NEW APPLICATION
ORIGINAL

PAETEC

0000103167

November 9, 2009

VIA OVERNIGHT MAIL

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

T-03267A-09-0521

Arizona Corporation Commission
DOCKETED
NOV 13 2009
DOCKETED BY

Re: McLeodUSA Telecommunications Services, Inc.
Arizona Access Tariff No. 4

Dear Sir or Madam:

Enclosed are an original and thirteen (13) copies of a revision to the McLeodUSA Telecommunications Services, Inc.'s ("McLeodUSA's") Arizona Access Tariff No. 4. In this filing, McLeodUSA is adding d/b/a PAETEC Business Services to the tariff (Title Page, Sheet Nos. 5 and 7, all headers) and updating William A. Haas' title (all footers). In addition, the revision number on Sheet 71 has been corrected. The Check Sheet (Sheet No. 1) was modified accordingly. McLeodUSA requests an Administrative Approval for this filing.

Also enclosed is a copy of the Trade Name Certification on file with the Department of State.

This tariff has an issue date of November 11, 2009, and a proposed effective date of December 11, 2009. Please file stamp the extra copy and return it to me in the enclosed, self-addressed, stamped envelope. Thank you for your assistance in processing this filing. If there are any questions, please do not hesitate to contact me at (281) 465-1431 or julie.dishman@paetec.com.

Sincerely,

Julie Dishman

Julie Dishman
Manager, Regulatory & Tariffs

Attachments

STATE OF ARIZONA
Department of State

TRADE NAME CERTIFICATION

PAETEC BUSINESS SERVICES

I, Janice K. Brewer, Secretary of State, do hereby certify that in accordance with the Trade Name Application filed in this Office, the Trade Name herein certified has been duly registered pursuant to Section 44-1460, Arizona Revised Statutes, in behalf of:

MCLEODUSA TELECOMMUNICATIONS SERVICES, INC.
ONE MARTHA'S WAY
HAWATHA IA 52233-

2/8/2008 Application

Registration Date: 02/08/2008

Expiration Date: 2/8/2013

Date First Used: 2/8/2008

Trade Name No.: 424999

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of Arizona. Done at Phoenix, the capitol, this 14 day of February, 2008.

Janice K. Brewer

JANICE K. BREWER

REGULATIONS AND SCHEDULE OF INTRASTATE CHARGES

GOVERNING THE PROVISION OF ACCESS SERVICES

FOR CONNECTION TO COMMUNICATIONS FACILITIES WITHIN

THE STATE OF ARIZONA

MCLEODUSA TELECOMMUNICATIONS SERVICES, INC.
d/b/a PAETEC BUSINESS SERVICES **(N)**
TARIFF NO. 4

(This tariff replaces McLeodUSA Telecommunications Services, Inc.
Arizona Access Tariff No. 1 in its entirety)

Filed April 26, 2006
with the
Arizona Corporation Commission

By: William A. Haas
Vice President, Public Policy & Regulatory
One Martha's Way
Hiawatha, Iowa 52233

CHECK SHEET

PAGE	REVISION
Title Page	1st Revised*
1	2nd Revised*
2	Original
3	Original
4	Original
5	1st Revised*
6	Original
7	1st Revised*
8	Original
9	Original
10	Original
11	Original
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17	Original
18	Original
19	Original
20	Original
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57	Original
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59	Original
60	Original
61	Original
62	Original
63	Original
65	Original
65	Original
66	Original
67	Original
68	Original
69	Original
70	Original
71	1st Revised
72	Original
73	Original
74	Original

* Denotes new or revised page submitted with this filing.

Issued: November 11, 2009

Effective: December 11, 2009

By: William A. Haas
Vice President, Public Policy & Regulatory
One Martha's Way
Hiawatha, Iowa 52233

TABLE OF CONTENTS

Page

TABLE OF CONTENTS 2

EXPLANATION OF SYMBOLS, REFERENCE MARKS, AND ABBREVIATIONS OF TECHNICAL TERMS 4

APPLICATION OF TARIFF 5

SECTION 1: DEFINITIONS 6

SECTION 2: REGULATIONS
- 2.1 Undertaking of the Company 10
- 2.2 Prohibited Uses 17
- 2.3 Obligations of the Customer 18
- 2.4 Customer Equipment and Channels 25
- 2.5 Customer Deposits and Advance Payments 26
- 2.6 Payments 28
- 2.7 Allowances for Interruptions in Service 38
- 2.8 Application of Rates 40

SECTION 3: SERVICE AND RATE DESCRIPTIONS
- 3.1 Access Services Description 44
- 3.2 Access Service Order 46
- 3.3 Access Rate Categories 54
- 3.4 Local Termination Services 61
- 3.5 Miscellaneous Services 62

SECTION 4: END USER ACCESS SERVICE
- 4.1 General 67
- 4.2 Rates 67

SECTION 5: CARRIER ACCESS SERVICES
- 5.1 General 68
- 5.2 Rates 68

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TABLE OF CONTENTS

Page

SECTION 6: RATES

6.1 Non-Recurring Charges 69
6.2 Entrance Facility 70
6.3. Direct Trunked Transport 70
6.4 Multiplexing 70
6.5 Tandem Transport 71
6.6 Interconnection Charge 71
6.7 Switching 71
6.8 Toll Free Data Base Access Service 72
6.9 Local Termination Service 72
6.10 Miscellaneous Services 73

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EXPLANATION OF SYMBOLS, REFERENCE MARKS, AND ABBREVIATIONS OF TECHNICAL TERMS USED IN THIS TARIFF

The following symbols shall be used in this tariff for the purpose indicated below:

C To signify a changed regulation.
D To signify discontinued rate or regulation.
I To signify an increased rate.
M To signify a move in the location of text.
N To signify a new rate or regulation.
R To signify a reduced rate.
T To signify a change in text but no change in rate or regulation.
Z To signify a correction.

By: William A. Haas
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Hiawatha, Iowa 52233

APPLICATION

This tariff contains the rates, terms and conditions applicable to the provision of Intrastate Access Services provided by McLeodUSA Telecommunications Services, Inc. d/b/a PAETEC Business Services to customers of access services. (N)

SECTION 1 – DEFINITIONS

Certain terms used herein are defined as follows:

Access Code
Denotes a uniform code assigned by the Company to an individual Customer.

Access Minutes
For the purpose of calculating chargeable usage, the term "access minutes" denotes customer usage of exchange facilities in the provision of intrastate service.

Access Services
The Company's intrastate access services offered pursuant to this tariff.

Access Tandem
A switching system that provides traffic concentration and distribution function for originating and terminating traffic as an intermediate carrier between other switching facilities that originate or terminate calls to or from an End User.

Advance Payment
Payment required before the start of service.

Central Office
A local exchange carrier company switching system where exchange service station loops are terminated for purposes of interconnection to each other and to trunks.

Commercial Mobile Radio Service ("CMRS")
Cellular and PCS service that originates or terminates on a wireless handset and has calls routed through a Mobile Switching Office ("MTSO").

Common Carrier
Denotes any certificated individual, partnership, association, joint - stock company, trust, governmental entity or corporation engaged for hire in intrastate communication by wire or radio, between two or more exchanges.

Commission
The Arizona Corporation Commission.

SECTION 1 – DEFINITIONS

Company or McLeodUSA or PAETEC (N)
McLeodUSA Telecommunications Services, Inc. d/b/a PAETEC Business Services, the issuer of this tariff. (N)

Customer
The person, firm or corporation that orders service and is responsible for the payment of charges and compliance with the Company's regulations.

End User
A person or entity that is a subscriber to, or customer of local exchange, exchange access, interexchange, CMRS, or other telecommunications service provided by McLeodUSA or another Exchange Telephone Company or other Carrier.

Exchange Telephone Company
Denotes any individual, partnership, association, joint-stock company, trust, or corporation engaged in providing switched communication within an exchange. For purposes of this tariff, a Exchange Telephone Company includes a CMRS provider or a certificated local exchange carrier ("LEC"), that may or may not be legally affiliated with McLeodUSA.

Intrastate Access Service
Provides for a two-point communications path between a Customer's premises or a collocated interconnection location and an end user's premises for originating and terminating intrastate calls.

LATA
A Local Access and Transport Area established pursuant to the Modification of Final Judgment entered by the United States District Court for the District of Columbia in Civil Action No. 82-0192; or any other geographic area designated as a LATA in the NATIONAL EXCHANGE CARRIER ASSOCIATION, INC. TARIFF F.C.C. NO. 4.

Local Switching
The McLeodUSA network system that permits an End user to make or receive calls that require local exchange access. With respect to each NPA-NXX code prefix assigned to the Company, the location of the Company's "local switching" for purposes of this tariff shall be the point of interconnection associated with an NPA-NXX code. McLeodUSA Switching may also include a switch port leased by McLeodUSA from another LEC through a commercial or interconnection agreement.

SECTION 1 – DEFINITIONS

Recurring Charges
The monthly charges to the Customer for services, facilities, and equipment which continue to apply for the duration of the service.

Service Commencement Date
The first 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 this tariff, in which case the Service Commencement Date is the date of the Customer's acceptance. The Company and the Customer may mutually agree on a substitute Service Commencement Date. If the Company does not have an executed Service Order from a Customer, the Service Commencement Date will be the first date on which the service or facility was used by a Customer.

