service will be restored as soon as it can be provided without undue risk and only after accounts have been brought current.

2.18.3 No credit for recurring monthly charges will be issued for outages less than twenty-four consecutive hours in duration. For Customers with Service subject to a monthly recurring charge, Service interruptions of greater than twenty-four (24) consecutive hours duration will receive a credit equal to the number of hours of Service interruption divided by 720 hours times the monthly recurring charge for the Service.

2.18.4 For Services with usage-sensitive rates, credit allowances for cutoff, wrong number, or poor transmission are subject to the general liability provisions set forth in Section 2.3.1 of this Tariff. If the Customer desires a credit for any Service interruption, the Customer must contact the Company via telephone or in writing. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission by the Customer within the Customer's control, or is not in wiring or equipment, if any, furnished by the Customer.

2.19 Cancellation of Service By Customer

2.19.1 Cancellation of an Existing Service

(A) Unless the Customer has signed a term plan agreement, the Company may require the Customer to give thirty (30) days' written or oral notice to the Company. Notice should be addressed to the Company's Customer Service Department. Cancellation of the Customer's Service will be effective when the Customer's account status is changed to inactive in the appropriate data base(s).

(B) For rules and regulations regarding cancellation of a term plan agreement, see Section 2.26 of this Tariff.

2.19.2 Customer Cancels An Order For Special Facilities

If a Customer orders Service requiring special facilities dedicated to the Customer's and subsequently cancels its order before Service begins, before completion of the minimum Service period or before completion of some other period mutually agreed upon by the Customer and the Company, the Customer is responsible for all costs incurred expressly on behalf of the Customer by the Company including those costs the Company incurred as an agent of the Customer. If special construction has either begun or has been completed, but Service has not been provided at the time the Customer cancels Service, the Customer is responsible for all construction costs incurred by the Company on the Customer's behalf.

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SECTION 2 - RULES AND REGULATIONS

2.20 Termination of Service By Company

2.20.1 The Company may terminate Service to the Customer upon five (5) days' verbal or written notice to the Customer for any condition listed in Section 2.2.6 of this Tariff. If the Company delivers the notice to the Customer's Premises, it will be left in a conspicuous place. When notice is mailed, the notice will be addressed to the Customer's last known billing address and mailed first class or express overnight delivery. The selection of the method of delivery of the notice is made by the Company.

2.20.2 The termination of Service(s) by the Company pursuant to this section does not relieve the Customer of any obligations to pay the Company for charges due and owing for Service(s) furnished up to the time of termination. The remedies set forth herein will not be exclusive and the Company will at all times be entitled to all rights available to it under either law or equity.

2.21 Restoration of Services

The use and restoration of Services in emergencies will be in accordance with the priority system specified in Part 64, Subpart D of the rules and regulations of the Federal Communications Commission.

2.22 Terminal Equipment

Services may be used with or terminated in Customer-provided terminal equipment or Customer-provided communications systems such as a telephone set, PBX, key system, router, or other network termination equipment. Such terminal equipment shall be furnished and maintained at the expense of the Customer. The Customer is responsible for all costs at the Customer's Premises, including personnel, wiring, electrical power, and the like, incurred in the use of the Service. When such terminal equipment is used, the equipment shall comply with applicable rules and regulations of the Federal Communications Commission, including but not limited to, Part 68. In addition, equipment must comply with generally accepted minimum protective criteria standards and engineering requirements of the telecommunications industry which are not barred by the Federal Communications Commission.

2.23 Notices

2.23.1 Any notice the Company may give to a Customer will be by written notice mailed to the Customer's billing address or to such address as may be subsequently given by the Customer to the Company. Except as otherwise provided by these rules or in a signed agreement, any notice from the Customer may be given by the Customer or the Customer's authorized representative to the Company orally or by written notice mailed to the Company.

2.23.2 Any notices provided by Company pursuant to this Tariff are deemed given and effective upon the earlier of (a) actual receipt by Customer or (b) three days after mailing if sent by mail, the day after express overnight delivery, or the day the notice is left at the Customer's Premises.

SECTION 2 - RULES AND REGULATIONS

2.24 Reserved for future use

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2.25 Coordination with Respect to Network Contingencies

The Company intends to work cooperatively with the Customer to develop network contingency plans following natural or man-made disasters which affect Service.

