

SWITCHED ACCESS SERVICES

SECTION 1 - DEFINITION OF TERMS (CONT'D)

PIU: Percent Interstate Usage

PVU: Percent VoIP (Voice over Internet Protocol) Usage

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Premises: 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.

Recurring Charges: The monthly charges to the Customer for services, facilities and equipment, which continue for the 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. In the case of Tandem Connect service ordered under option (2) of Section 12.1.1.2, the Service Commencement Date is the date on which the Customer first sends Switched Access Service traffic to the Company or accepts Switched Access Service traffic from the Company.

Service Order: A written request for Company Services that may be 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 will initiate the respective obligations of the parties as set forth herein, but the duration of the service is calculated from the Service Commencement Date.

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

Switched Access Service: Access to the switched network of an Exchange Carrier for the purpose of originating or terminating communications.

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

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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, LLC tariff.

Issued: August 9, 2012

Effective: July 1, 2012

Issued By: Vice President of Public Policy
Level 3 Communications, LLC
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Broomfield, Colorado 80021

SWITCHED ACCESS SERVICESSECTION 3 – OBLIGATIONS OF THE CUSTOMER (CONT'D)

3.4.6 Identification and Rating of VoIP-PSTN Traffic [N]

This section governs the rating and identification of VoIP-PSTN Traffic. In accordance with the Federal Communications Commission's Report and Order released November 18, 2011 (FCC 11-161) and Second Order on Reconsideration released April 25, 2012 (FCC 12-47), both in WC Docket No. 10-90, et all. (together, the "FCC Orders"): (1) intrastate VoIP PSTN Traffic that originates on the Company's network and is bound for the Customer's end users is subject to the intrastate switched access rates set forth in this tariff until June 30, 2014, after which time it will be subject to interstate rates contained in the Company's Tariff F.C.C. No. 4 and in Section 15 herein; and (2) intrastate VoIP PSTN Traffic that is sent by the Customer for termination to Company end users is subject to interstate switched access rates set forth in the Company's Tariff F.C.C. No. 4 and in Section 15 herein.

The remainder of this section establishes the method of separating VoIP-PSTN Traffic from the Customer's traditional intrastate access traffic, so that VoIP-PSTN Traffic can be billed in accordance with the FCC Orders.

Calculation and Application of Percent-VoIP- Usage Factors

The Company will determine the number of VoIP-PSTN Traffic minutes of use (MOU) to which interstate rates will be applied by applying a Percent VoIP Usage (PVU) factor to the total terminating intrastate access MOU sent to a Company end user by the Customer. Beginning July 1, 2014, the Company will apply the PVU not just to terminating access MOU but to the total intrastate access MOU exchanged between the Company and the Customer. The PVU will be derived and applied as follows:

- a. The Customer will calculate and furnish to the Company a factor (PVU-A) representing the whole number percentage of the total intrastate and interstate access MOU that the Customer exchanges with the Company in the State that is sent to the Company that originated in IP format. Beginning July 1, 2014, the Customer's PVU-A shall be based on access MOU the Customer exchanges with the Company in the 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.
- b. The Company will calculate a factor (PVU-B) representing the whole number percentage of the Company's total intrastate and interstate access MOU in the State that terminates in IP format. Beginning July 1, 2014, the PVU-B shall be based on access MOU in the State that originates or terminates in IP format.
- c. The Company will use the PVU-A and PVU-B factors to calculate a PVU factor that represents the percentage of total terminating intrastate and interstate 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 access MOU exchanged between the Company and a Customer that is originated or terminated in IP format at either the Company end or Customer end. The PVU will be the sum of (i) the PVU-A factor and (ii) the PVU-B factor times (1 minus the PVU-A factor). The Company will apply the PVU factor to the total intrastate access MOU exchanged with the Customer to determine the number of VoIP-PSTN Traffic MOUs. [N]

Issued: August 9, 2012

Effective: July 13, 2012

Issued By: Vice President of Public Policy
Level 3 Communications, LLC
1025 Eldorado Boulevard
Broomfield, Colorado 80021

SWITCHED ACCESS SERVICESSECTION 3 – OBLIGATIONS OF THE CUSTOMER (CONT'D)

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

[N]

c. (cont'd)

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

Example 2: The PVU-B is 10% and the PVU-A is 0%. The PVU factor is equal to $0\% + (100\% \times 10\%) = 10\%$. The Company will bill 10% of the Customer's terminating intrastate access MOU at the Company's applicable interstate switched access rates.

Example 3: The PVU-A is 100%. No matter what the PVU-B factor is, the PVU is 100%. The Company will bill 100% of the Customer's terminating intrastate access MOU at the Company's applicable interstate switched access rates.

In all of the above examples, the Company will apply the PVU to originating as well as terminating intrastate access MOU beginning July 1, 2014.

- d. The Customer shall not modify its reported PIU factor to account for VoIP-PSTN Traffic.
- e. Both the PVU-A and the PVU-B factors shall be based on information such as the number of each party's retail VoIP subscriptions in the state (e.g. as reported on F.C.C. Form 477), traffic studies, actual call detail or other relevant and verifiable information which will be provided to the Company upon request.
- f. The Customer shall retain the call detail, work papers, and information used to develop the PVU-A factor for a minimum of one year.
- g. The Company shall use a default PVU factor until such time as Customer supplies a PVU-A factor. For this purpose, Company will utilize a PVU equal to the percentage of VoIP subscribers in the state based on the Local Competition Report, as released periodically and/or such other reports as the Company deems appropriate and reasonable. Under the Local Competition Report methodology, the PVU will be the total number of incumbent LEC and non-incumbent LEC VoIP subscriptions in a state divided by the sum of those reported VoIP subscriptions plus incumbent LEC and non-incumbent LEC switched access lines.

- 3.4.7 The preceding section will be applied to the billing of switched access charges to a Customer that is a local exchange carrier only to the extent that the Customer has also implemented billing of interstate access charges for VoIP-PSTN Traffic in accordance with FCC orders, rules and regulations.

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Issued: August 9, 2012

Effective: July 1, 2012

Issued By: Vice President of Public Policy
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SECTION 3 – OBLIGATIONS OF THE CUSTOMER (CONT'D)

3.4.8 PVU Factor Update

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The Customer may update the PVU-A factor quarterly using the method set forth herein. If the Customer chooses to submit such updates, it shall forward to the Company, no later than 15 days after the first day of January, April, July and/or October of each year, a revised PVU-A factor based on data for the prior three months, ending the last day of December, March, June and September, respectively. The revised PVU-A factor will serve as the basis for future billing and will be effective on the bill date of each such month and shall serve as the basis for subsequent monthly billing until superseded by new PVU-A factors.

3.4.9. PVU Factor Verification

Not more than twice in any year, the Company may ask the Customer to verify the PVU-A factor furnished to the Company, and the Customer may ask the Company to verify the PVU-B factor, and the respective calculations thereof. The party so requested shall comply, and shall reasonably provide the records and other information used to determine the applicable PVU-A and PVU-B factors. Notwithstanding the prior sentence, if the Customer updates its PVU-A more than twice in a year, the Company may seek to verify the PVU-A factor each time it is updated. In the event that the Customer fails to provide adequate records to enable the Company or an independent auditor to verify the Customer's PVU-A factor, the Company will continue using the most recent undisputed PVU-A factor reported by the Customer or, if no PVU-A has been provided, the default PVU.

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Issued: August 9, 2012

Effective: July 1, 2012

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