Service Order
The request for access services, either written or electronic, executed by the Customer and the Company in the format devised by the Company. Such a request for service by the customer and the acceptance of the request by the Company initiates the respective obligations of the parties as set forth therein and pursuant to this tariff, but the duration of the service is calculated from the Service Commencement Date. Should a Customer use the Company's access service without an executed Service Order, the Company will then request the Customer to submit a Service Order. A Customer that uses access services without submitting an actual order will be presumed to have ordered access services by using said services and charging its End Users for retail services that could not be provided without the use of access services provided by McLeodUSA.

Serving Wire Center
The wire center from which the customer designated premises would normally obtain dial tone from the Company.

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

SECTION 1 – DEFINITIONS

Trunk
A communications path connecting two switching systems in a network that is used in the establishment of an end to end connection.

Trunk Group
A set of trunks which are traffic engineered as a unit for the establishment of connections between switching systems in which all of the communication paths are interchangeable.

User
A Customer or any other person authorized by the Customer to use service provided under this tariff.

Wire Center
A building in which one or more Local Switches, used for the provision of Exchange Services, are located.

SECTION 2 – REGULATIONS

2.1 Undertaking of the Company

2.1.1 Scope

The Company undertakes to furnish access services in accordance with the terms and conditions set forth in this tariff.

2.1.2 Shortage of Facilities

All service is subject to the availability of suitable facilities. The Company reserves the right to limit the length of communications or to discontinue furnishing services when necessary because of the lack of transmission medium capacity or because of any causes beyond its control.

2.1.3 Terms and Conditions

(A) Service is provided on the basis of a minimum period of at least one month, 24-hours per day. For the purpose of computing charges in this tariff, a month is considered to have 30 days.

(B) Customers may be required to enter into written service orders which shall contain or reference a specific description of the service ordered, the rates to be charged, the duration of the services, and the terms and conditions in this tariff. Customers will also be required to execute any other documents as may be reasonably requested by the Company.

(C) A Customer that uses access services provided by McLeodUSA without submitting an actual order will be presumed to have ordered access services by using said services and charging its End Users for retail services that could not be provided without use of access services provided by McLeodUSA.

SECTION 2 – REGULATIONS

2.1 Undertaking of the Company (Cont'd)

2.1.3 Terms and Conditions (cont'd)

(D) In any action between the parties to enforce any provision of this tariff, the prevailing party shall be entitled to recover its legal fees and court costs from the non-prevailing party in addition to other relief a court may award.

2.1.4 Liability of the Company

(A) Except as otherwise stated in this Tariff, the liability of the Company for damages arising out of the furnishing of its Services, including but not limited to mistakes, omissions, interruptions, delays, or errors, or other defects, representations, or use of these services or arising out of the failure to furnish the service, whether caused by acts or omission, shall be limited to the extension of allowances for interruption as set forth in Section 2.7, except to the extent that applicable agency rules require credits for service interruptions in excess of 24 hours. The extension of such allowances for interruption shall be the sole remedy of Customer and the sole liability of the Company. The Company will not be liable for any direct, indirect, incidental, special, consequential, exemplary or punitive damages to the Customer as a result of any Company service, equipment or facilities, or any acts or omissions or negligence of the Company's employees or agents.

SECTION 2 – REGULATIONS

2.1 Undertaking of the Company (Cont'd)

2.1.4 Liability of the Company (cont'd)

(B) The Company shall not be liable for any delay or failure of performance or equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood, explosion or other catastrophes; any law, order, regulation, direction, action, or request of the United States government, or of any other government, including state and local governments having or claiming jurisdiction over the Company, or of any department, agency, commission, bureau, corporation, or other instrumentality of any one or more of these federal, state, or local governments, or of any civil or military authority; national emergencies; insurrections; riots; wars; or unavailability of rights-of-way materials.

(C) Except for proration of monthly charges as required by the Commission's rules, the Company shall not be liable for (a) any act or omission of any entity furnishing to the Company or to the Company's Customers facilities or equipment used for interconnection with Network Services; or (b) for the acts or omissions of common carriers or warehousemen.

(D) The Company shall not be liable for any damages or losses due to the fault or negligence of the Customer or due to the failure or malfunction of equipment or facilities provided by the Customer or the Customer's supplier.

SECTION 2 – REGULATIONS

2.1 Undertaking of the Company (Cont'd)

2.1.4 Liability of the Company (cont'd)

(E) The Company does not guarantee nor make any warranty with respect to installations it provides for use in an explosive atmosphere. The Customer indemnities and holds the Company harmless from any and all loss, claims, demands, suits, or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by any other party or person(s), and for any loss, damage, or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location, or use of any installation so provided. The Company reserves the right to require each Customer to sign an agreement acknowledging acceptance of the provisions of this Section 2.1.4(E) as a condition precedent to such installations.

(F) The Company is not liable for any defacement of or damage to Customer premises resulting from the furnishing of services or equipment on such Premises or the installation or removal thereof, unless such defacement or damage is caused by gross negligence or willful misconduct of the Company's agents or employees.

(G) The Company shall be indemnified, defended and held harmless by the Customer against any claim, loss or damage arising from Customer's use of services, involving claims for libel, slander, invasion of privacy, or infringement of copyright arising from the Customer's own communications.

SECTION 2 – REGULATIONS

2.1 Undertaking of the Company (Cont'd)

2.1.4 Liability of the Company (cont'd)

(H) Except for proration of monthly charges as required by the Commission's rules, the entire liability for any claim, loss, damage or expense from any cause whatsoever shall in no event exceed sums actually paid the Company by the Customer for the specific services in the month in which the event giving rise to the liability occurred.

(I) THE COMPANY MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.

2.1.5 Claims

The Company shall be indemnified and saved harmless by the Customer from and against all loss, liability, damage and expense, including reasonable counsel fees, due to claims of libel, slander, or infringement of copyright in connection with the material transmitted over the Company's facilities; and any other claim resulting from any act or omission of the Customer or end users of the Customer relating to the use of the Company's services or facilities.

SECTION 2 – REGULATIONS

2.1 Undertaking of the Company (Cont'd)

2.1.6 Provision of Equipment and Facilities

(A) Except as otherwise indicated, customer-provided station equipment at the Customer's premises for use in conjunction with this service shall be so constructed, maintained and operated as to work satisfactorily with the facilities of the Company.

(B) The Company shall not be responsible for the installation, operation or maintenance of any Customer-provided communications equipment. Where such equipment is connected to service furnished pursuant to this tariff, the responsibility of the Company shall be limited to the furnishing of services under this tariff and to the maintenance and operation of such services in the proper manner. Subject to this responsibility, the Company shall not be responsible for:

(1) the through transmission of signals generated by Customer-provided equipment or for the quality of, or defects in, or

(2) the reception of signals by Customer-provided equipment; or

(3) network control signalling where such signalling is performed by Customer-provided network control signalling equipment.

2.1.7 Ownership of Facilities

Title to all facilities provided in accordance with this tariff remains in the Company, its agents, contractors or suppliers.

SECTION 2 – REGULATIONS

2.1 Undertaking of the Company (Cont'd)

2.1.8 Individual Case Basis ("ICB") Arrangements

McLeodUSA may enter into an agreement with an interexchange carrier that contains unique terms and conditions, rates and charges for intrastate access services. ICB agreements will be summarized and attached to this Tariff where required by applicable law.

SECTION 2 – REGULATIONS

2.2 Prohibited Uses

(A) The services the Company offers shall not be used for any unlawful purpose or for any use for which the Customer has not obtained all required governmental approvals, authorization, licenses, consents and permits.

(B) The Company may require applicants for service who intend to use the Company's offering for resale and/or for shared use to file a letter with the Company confirming that their use of the Company's offerings complies with relevant laws and regulations, policies, orders, and decisions.

(C) The Company may require a Customer to immediately shut down its transmission if such transmission is causing interference to others.

(D) A Customer, joint user, or authorized user may not assign, or transfer in any manner, the service or any rights associated with the service without the written consent of the Company, except in the case of an STS provider. For such a provider, notice of transfer should be being to Company as soon as possible. The Company will permit a Customer to transfer its existing service to another entity if the existing Customer has paid all charges owed to the Company for regulated access services. Such a transfer will be treated as a disconnection of existing service and installation of new service, and non-recurring installation charges as stated in this tariff will apply.

SECTION 2 – REGULATIONS

2.3 Obligations of the Customer

2.3.1 Customer Premises Provisions

(A) The Customer shall provide the personnel, power and space required to operate all facilities and associated equipment installed on the premises of the Customer.

(B) The Customer shall be responsible for providing Company personnel access to premises of the Customer at any reasonable hour for the purpose of testing the facilities or equipment of the Company.

2.3.2 Liability of the Customer

The Customer will be liable for damages to the facilities of the Company caused by negligence or willful acts of its offices, employees, agents or contractors of the Customer where such negligence is not the direct result of the Company's negligence.