2.26 Revenue and Term Plan Commitments

2.26.1 General

- (A) The terms and conditions for qualifying for each specific offering are described in Section 3 this Tariff. Business Customers subscribing to one of the Company's High Volume Calling plans are required to sign term plan agreements. This section also applies to Business Optional Calling Plans with MRC and term commitment.
- (B) By committing to a MAC or an MMC, the Customer commits to spending a predetermined dollar revenue volume, either annually in the case of a MAC or monthly in the case of an MMC.
- (C) By making a term plan commitment, the Customer commits to remain a Customer of Company for a specified length of time. Only 1+ outbound and Toll Free Services usage rates will remain in effect for the life of the term plan agreement. Unless otherwise indicated in this Tariff, all other rates, MRCs, NRCs, and per call charges for Operator Toll Assistance Services, Directory Assistance Services, and any applicable payphone and other third-party pass through charges, regulatory fees, and surcharges are subject to change during the term of the agreement. (D)

.1 High Volume Calling Plans

At the end of the term plan agreement, if the Customer does not renew their current term plan agreement, nor cancel Services, the Company will revert the term to the original term plan rates on a month-to-month basis unless otherwise indicated in this Tariff.

SECTION 2 - RULES AND REGULATIONS

2.26 Revenue and Term Plan Commitments (continued)

2.26.2 Calculation of MAC and MMC (continued)

- .2 Charges associated with directory assistance Service, monthly recurring charges and one time charges, taxes and surcharges, reductions because of promotions (free minutes or reduced price per minute), and adjustments that are not associated with a particular usage item are not included in determining whether the Customer has met the MAC or MMC.
- .3 For Customers subscribing to outbound Service with one BTN, all qualified usage generated under all of the Customer's WTNs billed under that BTN will be totaled to determine if the Customer has met the MAC or MMC for the Customer's BTN. For Customers subscribing to TFS with one BTN, all qualified usage generated under all of the Customer's TFS Numbers associated with that BTN will be totaled to determine if the Customer has met the MAC or MMC for the Customer's BTN.
- .4 For selected Services, a Customer with multiple BTNs can group those BTNs together into one Aggregation ID such that all usage within this group can be combined. See Section 2.27 of this Tariff for explanation of Aggregation ID.

(B) Calculation of MMC for Customers Subscribing to Small Business Optional Calling Plans

This section applies to Customers that subscribe to any of the Small Business Optional Calling Plans, except those Small Business Optional Calling Plans referenced in Section 2.26.2 (C) of this Tariff.

Only the revenue associated with the Small Business Optional Calling Plans contributes towards meeting the MMC. If a Customer subscribes to other inbound or outbound Services, the revenue will not be counted when calculating whether or not the Customer has met the MMC commitment associated with the optional calling plan. (D)

- .1 An MMC commits the Customer to paying the Company a predetermined amount of revenue resulting from:
 - .a 1+ outbound domestic and International usage;
 - .b domestic inbound usage and usage charges associated with Canadian Toll Free Service;
 - .c any credits associated with a qualified usage item.

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SECTION 2 - RULES AND REGULATIONS

2.26 Revenue and Term Plan Commitments (continued)

2.26.2 Calculation of MAC and MMC (continued)

(B) (continued)

- .2 Charges associated with directory assistance Service, monthly recurring charges and one time charges, taxes and surcharges, reductions because of promotions (free minutes or reduced price per minute), and adjustments that are not associated with a particular usage item are not included in determining whether the Customer has met the MMC or MAC.

(C) Calculation of MMC for Customers Subscribing To Small Business Optional Calling Plans With A15@ in its Name

This section applies to Customers that subscribes to the Business Domestic Saver or any Small Business Optional Calling Plan with the number A15@ (e.g. Business Domestic Saver 15, etc.) in its name. The rules and regulations for the calculation of MMC are the same as those described in Section 2.26.2 (B) of this tariff except International usage does not contribute to meeting the MMC.

2.26.3 Calculation of UUF, Revenue Commitment Shortfall, Current Term Plan Agreement

(A) Unmet MAC With Term Plan

If a Customer subscribing to any of the Company's High Volume Calling Plans (HVCP), remains on the same HVCP but fails to meet its MAC, the Customer will be billed the difference between the actual usage and the unmet MAC within two (2) billing cycles of the Customer's yearly anniversary date.