2.3.3 Jurisdictional Report Requirements

(A) For Feature Group B Switched Access Service(s) for both interstate and intrastate use, the projected percentage of interstate use ("PIU") must be provided by the Customer in a whole number to the Company. The Company will designate the number obtained by subtracting the projected PIU from 100 (100 - PIU = intrastate percentage) as the projected percentage of intrastate use. When a Customer orders Feature Group B Switched Access Service, the Customer shall state, in its order, the PIU factor for Feature Group B Switched Access Service group ordered. Each quarter thereafter the PIU can be changed by providing a new jurisdictional report.

SECTION 2 – REGULATIONS

2.3 Obligations of the Customer (cont'd)

2.3.3 Jurisdictional Report Requirements (cont'd)

(A) (Cont'd)

For Feature Group D Switched Access Service(s), the Company, where jurisdiction can be determined from the call detail, will determine the PIU as follows. For either originating or terminating access minutes, the PIU will be developed on a monthly basis by local switch when the Feature Group D Switched Access Service access minutes for those types of calls (*i.e.* either originating or terminating) are measured by dividing the measured interstate access minutes (the access minutes where the calling number is in one state and the called number is in another state) by the total access minutes when the call detail is adequate to determine the appropriate jurisdiction. For terminating access minutes or originated 8XX access minutes, the Customer has the option to provide the Company with a projected PIU factor. Customers who provide a PIU factor shall supply the Company with an interstate percentage of the feature Group D terminating and originating 8XX by state for all minutes that originate or terminate with an End User.

SECTION 2 – REGULATIONS

2.3 Obligations of the Customer (cont'd)

2.3.3 Jurisdictional Report Requirements (cont'd)

(A) (Cont'd)

For Direct Trunks, the Company, where jurisdiction can be determined from the call detail, will determine the PIU as follows. For either originating or terminating access minutes, the PIU will be developed on a monthly basis when the Feature Group D Direct Trunk access minutes for those types of calls (*i.e.* either originating or terminating) are measured by dividing the measured interstate access minutes (the access minutes where the calling number is in one state and the called number is in another state) by the total access minutes routed over the Direct Trunks when the call detail is adequate to determine the appropriate jurisdiction. For terminating access minutes or originated 8XX access minutes, the Customer has the option to provide the Company with a projected PIU factor for the Direct Trunks. Customers who provide a PIU factor shall supply the Company with an interstate percentage of the Direct Trunks terminating and originating 8XX by state for all minutes that originate or terminate with an End User.

SECTION 2 – REGULATIONS

2.3 Obligations of the Customer (cont'd)

2.3.3 Jurisdictional Report Requirements (cont'd)

(A) (Cont'd)

Should the Customer not supply a projected 8XX originating and terminating PIU factor for either Feature Group D switched access or Direct Trunks, the Company will apply a default PIU factor of fifty percent (50%) and assess the remaining minutes/facilities under the terms of the applicable state access tariff or written agreement between Customer and Company. The PIU factor will be used by Company to determine interstate and intrastate rates and charges where Company cannot itself determine the jurisdiction of the call transiting its network. For purposes of developing the projected interstate percentage, the Customer shall utilize the same considerations as those set forth in Section 2.3.3(B) following.

The Company will designate the number obtained by subtracting the projected interstate percentage for originating and terminating access minutes from 100 (100 -projected interstate percentage = intrastate percentage) as the projected intrastate percentage of use.

(B) For purposes of developing the projected PIU, the Customer shall consider every call that enters the Customer's network at a point within the same state as the state where the called station is located to be intrastate and every call that enters the Customer's network at a point in a state different from the state in which the called station is located to be interstate.

(C) These whole number percentages will be used by the Company to apportion the use, rates, and/or nonrecurring charges between interstate and intrastate until a revised report is received.

SECTION 2 – REGULATIONS

2.3 Obligations of the Customer (Cont'd)

2.3.3 Jurisdictional Report Requirements (Cont'd)

(D) The projected interstate percentage of use will be used to determine the charges as follows:

The number of access minutes by local switch will be multiplied by the projected interstate percentage of use to determine the interstate access minutes. (i.e., number of access minutes x projected interstate percentage of use = interstate access minutes). The number of interstate access minutes so determined will be subtracted from the total number of access minutes (i.e., number of access minutes - interstate access minutes = intrastate access minutes). The intrastate access minutes for the group will be billed as set forth in the following sections.

(E) Effective on the first of January, April, July and October of each year, the Customer may update the jurisdictional reports that require a projected interstate percentage. The Customer shall forward to the Company, to be received no later than 20 calendar days after the first of each such month, a revised report showing the interstate percentage of use for the past three months ending the last day of December, March, June and September, respectively, for each service arranged for interstate and intrastate use. Except as set forth in Section 2.3.3(A) preceding where jurisdiction can be determined from the recorded message detail, the revised report will serve as the basis for the next three months billing and will be effective on the bill date in the following month (i.e., February, May, August, and November) for that service. No prorating or back billing will be done based on the report. If the Customer does not supply the report, the Company will assume the percentage to be the same as that provided in the last quarterly report. For those cases in which a quarterly report has never been received from the Customer, the Company will assume that 50% of the traffic is intrastate.

SECTION 2 – REGULATIONS

2.3 Obligations of the Customer (Cont'd)

2.3.3 Jurisdictional Report Requirements (Cont'd)

(F) The Customer reported projected interstate percentage of use as set forth in Section 2.3.3(A) preceding will be used for the apportionment of any monthly rates or nonrecurring charges associated with Feature Groups B or D Switched Access Service until the end of the quarter during which the service was activated. Thereafter, a projected interstate percentage for such apportionment will be developed quarterly by the Company based on the data used to develop the projected interstate percentage of use as set forth in Section 2.3.3(A) preceding. Where call detail is insufficient to make such a determination, the Customer will be requested to project a interstate percentage of use to be used by the Company for such apportionment.

(G) The Customer shall keep sufficient detail from which the percentage of interstate use can be ascertained and upon request of the Company make the records available for inspection. Such a request will be initiated by the Company no more than once per year. The Customer shall supply the data within 30 calendar days of the Company request. Once the request is received, the Customer will have thirty (30) days to supply or otherwise make available data to the Company. If the Customer does not provide the requested data, Company shall apply the 50% default PIU factor to Customer's traffic. If the audit shows a substantial deviation from the Customer's previously reported PIU for the audit period, Company may request call detail records on more than an annual basis from that Customer.

SECTION 2 – REGULATIONS

2.3 Obligations of the Customer (Cont'd)

2.3.3 Jurisdictional Report Requirements (Cont'd)

(H) The Customer may provide an additional percentage of interstate use for Entrance Facility and Direct Trunked Transport subject to the reporting requirements previously listed in this section. The percentage of interstate use may be provided by state. Should the Customer not provide a percentage of interstate use, the Company will use the reported Feature Group B or Feature Group D aggregated percentage of interstate use.

SECTION 2 – REGULATIONS

2.4 Customer Equipment and Channels

2.4.1 Interconnection of Facilities

(A) In order to protect the Company's facilities and personnel and the services furnished to other Customers by the Company from potentially harmful effects, the signals applied to the Company's service shall be such as not to cause damage to the facilities of the Company. Any special interface equipment necessary to achieve the compatibility between facilities of the Company and the channels or facilities of others shall be provided at the Customer's expense.

2.4.2 Inspections

(A) The Company may, upon notification to the Customer, at a reasonable time, make such tests and inspections as may be necessary to determine that the requirements regarding the equipment and interconnections are being complied with in respect to the installation, operation and maintenance of Customer provided equipment and in the wiring of the connection of Customer channels to Company-owned facilities.

(B) If the protective requirements in connections with Customer-provided equipment are not being complied with, the Company may take such action as necessary to protect its facilities and personnel and will promptly notify the Customer by registered mail in writing of the need for protective action. In the event that the Customer fails to advise the Company within 10 days after such notice is received or within the time specified in the notice that corrective action has been taken, the Company may take whatever additional action is deemed necessary, including canceling service, to protect its facilities and personnel from harm. The Company will upon request 24 hours in advance provide Customer with a statement of technical parameters that the Customer's equipment must meet.

SECTION 2 – REGULATIONS

2.5 Customer Deposits and Advance Payments

2.5.1 Advance Payments

To safeguard its interests, the Company may, in its sole discretion, require a Customer to make an advance payment before services and facilities are furnished. The advance payment will not exceed an amount up to two months of estimated monthly usage charges. In addition, where special construction is involved, the advance payment may also include an amount equal to the estimated non-recurring charges for the special construction and recurring charges (if any) for a period to be set between the Company and the Customer. The advance payment will be credited to the Customer's initial bill. An advance payment may be required in addition to a deposit.

2.5.2 Deposits

(A) To safeguard its interests, the Company may, in its sole discretion, require a Customer to make a deposit to be held as a guarantee for the payment of charges. A deposit does not relieve the Customer of the responsibility for the prompt payment of bills on presentation. The deposit will not exceed an amount equal to:

(1) two month's charges for a service or facility;

(2) the charges that would apply for the minimum payment period for a service or facility that has a minimum payment period of more than one (1) month; except that a deposit may include an additional amount in the event that a termination charge is applicable.

(B) A deposit may be required in addition to an Advance Payment.

SECTION 2 – REGULATIONS

2.5 Customer Deposits and Advance Payments (Cont'd)

2.5.2 Deposits (Cont'd)

(C) When a service or facility is discontinued, the amount of a deposit, if any, will be applied to the Customer's account and any credit balance remaining will be refunded. Before the service or facility is discontinued, the Company may, at its option, return the deposit or credit it to the Customer's account. If the amount of the deposit is insufficient to cover the balance due to the Customer's account, the Company retains the right to collect any amounts owing after the deposit has been applied plus any costs related to the collection of any remaining balance.

(D) Deposits held will accrue interest without deductions for any taxes on such deposits. Interest will accrue on any deposit until the amount escheats to the State pursuant to law.

SECTION 2 – REGULATIONS

2.6 Payments

2.6.1 Payment for Service

The Customer is responsible for the payment of all charges for facilities and services furnished by the Company to the Customer. Customer must pay McLeodUSA for all access services provided regardless of whether Customer submitted an order to McLeodUSA to provide such services.

(A) Taxes

The Customer is responsible for payment of any sales, use, gross receipts, excise, access or other local, state and federal taxes, charges or surcharges (excluding taxes on the Company's net income) imposed on or based upon the provision, sale or use of Network Services, unless prohibited by state of federal regulation.

2.6.2 Billing and Collection of Charges

The Customer is responsible for payment of all charges incurred by the Customer or other users for services and facilities furnished to the Customer by the Company.

(A) Non-recurring charges are due and payable within 30 days after the date of the invoice.

(B) The Company shall present invoices for Recurring Charges monthly to the Customer, in advance of the month in which service is provided, and Recurring Charges shall be due and payable within 30 days after the date of the invoice. When billing is based upon customer usage, usage charges will be billed monthly for the preceding billing period.

(C) When service does not begin on the first day of the month, or end on the last day of the month, the charge for the fraction of the month in which service was furnished will be calculated on a prorate basis. For this purpose, every month is considered to have 30 days.

SECTION 2 – REGULATIONS

2.6 Payments (Cont'd)

2.6.2 Billing and Collection of Charges (Cont'd)

(D) Billing of the Customer by the Company will begin on the Service Commencement Date. Upon request, the Service Commencement Date may be postponed by mutual agreement of the parties, or if the service or facility does not conform to standards set forth in this tariff or the Service Order. Billing accrues through and includes the day that the service, circuit, arrangement or component is discontinued.

(E) If any portion of the payment is received by the Company after the date due, or if any portion of the payment is received by the Company in funds which are not immediately available upon presentment, then a late payment penalty shall be due to the Company. The late payment penalty shall be the portion of the payment not received by the date due, multiplied by a late factor. The late factor shall be the lesser of:

(a) a rate of 0.000590 per day, compounded daily; or

(b) the highest interest rate which may be applied under state law for commercial transactions.

(F) The Customer will be assessed a charge of **fifty dollars ($50.00, with a maximum rate of $55.00)** or the maximum permitted by law for a customer, whichever is greater, for each check submitted by the Customer to the Company which a financial institution refuses to honor. **(T) (I) (T)**

(Section 2.6.2(G) moved to Sheet No. 30 due to space limitations.) **(M) | (M)**

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SECTION 2 – REGULATIONS

2.6 Payments (Cont'd)

2.6.2 Billing and Collection of Charges (Cont'd)

(G) Customers have up to 90 days (commencing 5 days after remittance of the bill) to initiate a dispute over charges or to receive credits. Payment by Customer of an invoice without timely initiating a billing dispute shall be deemed an admission by Customer that it used the access services provided, the rates charged were valid, and the billing was correct. (M)

(H) Customer may withhold amounts disputed in good faith until either the Customer is informed that McLeodUSA has denied the dispute or 90 days, whichever comes first. Once a billing dispute is denied or a filed dispute remains unresolved after 90 days, Customer must pay the disputed amount to McLeodUSA.

(I) If service is disconnected by the Company in accordance with Section 2.6.3 following and later restored, restoration of service will be subject to all applicable installation charges.

SECTION 2 – REGULATIONS

2.6 Payments (Cont'd)

2.6.3 Discontinuance of Service for Cause

(A) Upon nonpayment of any amounts owing to the Company, the Company may, pursuant to administrative rules, discontinue or suspend service without incurring any liability ten (10) days after providing written notice to a customer. Subject to applicable law, McLeodUSA may deliver such notice via electronic mail or facsimile.

(B) Upon violation of any of the other material terms or conditions for furnishing service the Company may, pursuant to the Commission's rules, discontinue or suspend service without incurring any liability.

(C) Upon condemnation of any material portion of the facilities used by the Company to provide service to a Customer or if a casualty renders all or any material portion of such facilities inoperable beyond feasible repair, the Company, by notice to the Customer, may discontinue or suspend service without incurring any liability.

(D) Upon the Customer's insolvency, assignment for the benefit of creditors, filing for bankruptcy or reorganization, or failing to discharge an involuntary petition within the time permitted by law, the Company may immediately discontinue or suspend service without incurring any liability.

(E) Upon any governmental prohibition or required alteration of the services to be provided or any violation of an applicable law or regulation, the Company may immediately discontinue or alter service as required without incurring any liability.

SECTION 2 – REGULATIONS

2.6 Payments (Cont'd)

2.6.3 Discontinuance of Service for Cause (cont'd)

(F) In the event of fraudulent use of the Company's network, the Company may without notice suspend or discontinue service. The Customer will be liable for all related costs. The Customer will also be responsible for payment of any reconnection charges.

(G) Upon the Company's discontinuance of service to the Customer under Section 2.6.3(A) or 2.6.3(B), the Company, in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this tariff, may declare all future monthly and other charges which would have been payable by the Customer during the remainder of the term for which such services would have otherwise been provided to the Customer to be immediately due and payable.

2.6.4 Notice to Company for Cancellation of Service

Customers desiring to terminate service shall provide Company thirty (30) days written notice of desire to terminate service.

SECTION 2 – REGULATIONS

2.6 Payments (Cont'd)

2.6.5 Ordering, Rating and Billing of Access Services Where More Than One Exchange Telephone Company is Involved

Meet point billing applies when more than one Exchange Telephone Company is involved in the provision of Access Service. All recurring and nonrecurring charges for services provided by each Exchange Telephone Company are billed under each company's applicable rates as set forth in Section 2.6.5 (A) following.

The Company accepts and adheres to the Ordering and Billing Forum guidelines, Multiple Exchange Carrier Access Billing (MECAB) and Multiple Exchange Carrier Ordering and Design (MECOD).

The Company will handle ordering, rating and billing of Access Services under this tariff where more than one Exchange Telephone Company is involved in the provision of Access Service as follows.

(A) For Feature Group B and/or D Switched Access Service, when the first point of switching is not in the same Exchange Telephone Company's territory as the Customer premises, the Customer must supply a copy of the order to the Exchange Telephone Company in whose territory the Customer premises is located and any other Exchange Telephone Company(s) involved in providing the service.

Each Exchange Telephone Company will provide the portion of Local Transport to an interconnection point (IP) with another Exchange Telephone Company, and will bill the charges in accordance with its Access Service tariff. The rate for the transport elements will be determined as set forth in (B) following. All other appropriate charges in each Exchange Telephone Company tariff are applicable.

SECTION 2 – REGULATIONS

2.6 Payments (Cont'd)

2.6.5 Ordering, Rating and Billing of Access Services Where More Than One Exchange Telephone Company is Involved (Cont'd)

(B) The charge for the Local Transport Facility and Termination rate elements for services provided as set forth in Section 2.6.5 (A) preceding are determined as follows:

(1) Determine the appropriate Switched Access Local Transport mileage by computing the airline mileage between the two ends of the Local Transport Facility, as defined in 3.3.1 following. Determine the airline mileage for the Local Transport Facility charge using the V&H method as set forth in Section 2.8.2 following.

(2) For Feature Groups B or D Switched Access Service, the Local Transport Facility and Termination charges are determined by using the steps set forth in (a) through (c) following for the total Local Transport-Common Switched Transport charges.

(a) Multiply:

The number of access minutes
by
the number of airline miles as determined in (1) preceding
by
the Company's appropriate Local Transport Facility per mile per access minute rate
by
the Company's billing percentage factor.

SECTION 2 – REGULATIONS

2.6 Payments (Cont'd)

2.6.5 Ordering, Rating and Billing of Access Services Where More Than One Exchange Telephone Company is Involved (Cont'd)

(B) (Cont'd)

(2) (Cont'd)

(b) Multiply:

The number of access minutes
by
the Company's appropriate Local Transport Termination per minute rate. The resulting amount is the Company's total Local Transport Termination charge.

(c) Add:

The products of (a) and (b) for the Company's total Local Transport-Common Switched Transport charges.

SECTION 2 – REGULATIONS

2.6 Payments (Cont'd)

2.6.5 Ordering, Rating and Billing of Access Services Where More Than One Exchange Telephone Company is Involved (Cont'd)

(C) The interconnection points will be determined by the Exchange Telephone Companies involved. The billing percentage (BP) factor for the Company for the service between the involved offices will be listed in NATIONAL EXCHANGE CARRIER ASSOCIATION, INC. TARIFF F.C.C. NO. 4.