(B) Unmet MMC Without Term Plan

- .1 If a Customer subscribing to any of the Company's Business Optional Calling Plans fails to meet its MMC in any given billing month, the Customer will be billed the difference between the actual usage revenue and the unmet MMC within two (2) billing cycles of the billing period in which the shortfall occurred.
- .2 Customers subscribing to any of the Company's High Volume Calling Plans and committing to an MMC will be given up to a three (3) month period for usage ramp up before any UUF is assessed. If a Customer subscribing to any of the Company's High Volume Calling plans subscribes to an MMC on any date other than the first day of the billing cycle, the partial first month is counted as a full month when determining the length of the ramp up period.

SECTION 2 - RULES AND REGULATIONS

2.26 Revenue and Term Plan Commitments (continued)

2.26.4 Customer Changes

- (A) Customers that subscribe to any of the Company's High Volume Calling Plans with a MAC or MMC combined with a term plan agreement and who wish to: (a) change MAC or MMC; (b) change the length of a term plan agreement; or (c) change their Calling Plan to any other High Volume Calling Plan; must cancel their current term plan agreement and agree to a new term plan agreement with new begin/end dates unless otherwise indicated in this Tariff. (C)

The Company will not charge an early termination fee and/or under utilization fee (ETF/UUF) when a Customer cancels an existing term plan agreement with a MAC if at the same time the Customer agrees to replace some or all of their existing service with Internet Protocol (IP) service, Wireless, or any functionally equivalent service from an Affiliate of the Company for the purpose of placing outbound and/or inbound live voice communications outside of the customer's local calling area. (C)

- (B) When a Customer cancels an existing term plan agreement and signs a new term plan agreement for the same or different Business Optional Calling Plan with a MAC or MMC from the Company, a UUF may apply. The UUF is equal to the lesser of the following and applies if the dollar value is greater than zero: (C)

- .1 the difference between the dollar value of the unpaid portion of the Customers Total Revenue Commitment on the Customers current term plan and the dollar value of the Customers Total Revenue Commitment for its new term plan agreement, or .250% of the unpaid portion of the Customers Total Revenue Commitment on the Customers current term plan agreement that is being cancelled at the request of the Customer. (C)

The Company will not charge an ETF/UUF when a Customer cancels an existing term plan agreement with a MAC if at the same time the Customer agrees to replace some or all of their existing service with Internet Protocol (IP) service, Wireless or any functionally equivalent service from an Affiliate of the Company for the purpose of placing outbound and/or inbound live voice communications outside of the customer's local calling area. (C)

(D)

SECTION 2 - RULES AND REGULATIONS

2.26 Revenue and Term Plan Commitments (continued)

2.26.4 Customer Changes (Continued) (T)

(C) Customer Cancels - MAC Has Been Met (T)

If the Customer cancels a term Business Optional Calling Plan in the last year of that term plan and the Customer has met the MAC for that year, no term plan early termination fee applies.

(D) Customer Cancels - MAC Has Not Been Met (T)

Unless otherwise indicated in this Tariff if the Customer cancels a term Business Optional Calling Plan and the MAC has not been met for the current year or for any additional years remaining in the term plan agreement, the early termination fee is equal to 50% of the unmet MAC for the current year and 50% of the unmet MAC for each of the additional years remaining on the term plan agreement. See Section 2.26.6 (F) of this Tariff.

(E) Customer Cancels - MMC for current month Has Been Met (Customer Subscribing to all Small Business Optional Calling Plans) (T)

The early termination fee shall be 50% of the MMC times the number of months remaining in the complete term.

(F) Reserved For Future Use (T)
(D)
|
(D)

(G) Customers that subscribe to any of the Company's Small Business Optional Calling Plans with an MRC or MMC combined with a term plan agreement and who wish to (1) change the length of a term plan agreement or (2) change their Calling Plan to any other Calling Plan with an MRC or MMC, Customer must cancel their current term plan agreement and agree to a new term plan agreement with new begin/end dates unless otherwise indicated in this Tariff (T)

ETF/UUF (N)

.a Customers who cancel this prior to the expiration date of their current term plan agreement and who do not qualify under .b and .c below will be required to pay an ETF/UUF. The ETF/UUF shall be 50% of the full MRC rate in effect for this plan at the time of termination multiplied by the number of months remaining in the term. (N)
(T)
(T)