(D) Should any changes be made to the meet point billing arrangements as set forth in Section 2.6.5 (A) preceding, the Company will give affected Customers 30 days' notice.

(E) Should the Company act as an intermediate, non-terminating local exchange carrier, Local Transport Termination rates, as determined in Section 2.6.5 (B) preceding, will not be applied to the meet point billing arrangement.

SECTION 2 – REGULATIONS

2.6 Payments (Cont'd)

2.6.6 Changes in Service Requested

If the Customer makes or requests material changes in circuit engineering, equipment specifications, service parameters, premises locations, or otherwise materially modifies any provision of the application for service, the Customer's installation fees shall be adjusted according to the term and conditions set forth in 3.2.3 following, Access Order Modifications.

2.6.7 Customer Overpayment

The Company will pay interest on a Customer overpayment. Customer overpayment shall mean a payment to the Company in excess of the correct charges for service when caused by erroneous billing by the Company. The rate of interest shall be the unadjusted interest rate paid on Customer deposits or the late payment penalty rate, whichever is greater. Interest shall be paid from the date when the Customer overpayment was made, adjusted for any changes in the deposit interest rate or late payment penalty rate, and compounded monthly, until the date when the overpayment is refunded. No interest shall be paid on Customer overpayments that are refunded within thirty (30) days after such overpayment is received by the Company.

SECTION 2 – REGULATIONS

2.7 Allowance for Interruptions in Service

Except as set forth in 2.1.4(B) preceding and 2.7.2 following, interruptions in service, which are not due to the negligence of, or noncompliance with the provisions of this tariff by, the Customer or the operation or malfunction of the facilities, power or equipment provided by the Customer, will be credited to the Customer as set forth in 2.7.1 for the part of the service that the interruption affects.

2.7.1 Credit for Interruptions

(A) A credit allowance will be made when an interruption occurs because of a failure of any component furnished by the Company under this tariff. An interruption period begins when the Company becomes aware that the service, facility or circuit is interrupted and the Customer releases it for testing and repair. An interruption period ends when the service, facility or circuit is operative. If the Customer reports a service, facility or circuit to be inoperative but declines to release it for testing and repair, it is considered to be impaired, but not interrupted.

(B) For calculating credit allowances, every month is considered to have 30 days. A credit allowance is applied on a pro rate basis against the rates specified hereunder and is dependent upon the length of the interruption. Only those facilities on the interrupted portion of the circuit will receive a credit.

(C) Credit allowances shall be made as follows:

(1) For Switched Access Service, no credit shall be allowed for an interruption of less than 24 hours. The customer shall be credited for an interruption of 24 hours or more at the rate of 1/30 of the minimum monthly usage charge for each period of 24 hours or major fraction thereof that the interruption continues. Credit provided pursuant to this section is only provided for facility charges.

SECTION 2 – REGULATIONS

2.7 Allowances for Interruptions in Services (Cont'd)

2.7.2 Limitations on Allowances

No credit allowance will be made for:

(A) interruptions due to the negligence of, or noncompliance with the provisions of this tariff by the Customer, authorized user, joint user, or other common carrier receiving the service of the Company;

(B) interruptions due to the negligence of any person other than the Company;

(C) interruptions due to the failure or malfunction of end-user or Customer equipment;

(D) interruptions of service during any period in which the Company is not given full and free access to its facilities and equipment for the purpose of investigating and correcting interruptions;

(E) interruptions of service during a period in which the Customer continues to use the service on an impaired basis;

(F) interruptions of service during any period when the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements; except that a credit allowance will apply if the service interruption continues for more than 24 hours after the end of the service period for maintenance; or

(G) (reserved for future use)

SECTION 2 – REGULATIONS

2.8 Application of Rates

The regulations set forth in this section govern the application of rates for services contained in other sections of this tariff.

2.8.1 Charges Based on Duration of Use

Customer traffic to local switches will be measured by the Company at local switches. Originating and terminating calls will be measured by the Company to determine the basis for computing chargeable access minutes.

For originating calls over Feature Group B or D or Direct Trunks, usage measurement begins when the originating Feature Group B or D switch receives the first wink supervisory signal forwarded from the Customer's point of termination.

The measurement of originating call usage ends when the originating Feature Group B or D switch receives disconnect supervision from either the originating end user's local switch, indicating the originating end user has disconnected, or the Customer's point of termination, whichever is recognized first by the switch.

For terminating calls over Feature Group B or D of Direct Trunks, the measurement of access minutes begins when the terminating Feature Group B or D, or Feature Group D Direct Trunk switch receives answer supervision from the terminating end user's local switch, indicating the terminating end user has answered.

The measurement of terminating call usage over Feature Group B or D or Direct Trunk ends when the terminating Feature Group B or D or Direct Trunk switch receives disconnect supervision from either the terminating end user's local switch, indicating the terminating end user has disconnected, or the Customer's point of termination, whichever is recognized first by the switch.

Access minutes or fractions thereof are accumulated over the billing period for each local switch and are then rounded up to the nearest access minute for each local switch.

SECTION 2 – REGULATIONS

2.8 Application of Rates (Cont'd)

2.8.2 Rates Based Upon Distance

Where the charges for service are specified based upon distance, the following rules apply:

(A) Distance between two points is measured as airline distance between the wire centers of the originating and terminating telephone lines. The wire center is a set of geographic coordinates, as referenced in NATIONAL EXCHANGE CARRIER ASSOCIATION, INC. TARIFF FCC No. 4, associated with each NPA-NXX combination (where NPA is the area code and NXX is the first three digits of a seven-digit telephone number).

SECTION 2 – REGULATIONS

2.8 Application of Rates (Cont'd)

2.8.2 Rates Based Upon Distance (Cont'd)

(B) The airline distance between any two wire centers is determined as follows:

(1) Obtain the "V" and "H" coordinates for each wire center from the above-referenced NECA tariff.

(2) Compute the difference between the "V" coordinates of the two wire centers; and the difference between the two "H" coordinates.

(3) Square each difference obtained in step (2) above.

(4) Add the square of the "V" difference and the square of the "H" difference obtained in step (3).

(5) Divide the sum of the squares by 10. Round to the next higher whole number if any fraction is obtained.

(6) Obtain the square root of the whole number result obtained above. Round to the next higher whole number if any fraction is obtained. This is the airline mileage.

(7) Formula = $\frac{(V1 - V2)^2 + (H1 - H2)^2}{10}$ (square root)

SECTION 2 – REGULATIONS

2.8 Application of Rates (Cont'd)

2.8.3 Mileage

The mileage to be used to determine the Local Transport Facility monthly rates are calculated on the airline distance between the end office switch where the call carried by Local Transport originates or terminates and the customer's serving wire center. The V&H coordinates method is used to determine mileage. This method is set forth in Section 2.8.2.

The Local Transport Facility mileage rates are shown in Section 5.1.3 in terms of per mile per access minute. To determine the rate to be billed, first compute the mileage. Should the calculation result in a fraction of a mile, always round up to the next whole mile before determining the mileage. Then multiply the mileage by the appropriate Local Transport Facility rate. The amount to be billed shall be the product of this calculation (i.e., the number of miles multiplied by the per mile rate) multiplied by the number of access minutes.

SECTION 3 – SERVICE AND RATE DESCRIPTIONS

3.1 Access Services Description

Switched Access Service, which is available to Customers for their use in furnishing services to end users, provides a two-point communications path between a Customer's premises (or a collocated interconnection location) and an End User's premises, with or without another carrier providing service directly to the End User. It provides for the use of common terminating, switching and trunking facilities. Switched Access Service provides for the ability to originate calls from an End User's premises to a Customer's premises (or a collocated interconnection location), and to terminate calls from a Customer's premises (or a collocated interconnection location) to an End User's premises in the LATA where it is provided. Switched Access Service must be ordered separately for each LATA in which the customer desires to originate or terminate calls. Company and affected carriers may mutually agree to the application of rates different from the rates contained in this tariff.

Switched Access Service is provided in the following service categories, which are differentiated by their technical characteristics and the manner in which an End User or Customer accesses them when originating or terminating calls.

3.1.1 FGB Access, which is available to all Customers, provides trunk side access to Company end office switches with an associated uniform 950-XXXX access code for the Customer's use in originating and terminating communications.

3.1.2 FGD Access, which is available to all Customers, provides trunk side access to Company local switches with an associated uniform 1OXXX or 101 XXXX access code for the Customer's use in originating and terminating communications. End Users may also originate calls to a selected FGD Access Customer by dialing 1 + NPA-NXX-XXXX when using the Company's presubscription service, or by dialing a local or ten-digit number when originating a call using another Exchange Telephone Company□s services.

3.1.3 Toll Free Data Base Access Service, which is available to all Customers, provides trunk side access to Company local switches in the originating direction only, for the Customer's use in originating calls dialed by an End User to telephone numbers beginning with prefixes associated with toll free calls, such as "800" or "888".