SECTION 2 - RULES AND REGULATIONS

2.26 Revenue and Term Plan Commitments (continued)

2.26.4 Customer Changes (continued)

(G) (continued)

ETF/UUF (continued)

- .b The Company will not charge an (ETF/UUF) when a Customer cancels an existing term plan agreement if at the same time the Customer agrees to a new term plan agreement for a different Business Calling Plan with an MRC or MMC from the Company. (T)
- .c The Company will adjust to zero any ETF/UUF when: (N)
- .i the Customer cancels an existing term plan agreement with an MRC or MMC if at the same time the Customer agrees to replace some or all of their existing service with Internet Protocol (IP) service, Wireless, or any functionally equivalent service from an affiliate of the Company for the purpose of placing outbound and/or inbound live voice communications outside of the Customer's local calling area; or
- .ii the Customer provides notice to the Company of its intent to terminate service within thirty (30) calendar days prior to or thirty (30) calendar days after the automatic renewal of an existing plan term. (N)

2.26.5 Reserved for Future Use (T)

2.26.6 Reserved for Future Use (T)

2.26.7 Start Date and End Date

(A) MAC

Achievement of the MAC is calculated on the Customer's yearly Service Acceptance Date anniversary or end date of the term agreement commitment.

(B) MMC

MMC is calculated on the Customer's monthly anniversary date.

(C) Term Plan Agreement

When the Customer changes the billing cycle dates in the middle of a term plan agreement, the term plan begin and end dates will not change. The accumulated monies towards the MAC UUF if any, will be based on the begin and end date of the term without regard to the billing cycle.

(D) Business Optional Calling Plans with MRCs

When the Customer changes between Business Optional Calling Plans with MRC, the current term plan will be ended and the start date of new term plan begins on the day the order is processed.

SECTION 2 - RULES AND REGULATIONS

2.26 Revenue and Term Plan Commitments (continued)

2.26.8 Term Plan Renewal

(A) Business Customer Subscribes to Any of The Company's High Volume Calling Plans

Ninety (90) days prior to the expiration of a Customer's term plan agreement, the Company will notify the Customer on the Customer's bill advising the Customer the date the term plan expires. If the Customer does not notify the Company of its intent to cancel the existing term plan agreement, the Customer will be charged the same usage rates contained in their expired term plan agreement on a month to month basis. Customer's MMC will be the equivalent to their former MAC divided by twelve.

(B) Business Customer Subscribes to All Other Business Optional Calling Plans

If the Business Customer does not notify the Company of its intent to cancel the existing term plan commitment, the term plan will automatically renew first day of the next billing cycle for the same length of term plan and MMC if applicable. Within thirty (30) days of the automatic renewal date of a term plan, if the Customer provides notice to the Company that the Customer wishes to cancel the new term plan commitment, the Company will adjust all term plan early termination fees.

**Effective January 1, 2008, upon expiration of their existing term plan agreement, Customers subscribing to High Volume Calling Plan II Plus who have a MAC of \$9,000 to \$180,000 will receive Out of Term rates on a month to month basis. See Section 4.7.27 for the appropriate rates.

N
N
N

2.27 Aggregation Grouping

2.27.1 Aggregation grouping is the collecting of a Customer's multiple BTNs into a group such that all usage within this group can be combined to determine the Customer's usage rate or volume discount.

2.27.2 The Customer determines which BTN(s) will be aggregated. With Aggregation grouping, the Customer must select one BTN as the master BTN. The BTNs that go together in the Aggregation grouping will be assigned an Aggregation ID.

SECTION 2 - RULES AND REGULATIONS

2.27 Aggregation Grouping (continued)

2.27.3 Changes to a Customer's Aggregation grouping (such as adding or deleting BTNs) will not affect the Customer's MMC, MAC or term plan commitment.

- (A) If a Customer has combined Services, i.e. outbound and TFS aggregated together, and chooses to disconnect all of the outbound Services leaving only TFS line(s) that utilizes Switched Access to reach the long distance network, the POTS telephone number associated with TFS must be presubscribed to the Company for the provision of 1+ outbound long distance Service or the Customer's TFS plan must be transferred to one of the Company's High Volume Toll Free Calling plans described in Section 3.7 of this Tariff. Otherwise, the Company may terminate Service pursuant to Section 2.20 of this Tariff.

(D)

(D)