SECTION 3 – SERVICE AND RATE DESCRIPTIONS

3.1 Access Services Description (Cont'd)

3.1.4 Direct Trunk, which is available to Customers that have direct trunks connected to McLeodUSA local switching, provides trunk side access to Company local switches for the sole purpose of originating and terminating interexchange communications with an associated uniform 1OXXX or 101 XXXX access code for the Customer's use in originating and terminating communications. End Users may also originate calls to a selected Direct Trunk Customer by dialing 1 + NPA-NXX-XXXX when using the Company's presubscription service, or by dialing a local or ten-digit number when originating a call using another Exchange Telephone Company's services. All traffic routed by a Customer over a Direct Trunk facility is subject to applicable access charges.

SECTION 3 – SERVICE AND RATE DESCRIPTIONS

3.2 Access Service Order

An Access Service Order is used by the Company to provide a Customer Access Service. When placing an order for Access Service, the Customer shall provide, at a minimum, the following information:

3.2.1 Order Contents

(A) For Feature Group B Switched Access Service:

When direct routing to a local switch is desired, the Customer shall specify:

- the number of trunks,
- the local switch
- Customer PIU, and
- the Local Transport and Local Switching options desired.
- When local switch routing via an access tandem switch operated by another Exchange Telephone Company is desired, the Customer shall specify:
- the number of trunks,
- the access tandem switch,
- the Local Transport and Local Switching options desired
- Customer PIU, and
- an estimate of the amount of traffic to be generated to and/or from each Company local switch subtending another Exchange Telephone Company's access tandem.

In addition, the Customer shall also specify for terminating only access, whether the trunks are to be arranged in trunk group arrangements or provided as single trunks.

SECTION 3 – SERVICE AND RATE DESCRIPTIONS

3.2 Access Service Order (Cont'd)

3.2.1 Order Contents (Cont'd)

(B) For Feature Group D Switched Access Service, the Customer shall specify the means by which traffic shall be routed (through a direct trunk or a tandem switching facility). When FGD is ordered by specifying the number of trunks and direct routing to an end office is desired, the customer shall specify:

- the Local Switch and
- the Local Transport and Local Switching options desired.

When FGD is ordered by specifying the number of trunks and local switch routing via an access tandem operated by another Exchange Telephone Company is desired, the customer shall specify:

- the access tandem,
- the Local Transport and Local Switching options desired, and
- an estimate of the amount of traffic to be generated to and/or from each Company local switch subtending another Exchange Telephone Company's access tandem.

When a Customer orders FGD in trunks, the Customer is responsible to assure that sufficient access facilities have been ordered to handle its traffic.

(C) For Toll Free Data Base Access Service, the Customer shall order the service in accordance with the preceding provisions set forth for Feature Group D.

(D) For Direct Trunk service, the Customer shall order the service in accordance with the preceding provisions set forth for Feature Group D, and Customer shall order the Direct Trunks from McLeodUSA. Customer is responsible for the cost of installing and maintaining the Direct Trunk in absence of a written ICB agreement.

SECTION 3 – SERVICE AND RATE DESCRIPTIONS

3.2 Access Service Order (Cont'd)

3.2.2 Access Order Service Date

McLeodUSA shall make available to all customers within a reasonable time of a request a schedule of applicable service dates and any associated relevant information. The schedule shall specify the applicable service date for services and the quantities of services that can be provided in the applicable service date.

McLeodUSA will not accept orders for service dates which exceed the applicable service date by more than six months.

Access Services will be installed during Company business days. If a Customer requests that installation be done outside of scheduled work hours, and the Company agrees to this request, the Company in advance of expediting an order will provide the Customer an estimate of the anticipated charges calculated at an overtime rate determined by the Company.

3.2.3 Access Order Modifications

The Customer may request a modification of its Access Order prior to the service date. The Company will make every effort to accommodate a requested modification.

Any increase in the number of Switched Access Service lines, trunks or busy hour minutes of capacity or CCSA signaling connections will be treated as a new Access Order (for the increased amount only).

SECTION 3 – SERVICE AND RATE DESCRIPTIONS

3.2 Access Service Order (Cont'd)

3.2.4 Cancellation of an Access Order

(A) A Customer may cancel an Access Order for the installation of service at any time prior to notification by the Company that services available for the Customer's use or prior to the service date, whichever is later. The cancellation date is the date the Company receives written notice from the Customer that the order is to be cancelled. If a Customer or a Customer's end user is unable to accept Access Service within 30 calendar days after the original service date, the Customer has the choice of the following options:

- The Access Order shall be cancelled and charges set forth in (B) following will apply, or

- Billing for the service will commence.

If no cancellation request is received within the specified 30 calendar days, billing for the service will commence. In any event, the cancellation date or the date billing is to commence, as applicable, shall be the 31st day beyond the original service date of the Access Order.

SECTION 3 – SERVICE AND RATE DESCRIPTIONS

3.2 Access Service Order (Cont'd)

3.2.4 Cancellation of an Access Order (Cont'd)

(B) When a customer cancels an Access Order for the installation of service, a Cancellation Charge will apply as follows:

(1) Installation of Switched Access Service facilities is considered to have started when the Company incurs any cost in connection therewith or in preparation thereof which would not otherwise have been incurred.

(2) Where the customer cancels an Access Order prior to the start of installation of access facilities, no charges shall apply.

(3) Where installation of access facilities has been started prior to the cancellation, the charges specified in (a) or (b) following, whichever is lower, shall apply.

(a) A charge equal to the cost incurred in such installation, less estimated net salvage. Such charge is determined as detailed in (4) following.

(b) The charge for the minimum period of Switched Access Service ordered by the customer.

These charges also apply to that portion of facilities cancelled in the case of a partial cancellation, i.e., in the case of a customer requesting a reduction of the number of lines or trunks.

(4) Charges applicable as specified in (3)(a) preceding include the nonrecoverable cost of equipment and material ordered, plus the nonrecoverable cost of installation and removal including the costs of engineering, labor, supervisions, transportation, rights-of-way and other associated costs.

SECTION 3 – SERVICE AND RATE DESCRIPTIONS

3.2 Access Service Order (Cont'd)

3.2.5 Minimum Period

(A) Unless otherwise specified, the minimum period for which Access Service is provided and for which charges are applicable, is one month.

(B) The following changes will be treated as a discontinuance of the existing service and an installation of a new service. All associated nonrecurring charges will apply for the new service.

The changes listed below are those which will be treated as a discontinuance and installation of service and for which a new minimum period will be established.

(1) A move to a different building.
(2) A change in type of service.
(3) A change in Switched Access Service traffic type.
(4) A change in Company-provided Switched Access Service to a Collocated Interconnection arrangement or vice versa.

(C) When Access Service is disconnected prior to the expiration of the minimum period, charges are applicable for the balance of the minimum period.

The Minimum Period Charge for monthly billed services will be determined as follows:

For Switched Access Service, the charge for a month or fraction thereof is equal to the applicable minimum monthly charge for the capacity.

All applicable nonrecurring charges for the service will be billed in addition to the Minimum Period Charge.

SECTION 3 – SERVICE AND RATE DESCRIPTIONS

3.2 Access Service Order (Cont'd)

3.2.6 Nonrecurring Charges

Nonrecurring charges are one-time charges that apply for a specific work activity (i.e., installation or change to an existing service). Types of nonrecurring charges that apply for Switched Access Service are: installation of service and service rearrangements.

(1) Installation of Service

A Local Transport nonrecurring installation charge will applied at the serving wire center for each Entrance Facility and for each direct trunked transport line or trunk installed. Additionally, a nonrecurring trunk activation charge will be applied at each local switch on a per order per local switch basis for each group of 24 Direct Trunked Transport trunks or fraction thereof that is activated. A maximum of 24 trunks can be activated on a DS1 facility.

(2) Service Rearrangements

All changes to existing services other than changes involving administrative activities only will be treated as a discontinuance of the existing service and an installation of a new service. The nonrecurring charge described in (1) preceding will apply for this work activity. Moves that change the physical location of the point of termination are described below.

(a) Moves Within the Same Building

When the move is to a new location within the same building, the charge for the move will be an amount equal to one half of the nonrecurring charge for the capacity affected. There will be no change in the minimum period requirements.

SECTION 3 – SERVICE AND RATE DESCRIPTIONS

3.2 Access Service Order (Cont'd)

3.2.6 Nonrecurring Charges (Cont'd)

(2) Service Rearrangements (Cont'd)

(b) Moves to a Different Building

Moves to a different building will be treated as a discontinuance and start of service and all associated nonrecurring charges will apply. New minimum period requirements will be established for the new service. The Customer will also remain responsible for satisfying all outstanding minimum period charges for the discontinued service.

SECTION 3 – SERVICE AND RATE DESCRIPTIONS

3.3 Access Rate Categories

3.3.1 Standard Rate Categories

The following rate categories apply to all forms of Switched Access Service, except as stated in 3.3.2:

- Carrier Common Line
- Local Transport
- Switching

Due to current billing system limitations, billing of certain of the following rate categories may appear on the billing invoice under a similar but not identical term. If the applicable rate category is unclear from the invoice, the corresponding invoice name will be provided upon request.

(A) Carrier Common Line

Carrier Common Line ("CCL") Access Service provides for the use of Company common lines by Customers for access to End Users to furnish intrastate communications service. Carrier Common Line Access is provided where the Customer obtains Switched Access Service under this Tariff or ICB agreement. The CCL rate will be charged where permitted by law.

SECTION 3 – SERVICE AND RATE DESCRIPTIONS

3.3 Access Rate Categories (cont'd)

3.3.1 Standard Rate Categories (cont'd)

(B) Local Transport

The Local Transport Rate Category includes five classifications of rate elements: (1) Entrance Facility, (2) Direct Trunked Transport, (3) Tandem Switched Transport, (4) Interconnection Charge, and (5) Multiplexing.

(1) Entrance Facility

The Entrance Facility provides a communications path between a customer designated premises and the McLeodUSA switching office. Two types of Entrance Facility are available:

- Voice Grade – voice frequency transmission capability in the nominal range of 300 to 3000 Hz and may be terminated 4-wire;
- DS1 – facility capable of transmitting electrical signals at a nominal 1.544 Mbps, with the capability to channelize up to 24 voice-frequency transmission paths.

Non-recurring charges as set forth in Section 6.1 following apply. One charge, as set forth in Section 6.2 following, applies for each Entrance Facility that is terminated at a customer designated premises.

SECTION 3 – SERVICE AND RATE DESCRIPTIONS

3.3 Access Rate Categories (cont'd)

3.3.1 Standard Rate Categories (cont'd)

(B) Local Transport (cont'd)

(2) Local Transport- Direct Trunked Transport

The Local Transport-Direct Trunked Transport provides the transmission path from the serving wire center of the Customer's premises to a McLeodUSA switch. This transmission path is dedicated to the use of a single Customer.

Two types of Direct Trunked Transport are available:

- Voice Grade – voice frequency transmission capability in the nominal range of 300 to 3000 Hz and may be terminated 4-wire;
- DS1 – facility capable of transmitting electrical signals at a nominal 1.544 Mbps, with the capability to channelize up to 24 voice-frequency transmission paths.

The Local Transport-Direct Trunked Transport rate category is comprised of a monthly fixed termination rate and a monthly per mile rate based on the facility provided. The fixed termination rate compensates McLeodUSA for its circuit equipment at the ends of the transmission link(s). The per mile rate compensates McLeodUSA for the transmission facilities, including intermediate transmission circuit equipment, between the end points of the circuit. The Local Transport-Direct Trunked Transport rate is the sum of the fixed rate and the per mile rate. For purposes of determining the per mile rate, mileage shall be measured as airline mileage between the serving wire center of the Customer's premises and the McLeodUSA switch or to a non-McLeodUSA switch where McLeodUSA is an intermediate carrier.

SECTION 3 – SERVICE AND RATE DESCRIPTIONS

3.3 Access Rate Categories (cont'd)

3.3.1 Standard Rate Categories (cont'd)

(B) Local Transport (cont'd)

(3) Local Transport-Tandem Transport

Tandem Transport provides a communications path between the McLeodUSA switching office and a switching office of another carrier wherein the call is either transferred to or from the McLeodUSA network. Tandem Transport rates consist of a Tandem Transport Termination rate, a Tandem Transport Facility rate, and a Tandem Functionality Switching rate.

(a) The Tandem Switched Termination rate is applied on a per access minute basis for all originating and terminating minutes of use routed between the McLeodUSA switching office and a switching office of another carrier. This charge will apply even if the McLeodUSA interoffice transmission equipment is collocated in the same building as the switching office to which the traffic is transferred (i.e. mileage is zero).

(b) The Tandem Switched Facility rate is applied on a per access minute per mile basis for all originating and terminating minutes of use routed over the interoffice facility connecting the McLeodUSA switching office and the switching office to which the traffic is transferred.

(4) Local Transport-Interconnection Charge

The Local Transport-Interconnection Charge provides for interconnection with the Company's Switched Access network. This rate element will be applied to all Switched Access minutes of use (except Local Exchange Access Service) that originate or terminate at a Company Local Switch.

SECTION 3 – SERVICE AND RATE DESCRIPTIONS

3.3 Access Rate Categories

3.3.1 Standard Rate Categories (cont'd)

(B) Local Transport (cont'd)

(5) Multiplexing

Multiplexing provides the capability of converting the capacity or bandwidth of a facility from a higher level to a lower level or from a lower level to a higher level. Multiplexing arrangements are associated with the facility with the higher capacity or bandwidth (e.g., a DS1 to voice grade multiplexing arrangement is associated with the facility using a DS1 connection). Rates for multiplexing are found in Section 6.4.

1. DS1 to Voice Grade Multiplexing

DS1 to Voice Grade multiplexing is an arrangement that provides a Company multiplexer which converts a DS1 channel to twenty-four Voice Grade channels utilizing time division multiplexing.

SECTION 3 – SERVICE AND RATE DESCRIPTIONS

3.3 Access Rate Categories (Cont'd)

3.3.1 Standard Rate Categories (Cont'd)

(C) Switching

1. Switching - Origination or Termination.

The Switching rate category provides the originating or terminating switching functions necessary to complete the transmission of Switched Access communications to and from End Users. The Switching rate category consists of a Switching - Origination and Termination rate element and an Information rate element.

The Switching rate element provides for the use of McLeodUSA's Switching equipment for purposes of originating or terminating calls, the terminations for the end user common lines terminating in the McLeodUSA Switch, and the termination of a call at a Company Intercept operator or recording.

2. Tandem Functionality

The Tandem Functionality Switching rate is applied on a per access minute, per switch basis for all access minutes of use switched wherein McLeodUSA is an intermediate carrier. The Tandem Functionality Switch rate is applied in lieu of the Switching ¥ Origination or Termination rate for an 800 call when the call originates on a CMRS network.

SECTION 3 – SERVICE AND RATE DESCRIPTIONS

3.3 Access Rate Categories (Cont'd)

3.3.2 Other Rate Categories

(A) Toll Free Data Base Access Service

Toll Free Data Base Access Service is a service offering utilizing originating trunk side Switched Access Service. The service provides for the forwarding of end user dialed Toll Free calls to a Company Service Switching Point which will initiate a query to the data base to perform the Customer identification and delivery function. The call is forwarded to the appropriate Customer based on the dialed Toll Free number. Charges for Toll Free Data Base Access Service apply on a per-query basis and are found in Section 6.8.

SECTION 3 – SERVICE AND RATE DESCRIPTIONS

3.3 Access Rate Categories (Cont'd)

3.3.2 Other Rate Categories (cont'd)

(B) Intermediate Carrier for CMRS Traffic Access Service

Intermediate Carrier for CMRS Traffic Access Service is a service that provides for the carrying of CMRS originated traffic, including 8YY traffic, from a CMRS Mobile Switching Office ("MTSO") to Company Local Switch and then to an access Customer. Company will charge for all elements of service that it provides in routing such traffic including the tandem functionality switching rate, all applicable local transport elements, and any 800 database queries.

3.4 Local Termination Service

This service provides for the termination of calls to McLeodUSA End Users over McLeodUSA facilities (including network elements leased from incumbent carriers), for those calls that appear to originate within the same local calling area as the area in which they are terminated (*i.e.*, local calls not subject to access charges). McLeodUSA will exchange traffic with other carriers at the per-minute of use rates found in Section 6.9 or, if a LEC charges McLeodUSA for providing termination of calls from McLeodUSA's end users, the same rate the LEC is charging McLeodUSA for the termination of such call, whichever is higher. Rates for Local Termination Service apply on a per minute-of-use basis and depend on whether an end office termination or tandem termination is involved.

SECTION 3 – SERVICE AND RATE DESCRIPTIONS

3.5 Miscellaneous Services

3.5.1 Presubscription

(A) Presubscription is an arrangement whereby an end user may select and designate to the Company an interexchange carrier ("IC") to access, without an access code, for intrastate interLATA calls, and intrastate intraLATA calls, and interstate interLATA calls subject to the Company's FCC Access Tariff. This IC is referred to as the end user's Primary Interexchange Carrier ("PIC"). The end user may select as its PIC the Company, or any other IC that orders originating Feature Group D Switched Access Service at the end office that serves the end user. After the end user's initial selection of a predesignated IC, for any additional change in selection, a non-recurring charge, as set forth in Section 5.2.1, applies.

(B) At the request of a new or existing end user served by a Feature Group D end office, the Company will provide a list of ICs the end user may select as its PIC. At no additional charge for the initial selection, the customer may choose either of the following options.

- Designate an IC as a PIC and dial 1OXXX or 101XXXX to reach other ICs.

- Designate that they do not want to be presubscribed to any IC and choose to dial 1OXXX or 101 XXXX for all calls to all ICs.

New end users subscribing to the Company's Exchange Access Service which do not specify a PIC will default to the Company as their initial PIC selection. Subsequent to the installation of Exchange Access Service, and after the end user's initial selection of a PIC, for any additional change in selection, a nonrecurring charge as set forth in Section 5.2.1, applies. This charge is billed to the end user that is the subscriber to the Exchange Access Service and applies only for selection of an IC which provides only interstate service.

SECTION 3 – SERVICE AND RATE DESCRIPTIONS

3.5 Miscellaneous Services (Cont'd)

3.5.1 Presubscription (Cont'd)

(C) In the event an end user is incorrectly presubscribed due to misassignment on the part of the Company, no charge shall apply. In the event an end user is incorrectly presubscribed due to misassignment on the part of the Interexchange Carrier ("IC"), and the IC is unable to document such an assignment, the Company will apply the charge to the IC responsible for the misassignment of the end user. The IC will be assessed two charges, one for the misassignment and another for the correction. The end user will then be assigned to an IC of the end user's choice.

3.5.2 Billing Name and Address Service

McLeodUSA will provide Billing Name and Address Service ("BNA") of subscribers with listed, non-published and unlisted numbers unless the subscriber requests that its BNA not be disclosed. The information will be provided to Telecommunications Service Providers for the limited purposes of billing a call, order entry, customer service, fraud prevention, and identification of customers who have moved from one location to another.

BNA will be provided on a detailed request basis or on a bulk BNA basis. Bulk BNA includes all BNA in the Exchange Company's records. An initial account set up charge will apply as set forth in Section 6.10 following.

The standard format for the detailed request for provisions of telephone number and billing name and address information will the CARE (Carrier Account Record Exchange) format. If a non-standard format is requested by the Telecommunications Service Provider, a Programming Charge as indicated in 6.10 following will apply.

A Telecommunications Service Provider must order BNA and provide a test data tape at least 30 days prior to delivery of the first order.

SECTION 3 – SERVICE AND RATE DESCRIPTIONS

3.5 Miscellaneous Services (Cont'd)

3.5.2 Billing Name and Address Service (cont'd)

Any Telecommunications Service Provider furnished BNA pursuant to this tariff, agrees to abide by all applicable rules, decisions, orders, statutes and laws concerning the disclosure of Billing Name and Address, and further agrees to use the information contained therein only for the purpose of billing for telecommunication services, order entry, customer service, fraud prevention, or identification of customers who have moved from one location to another.

BNA will be provided via magnetic tape or paper format, at the option of the Telecommunications Service Provider at the rates listed in 6.10 following. A per record charge is also applicable for each request. The charges apply to all requests including but not limited to records no found, duplicate requests, invalid requests, and invalid information.

SECTION 3 – SERVICE AND RATE DESCRIPTIONS

3.5 Miscellaneous Services (cont'd)

3.5.3 Access Service Billing

(A) The customer shall receive its primary access service monthly bills and Customer Service Records ("CSRs") in a standard paper format at no charge.

At the option of the customer, primary access service monthly bills and CSRs may be requested on magnetic tape reel or cartridge or transmitted by electronic data transmission to the customer's premises, in lieu of the standard paper format at no charge.

Upon Company acceptance of an order for electronic data transmission, the Company will determine the period of time to implement the transmission of such material on an individual order basis. Customers requesting electronic data transmission are responsible for all recurring and non-recurring charges associated with the data transmission circuit.

(B) Additional copies of the customer's monthly bill and/or Customer Service Record ("CSR") may be provided, per request, in a standard paper, magnetic tape reel or magnetic tape cartridge format for an additional charge.

(1) Standard Paper
Customers requesting additional copies of monthly bills and/or CSRs in a standard paper format are assessed a per request charge for each bill and/or each CSR requested and a per page charge.

(2) Magnetic Tape Reel or Cartridge
Customers requesting additional copies of monthly bills and/or CSRs in a magnetic tape reel or cartridge format are assessed a per reel or per cartridge charge. Only one type of magnetic tape (i.e., reel or cartridge) will be provided per request. This service is only available to customers currently receiving magnetic tape reel or cartridge as their primary access services bill format.

SECTION 3 – SERVICE AND RATE DESCRIPTIONS

3.5 Miscellaneous Services (cont'd)

3.5.3 Access Service Billing (Cont'd)

(3) Electronic Text File Via E-mail

Customers requesting additional copies of monthly bills and/or CSRs in an electronic text file will receive via e-mail a document image of the invoice in an electronic text file format. This option may not be used by a customer more than once in a six month period. Customers will be assessed a per request charge for each bill and/or each CSR requested in an electronic text file format.

3.5.4 Wholesale Services Service Order Processing

A Wholesale Service Order charge applies to all providers of telecommunications services that assess a non-recurring charge on McLeodUSA for the processing of comparable orders submitted by McLeodUSA to initiate service. A Requesting Carrier may submit an LSR during regular business hours of McLeodUSA. One LSR must be submitted for each retail End User switching from McLeodUSA to the Requesting Carrier. McLeodUSA will process an LSR and return a firm order commitment ("FOC") to the requesting carrier within 48 hours of receipt. A Wholesale Service Order Charge shall be charged for each LSR received, whether accepted as valid or rejected as invalid. LSRs may be rejected for inaccurate, incomplete, or repetitive LSRs. An additional Service Order Charge applies when the Requesting Carrier cancels an LSR request. A separate Service Order Supplemental Charge applies when a Requesting Carrier submits an LSR that modifies or supplements the initial LSR. A Requesting Carrier may request expedited processing of the LSR within 24 hours for an additional Expedite Fee. A Forced Expedite Fee applies if the Requesting Carrier converts a retail customer's service before the Firm Order Commitment Date that causes McLeodUSA to expedite its required activities. An additional charge also applies to an LSR Expedite Order that involves a loop disconnect. A full set of Business Rules is available from McLeodUSA.

SECTION 4 – END USER ACCESS SERVICE

END USER ACCESS SERVICE

4.1 General

End User Access Service provides for the use of Company common lines by end users and resellers (carriers that purchase subscriber lines for resale) who obtain local exchange service from the Company under its general/local exchange tariffs. End User Access Service as described in this section consist of End User Common Line (EUCL) charges.

4.2 Rates

EUCL charges are contained in McLeodUSA's federal access tariff, on file with the Federal Communications Commission.

SECTION 5 – CARRIER ACCESS SERVICE

CARRIER ACCESS SERVICE

5.1 General

Carrier Common Line Charge ("CCLC") is a charge to all Common Carriers accessing McLeodUSA□s switched facilities that applies on an access per-minute-of-use basis.

5.2 Rates

CCLC Origination	$0.0113 per minute
CCLC Termination	$0.0113 per minute

SECTION 6 – RATES

6.1 Nonrecurring Charges	Non-Recurring Charge
(A) Installation Per Entrance Facility	
- Voice Grade	$161.00
- DS1	$181.00
(B) Installation Direct Trunked Transport Per Line or Trunk	$31.76
(C) Direct Trunked Transport Activation Per 24 trunks or fraction thereof Per Order - End Office	$249.00
(D) Access Order Charge, per order	$50.00
(E) Service Date Change Charge, per change per order	$100.00
(F) Design Change Charge, per change per order	$100.00

SECTION 6 – RATES

			Monthly Recurring
6.2	Entrance Facility		
	(A)	Voice Grade	$54.03
	(B)	DS1	$179.13
6.3	Direct Trunked Transport		
	(A)	Termination	
		Voice Grade	$24.17
		DS1	$95.62
	(B)	Facility – per mile	
		Voice Grade	$2.41
		DS1	$19.39
6.4	Multiplexing		
	Per Arrangement		
		DS1 to Voice	$183.12

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SECTION 6 – RATES

			Per Access Minute		
6.5.	Tandem Transport		Current	Maximum	
	(A)	Tandem Switched Termination	$0.0012		
	(B)	Tandem Switched Facility – per mile	**$0.00190**	**$0.00300**	**(I) (I)**
6.6	Interconnection Charge				
		Per Access Minute	$0.013443		
6.7	Switching				
	(A)	Origination or Termination	$0.01029		
	(B)	Tandem Functionality	$0.00617		

SECTION 6 – RATES

6.8	Toll Free Data Base Access Service	Rate
	Per Query	$0.005

6.9	Local Termination Service	Per-Minute Rate
(A)	End Office Termination	$0.01015
(B)	Tandem Termination	$0.01326

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SECTION 6 – RATES

6.10 Miscellaneous Services

(A) Billing Name and Address Service

	Non-Recurring Charge
Initial Account Set-Up	$200.00
	Per Request
Paper Report Charge	
Per Report	$65.00
Per Record	$0.10
Magnetic Tape Report Charge	
Per Report	$80.00
Per Record	$0.01
Programming Charge	
Per Hour	$ 70.00

SECTION 6 – RATES

6.10 Miscellaneous Services (cont'd)

(B) Access Service Billing	Per Request
Paper	
Each bill and/or CSR request	$20.00
Per page	$0.04
Magnetic Tape Reel	
Each reel request	$40.00
Magnetic Tape Cartridge	
Each cartridge request	$40.00
Electronic Via E-mail (Text file format only)	
Each bill and/or CSR request	$20.00

(C) Presubscription	Non-Recurring Charge
Presubscription -Per Telephone Exchange Service Line or Trunk	$ 5.00
Unauthorized PIC change	$30.00

(D) Wholesale Service Order Charge	
Wholesale Service Order	$30.00
Service Order Supplemental Charge	$20.00
Expedite Fee	$60.00
Forced Expedite Fee	$100.00

* For Expedite or Forced Expedite Request involving Loop Disconnect, the applicable charge applies in addition to a pass through of any monthly recurring charges for an unbundled loop charged by the ILEC after Customer conversion to Requesting Carrier's service.